RHT HOLDING

Annual Report 2023

TABLE OF CONTENT

ABOUT THE GROUP

RHT Holding Ltd (RHT) initially started its operations in 1954 under the name Rose-Hill Transport Ltd, operating in public transport in Mauritius. Through its years of experience in the bus services sector, RHT 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 August 4, 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.

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 September 7, 2015, RHT 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.

TAGLINE

CREATING VALUE.

OUR VISION

TO BE THE LEADER IN SUSTAINABLE INVESTMENTS, TECHNOLOGY AND MOBILITY BEYOND BOUNDARIES.

OUR MISSION

CREATING SUSTAINABLE VALUE THROUGH RESPONSIBLE PRACTICES.

OUR VALUES

ADAPTIVE | ETHICAL | ENTREPRENEURIAL | EMPATHY | INNOVATE | PASSIONATE | RESOURCEFUL

MOVING FORWARD

TOGETHER

CHAIRPERSON OF BOARD OF DIRECTORS' STATEMENT

"RHT Group is consolidating its Brand on the continental front, moving from being a Mauritian Brand into becoming an African Brand"

Paul Chung Kim Fung Ah Leung
Chairperson and
Non-Executive Director

Dear valued Shareholder,

On behalf of the Board of Directors, I am pleased to present the Annual Report of RHT Holding Ltd for the year ended June 30, 2023.

Last year, in my report, the word **audacity** was used. Audacity has been part and parcel of RHTs genetic material since its creation in 1954 and indeed, over the recent years, our motto has been ***leadership through innovation*** ... A few examples

- Introduction of double decker bus as early as 1962;
- Introduction of the first fleet of air-conditioned buses;
- Introduction of cashless payment. (Tap-to-pay);
- Appointment of the first lady bus conductors and lady drivers;
- Implementation of One-man operated buses;
- Free Wi-Fi on the bus;
- ***Chef on the bus*** (meal on the go);
- Mobile App for bus tracking (an online bus schedule via GPS);
- Re-introduction of the double decker;
- Introduction of the first Full Electric Buses;

Of course, some projects were too much ahead of their time ... many failed, but many succeeded and paved the way to improvements in the public transportation services in Mauritius.

DIVERSIFICATION STRATEGIES

We have continued the Group's diversification at an accelerated pace. Indeed, in the public transportation cluster, we have been applying for additional routes in areas never served by RHT Bus services before, further diversification into private hire with further collaboration with the Tour Operators and Hotels.

However, as previously reported, unless a clear National Public Transportation strategy is deployed, RHT Bus Services will not be able to fully play its role as an innovative partner in offering efficient and cost-effective mass transit services to respond to the needs of the population, and other stakeholders of our country.

Within continental Africa, we are leveraging our nearly 70 years of experience in public transportation. We have stepped up our management teams to enable us secure Operations Management Contracts (OMC) in some major cities in countries in mainland Africa as well as positioning our Group as a Bus Rapid Transit (BRT) management company. It is worth noting that these Bus Rapid Transit projects are, technical and financial partnerships between RHT Africa and some global players such as Scania and IFC.

There has been a significant development in Cameroon recently, following a visit to that country.

The company has been invited by the Government of Cameroon to start an operation in the country with local partners with the support of Scania. We will therefore proceed with a feasibility study. This opportunity represents a real boost for RHT Africa and validates our business model and belief concerning opportunities in the O & M (Operational and Management) on the continent.

> **"Within continental Africa, we are leveraging our nearly 70 years of experience in public transportation."**

CHAIRPERSON OF BOARD OF DIRECTORS' STATEMENT (CONT'D)

AFRICAN DIVERSIFICATION

RHT Group is consolidating its Brand on the continental front, moving from being a **Mauritian Brand** into becoming an **African Brand**. Mauritius and Mauritian companies can enjoy a very high level of adoption on the African continent. For now, as a Mauritian Group, we can enjoy quite a unique positioning in Africa, we have a recognized jurisdiction, multi-sectorial – bilateral and multi-lateral trade agreements, strong reputation in terms of governance, with a very safe and efficient financial services sector.

Of course, no pain no gain and the risks of being innovative and audacious come with risks ... RHT has stood the test of time, the company and the group has never stopped re-inventing itself in the face of adversity. This will continue to be part of the whole organization's DNA. There are numerous challenges whether onshore or offshore ...

Our first challenge is with respect to both retaining and attracting talents to boost our diversification strategy. The labour market has become extremely volatile and unpredictable at all levels, from operatives to executives. The other, no less serious, challenge is to attract cheaper capital, especially in these present times of world socio-economic instability, financial crunch, and rising interest rates.

We must also fast track our mastery of our new markets in Africa. The continent offers huge business opportunities, but it also comes with its plethora of risks and threats. We endeavour to have ***a full and comprehensive understanding*** of the local environment and have a clear view of the legal framework, the logistical and telecommunication infrastructure, the financial configuration, and the cultural context without which our chances of failure will outpace our chances of success.

> "RHT has stood the test of time, the company and the group has never stopped re-inventing itself in the face of adversity."

DIVIDEND

During the year under review, an interim dividend of Rs. 2,432,430/- (Rs. 0.20 per share) was declared in November 2022 and paid in December 2022 and a final dividend of Rs. 2,432,430/- (Rs. 0.20 per share) was declared in June 2023 and paid in July 2023.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to recognize once more the work and commitment of our managers and staff of RHT Group.

We need each one of our talents to take our agenda forward. And as mentioned last year, we have no choice than becoming more continental and not think solely local. We more than ever before need to **think local, feel regional and breathe continental ...**

Finally, on behalf of my fellow directors, I wish to thank you, our shareholders, for your support and trust. Your faith in the Board of Directors and the Management of the company is more than ever before, key to keeping the spirit high and the motivation up!

Paul CKF AH LEUNG
Chairperson

GROUP CHIEF EXECUTIVE OFFICER'S REPORT

Sidharth Sharma
Group CEO

Dear Shareholders,

I am pleased to present my report for the year ended June 30, 2023.

The overall performance of the group as at June 30, 2023 shows an improvement over last financial year's results with a total turnover of some Rs. 279M (after adjustments), representing an increase of Rs. 72M, or 35%, over the previous years, although the group still registered a profit of Rs. 8.4M, compared with Rs. 14,7M loss for year ended June 2022. We are slowly reaping the benefits of the restructuring of RHT Bus Services Ltd and the launch of new mobility services to make up for the turnover conceded to the light rail project, as well as our diversification into deeper and higher margin markets, including our expansion of RHT Africa.

The impact of the Metro Express Operations on RHT Bus Services Ltd has been significant. We lost 50% of our ridership, from 40,000 passengers daily to an average of 21,000 passengers, as well as 50% of our revenue, prior to the recent increase of the bus ticket granted by Government Authorities. However, we may have bottomed out as far as the Metro is concerned. We believe that there is a need for a holistic approach to public transport in Mauritius. In all other parts of the world, the Metro cannot exist without the bus.

There is a need for a redesign of bus routes in relation to the Metro network and they have to be complementary to each other. We have often shared with government that each bus operator should be allocated an exclusive zone of operation, which will bring better results for the travelling public and better efficiency for bus companies.

Government is expanding the Metro network and accordingly we believe there is a need for modern multi modal stations. Our investment in Victoria Urban Terminal has demonstrated that these projects can be financially worthwhile. The development of future stations should bring us an opportunity to leverage our terminal planning and management capabilities, which are unique in the country.

As far as our subsidiaries are concerned, we are generally satisfied with their performance. ICL has increased its turnover by 14%, from Rs. 30,4M to Rs. 34,6M, and FPSL has been very successful in launching two repair workshops, registering an increase of 173% in its turnover, from Rs. 11,5 M to Rs. 31,5M and generated a net profit of Rs. 3M compared to Rs. 92K for the previous year. RHT investments Ltd (RHT IL) remains our consistent performer. Profits for RHT IL were to the tune of Rs 49.6M. As for RHT Africa, a significant development has occurred following a recent visit to Cameroon in October. Meetings were held with senior government members. We have been invited to start an operation in Cameroon with local partners with the support of Scania. We intend to first assess the viability of such a project. This development represents a real boost for RHT Africa and validates our business model and our belief in the O&M opportunities in Africa.

On the other hand the of RHT Africa was dragged down by the Tondeka project. We have reached a critical juncture, where the project needs new shareholders to inject cash in order to finance the fleet expansion, which is vital for thesustainability of the operation. Unfortunately for us, our investment in this project had to be partially impaired but we are hopeful that there could be a change in the situation especially since public transport is key for the development of the city of Kampala.

Working capital remains a key focus area for us. With the impact of the Metro and the Covid pandemic, we are having to rebuild our working capital. We are currently working on a plan to monetise some underutilised assets. The working capital issue has reduced the pace of our growth but we are confident we will surmount this challenge with some liquidity events expected in December.

Our efforts in Zambia are now reaping results after six years. We are offering Telematics solutions through ICL Zambia to more than a hundred corporates in Lusaka, Ndola and Livingstone. Efforts are now engaged to significantly grow the business beyond 3,000 connections. We are expanding the Telematics solution offering in Uganda under the Fleet Stop Brand.

We believe that the worst is behind us. We have been able to stabilise our bus operations and we will focus on operational efficiency especially with the electrification of the fleet. Thus, the introduction of two electrical buses in 2019 has resulted in a substantial decrease in maintenance costs for these buses, compared to diesel powered buses. We are also confident that we can grow ICL and FleetPro business units in a significant manner. Demand for our energy efficiency and full maintenance leasing solutions are growing substantially.

Our share price has decreased significantly. We are confident however that our transformation plans will result in added value for the group. Our new strategy for growth gives us more leeway and the newly developed services access to a larger market.

I would like to end my report by thanking the whole team for their commitment and dedication to our success. We are also grateful to our Board of Directors for their unflinching support.

Sidharth Sharma
Group CEO

DIRECTOR'S PROFILE

01 PAUL CHUNG KIM FUNG AH LEUNG

Chairperson and Non-Executive Director

RHT Holding Ltd

Mr. Ah Leung, born in 1967, is a Fellow 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 Group and holds directorship in several Mauritian and international companies. Mr. Ah Leung was appointed as Director to the Board of RHT Holding Ltd on January 10, 2007. He is also a member of the Mauritius Institute of Directors (MIoD).

Directorships in other entities:
Executive Directorship: ATS Ltd, ATS International Ltd, ATS Manufacturing Ltd, Linux Solutions Ltd, Petite Rivière Investments Ltd, ECS Ltd, TTS Ltd, Fortek Ltd, Fotaflex Ltd, Lubatech Ltd and Rey & Lenferna Contracting Ltd.

Non-Executive Directorship:
Paltoni Retail Ltd (Chairman), Forges Tardieu Ltd, Poivre Corporate Services Ltd.

Directorship in overseas companies:
Systec (Madagascar) Sarl,
Rey & Lenferna (Seychelles) Ltd.

02 SIDHARTH SHARMA

Group CEO and Executive Director

RHT Holding Ltd

Dr. Sharma, 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 March 7, 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 (MIoD), Dr. Sharma has been a board member of the MIoD, 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.

Directorships in other entities:
Semaris Limited, 4Sight Holding Ltd, RHT Bus Services Ltd, RHT Investments Ltd, RHT Ventures Ltd, Island Communications Ltd, FleetPro Services Ltd, Flo Mobility Services Ltd (formerly known as mychauffeur Ltd) and Victoria Station Ltd.

03 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 December 12, 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 organisations 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 (MIoD).

Directorships in other entities:
Izy e-Markets Ltd (previously known as Advance Institute of Motoring Ltd), FleetPro Services Ltd and RHT Bus Services Ltd.

04 RAVINDRA GOBURDHUN

Executive Director and Group Head of Operations

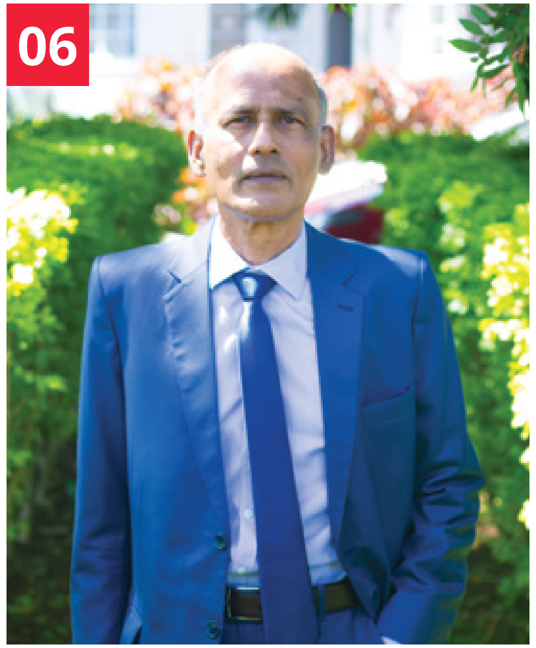
RHT Holding Ltd

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).

Directorships in other entities:
RHT Bus Services Ltd, RHT Investments Ltd, RHT Ventures Ltd, Island Communications Ltd, FleetPro Services Ltd, Izy e-Markets Ltd (previously known as Advance Institute of Motoring Ltd) and Flo Mobility Services Ltd (formerly known as mychauffeur Ltd).

DIRECTOR'S PROFILE



05 UDAY KUMAR GUJADHUR

Independent Non-Executive Director

RHT Holding Ltd

Mr. Gujadhur 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 Investment Advisor 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. Mr. Gujadhur is the Honorary Consul of Georgia.

Directorships in other entities:
Dacosbro Limited and The Mauritius Commercial Bank Limited.

06 YOOSUF MOHAMMAD KUREEMAN

Non-Executive Director

RHT Holding Ltd

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

Mr. Kureeman is a retired serial entrepreneur with experience in the hardware, clothing and food business sector. He was also the Traffic Coordinator for RHT Bus Services managing the traffic operations.

Directorships in other entities:
Island Communications Ltd, RHT Ventures Ltd and RHT Bus Services Ltd

07 KAMIL PATEL

Independent Non-Executive Director

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 July 1, 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.

Directorships in other entities:
Ilot Malais Ltd, Eco Dynamics Limited, Ferrotech Limited, Lavoro Limited, Rentsolutions Limited, Dölberg Finance Holdings Limited, Dölberg Investments Ltd, Flo Mobility Services Ltd (formerly known as mychauffeur Ltd), RHT Investments Ltd, 4Sights Holdings Ltd, RWX (Mauritius) Ltd and RWX (Services) Ltd.

08 GILBERT PATRICK STEPHANE 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 September 27, 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.

Directorships in other entities:
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, Flo Mobility Services Ltd (formally known as mychauffeur Ltd) and Izy e-Markets Ltd (previously known as Advance Institute of Motoring Ltd).

SENIOR MANAGEMENT TEAM

FROM LEFT TO RIGHT

AJMAL ABDOOL

GROUP CHIEF INNOVATION OFFICER

RHT Holding 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 as the Chief Operating Officer of RHT Ventures Ltd in July 2018 where he was responsible for the diversification, profitability, differentiation and growth of ICL (Mauritius and Africa), Transport and Micropayment System Ltd (TMSL) and Flo Mobility Services Ltd. In October 2022, Ajmal was appointed as Group Chief Innovation Officer of RHT Holding Ltd where he is mainly responsible for driving strategic project and innovation initiatives for the Group.

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 Eclosia 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 in HR) from the University of Mauritius, and a Bachelor of Engineering (IT & Telecommunications) from the University of Adelaide, Australia. He is also a Member of the Mauritius Institute of Directors.

UWAYS KUREEMAN

GENERAL MANAGER

Island Communications Ltd (Mauritius & Zambia)

Uways Kureeman is the General Manager of ICL Mauritius and Zambia. Uways started his career with ICL as Software Engineer back in 2012 and has occupied multiple positions within ICL along the years including managing the Product Development and Operations. With a technical background, commercial and business experience, Uways is leading the product and market diversification strategy of ICL in Mauritius and Africa. Uways is a Computer Science graduate from the University of Mauritius and holds an MBA Innovation & Leadership from Ducere Business School Australia. Being a fervent believer in innovation and continued product development, Uways recently completed his MSc in Artificial Intelligence and graduated with distinction.

DEVARAJEN ADIAPEN

PROCUREMENT AND FACILITY MANAGER

RHT Bus Services Ltd

Devarajen Adiapen 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.

KRISHNA DAS KISTNEN

GROUP HEAD OF HUMAN RESOURCES

RHT Holding Ltd

Krishna Das Kistnen joined the RHT Group in October 2022 as the Group Executive Head of Human Resources. He is a Member of MAHRP Mauritius Association of Human Resources Professional of Mauritius and has 15 years of experience in the Human Resource field, having served as HR manager in various environments including import and export, technology, banking, and retail. He is responsible for the human resource management policies and processes of the Group and has as main stakeholders the business units, the employees and the external partners. He oversees the talent acquisition, development and retention within the Group and remains involved in the strategic planning and execution of the Group's vision and mission. He holds a Bachelor in Management and Human Resource Management from the Curtin University of Australia and an MBA with specialization in Human Resource Management from the University of Mauritius. He has extensive experience in various aspects of human resource management such as performance management, employee engagement, compensation and benefits, and organizational development.

HARRY KRISHNA (GANESAN) VEERARAGOO

CHIEF OPERATIONS OFFICER

FleetPro Services Ltd

Ganesan Veeraragoo is a professional vehicle fleet manager who understands the intricacies of managing a large fleet of vehicles while logistically meeting customer needs since 2017, when starting up the Company. Over time, he has developed genuine and supportive relations with customers on a personal and professional level and collaborated with other departments to solve logistic problems.

Since the incorporation of FleetPro Services Ltd in 2016 and Ganesan joining the Company in January 2017, the Company has shown a steady growth. FleetPro Services Ltd has successfully onboarded several Blue-Chip companies of the Stock Exchange of Mauritius expanding further the activities of the Company.

2021-2022 was yet another challenging year with the implementation of a fresh segment of revenue with 2 new Service Centres. In October 2021, FleetPro Services Ltd has taken over the management of the workshop of Mautourco Ltd turning it around into a successful commercial venture. In 2022, we implemented a new Service Centre in the industrial zone of Plaine Lauzun.

Our endeavour to implement the Service Centres is to get revenues from another segment of activity and second fold to contain the costs of maintenance in respect of our motor vehicles fleet.

SENIOR MANAGEMENT TEAM

FROM LEFT TO RIGHT

PRAKASH RAJKOMAR

GROUP TREASURER

RHT Holding Ltd

Prakash Rajkomar is a Fellow of the Association of Chartered Certified Accountants, UK. He is now in charge of the RHT Group treasury and has as main stakeholders the subsidiaries, the bankers and other financial institutions. Previously the Group Chief Accountant, he now looks after the optimisation of cash management within the Group. He remains involved in the administration of companies within the investment cluster of the Group.

Prior to joining the RHT Group, he has worked in the offshore industry for 15 years in Mauritius. He served a leading offshore management company where he acquired extensive experience on the administration side as well as on the finance side of the business. He was promoted to Head of Accounting and ultimately as director following the expansion of the activities of the company.

SHEKHAR SAHAI

GROUP FINANCE CONTROLLER

RHT Holding Ltd

Shekhar Sahai joined RHT Holding Ltd as Group Accountant in March 2020.

His active participation in the revamping of the various Finance Departments brought much improvement and he was appointed as Group Finance Controller in July 2022.

On a professional level, he has been in the accounting field for the last 20 years with deep exposure, both on the local and the international scene, to audit in the United Kingdom, construction, outsourcing services and in the offshore sector in Mauritius and Dubai.

SENIOR MANAGEMENT TEAM (OVERSEAS)

JAMIL MALIK

CHIEF EXECUTIVE OFFICER

RHT Africa Ltd

Jamil is a globally accomplished executive with a career in Transport and Mobility solutions spanning over 23 years. He has operated at CEO and Executive level at FTSE 250 and Private Equity companies with P&L responsibility for over $250m and 10,000 staff over 80 sites, leading diverse and multi-cultural teams.

He has extensive experience in delivering a very wide range of services within in the B2C, B2B and B2G markets including leading multimodal and multisite public transport operations, retail, infrastructure, government services, facilities and asset management operations, in the contrasting business and national cultures of UK and several Middle Eastern and African countries.

He has worked on and led bids, winning and managing Transport for London, Ministry of Education, Ministry of Health and local authority contracts worth tens of millions of dollars. He has in-depth experience of operating outright commercial, gross cost contracts, minimum subsidy, management contracts and performance regime operating models.

He has also advised local and central governments across a broad range of public transport policy and projects, and their implications for legislation, regulation, and governance and skills requirements, both in the UK and overseas. He has experience across all modes of road transportation (including bus, coach, school, taxi and demand responsive transport), but with a particular focus around bus service development and new mobility solutions.

Jamil is currently leading the geographic expansion of RHT Africa in the African and Middle East markets, focusing on Public Transport Operations, Automotive Services Centers, and Asset Management Services.

Jamil holds an MBA from the University of Birmingham Business School.

OMRAN AHMAD

HEAD OF OPERATION

ICL Zambia

Omran Ahmad is a highly accomplished Business Development, Operations Management, and Marketing & Sales professional with over 16 years of experience driving revenue growth, expanding market share, and building strong client relationships. His expertise lies in developing and implementing effective strategies that align with organizational objectives and maximize business outcomes.

Throughout his career, Omran has consistently demonstrated his ability to navigate complex business environments and deliver exceptional results. He has a proven track record of:

- Achieving sales targets.
- Handling the expansion of operations in Zambia.
- Developing and implementing winning sales strategies.

Omran's key strengths include:

- Strategic thinking and execution
- In-depth market research and analysis
- Sales and marketing expertise
- Building rapport and managing client relationships
- Effective leadership and team management
- Exceptional communication and negotiation skills

In addition to his MBA in International Business and a Professional Postgraduate Diploma in Marketing from the Chartered Institute of Marketing, Omran speaks English, French, Mauritian Creole, Hindi, and Urdu.

Omran is a highly motivated and results-oriented individual with an unwavering commitment to achieving excellence. His extensive experience, diverse skillset, and dedication to success make him an invaluable asset to any organization.

CORPORATE INFORMATION

DIRECTORS

Paul Chung Kim Fung AH LEUNG	Chairperson and Non-Executive Director
Sidharth SHARMA	Group CEO and Executive Director
Sharmila BANYMADHUB-CHAKOWA	Independent Non-Executive Director (appointed as from September 21, 2023)
Meha DESAI	Non-Executive Director
Ravindra GOBURDHUN	Executive Director and Group Head of Operations
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)

SENIOR MANAGEMENT TEAM

Krishna KISTNEN	Group Head of Human Resources *RHT Holding Ltd*
Ajmal ABDOOL	Group Chief Innovation Officer *RHT Holding Ltd*
Devarajen ADIAPEN	Procurement and Facility Manager *RHT Bus Services Ltd*
Prakash RAJKOMAR	Group Treasurer *RHT Holding Ltd*
Shekhar SAHAI	Group Finance Controller *RHT Holding Ltd*
Ganesan VEERARAGOO	Chief Operations Officer *Fleet Pro Services Ltd*
Reehaz SOOBHANY	Chief Operating Officer *RHT Bus Services Ltd – until October 13, 2023*
Hussayn BAULUM	Operations Executive – Mobility Cluster *FLO Mobility Services Ltd – until November 30, 2022*
Uways KUREEMAN	General Manager *Island Communications Ltd*

SENIOR MANAGEMENT TEAM (OVERSEAS)

Jamil MALIK	Chief Executive Officer *RHT Africa Ltd – until July, 31 2023 and then acted as Consultant to the Company as from August 01, 2023 until December 31, 2023*
Omran AHMAD	Head of Operation *ICL Zambia*
Ashwin RAMCHURN	Project Manager *RHT Africa Ltd – until December 31, 2022*

COMPANY SECRETARY:	Navitas Corporate Services Ltd Navitas House Robinson Road Floréal Tel: (230) 670 7277 Fax: (230) 698 5351
EXTERNAL AUDITOR:	BDO & Co. 10, Frère Félix de Valois Street Port Louis Mauritius
INTERNAL AUDITOR:	PwC Mauritius ("PwC") 18, Cybercity Ébène, Réduit 72201 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

MESSAGE FROM THE CHAIRPERSON OF THE CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholders,

I am pleased to submit the Corporate Governance report for the year ended June 2023 for your consideration.

I am pleased to submit the Committee's report for the year ended June 2023 for your consideration.

The Committee had three meetings during the year, two statutory ones and a special one, to examine the various challenges posed by the current economic environment, both local and international, which affect corporate governance, nomination and remuneration issues.

A key challenge which we have is to attract, recruit and retain Talent. There is increasing mobility in the labour market and the biggest challenge facing companies across sectors in Mauritius is attracting talent and retaining them. This means re defining recruitment process to attract the right people with the right skills and attitude to take your business forward, as well as adapting your remuneration strategy to retain them. Benchmarking your practices, in terms of welfare, remuneration against industry practices and market practices as a whole is vital in that respect. That has been done and is being implemented.

In today's economic environment, adherence to the National Code of Corporate Governance is a must. With this in mind, we participated during the year in the Corporate Governance Scorecard Assessment conducted by the Mauritius Institute of Directors -MIOD to assess RHT's compliance in terms of disclosure in the Annual Report. The results show that RHT is around the median, which is satisfactory but also means that we must move towards a higher level of disclosure as appropriate.

We have also considered, towards the end of the financial year, the issue of succession planning in respect of the Board. The issue of diversity in terms of gender is being addressed and, by the end of this financial year, we will not only meet the requirement of gender by January 2024 but exceed it in terms of gender representation. Diversity Equity Inclusion-DEI will be central to our approach.

We remain committed to the training needs of our Directors, as we have done in the past, especially with regard to Cybersecurity, Environment but also with regard to new developments in corporate and Board Governance practices.

On behalf of the Committee

Uday Kumar Gujadhur
Chairperson
Corporate Governance, Nomination and Remuneration Committee


INNOVATING
& DIGITALISING

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

COMPANY PROFILE

RHT Holding Ltd, a public company, incorporated in the Republic of Mauritius on April 27, 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 Company has adopted the key governance documents mentioned below, copies of which are available upon request in writing to the Company Secretary:

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

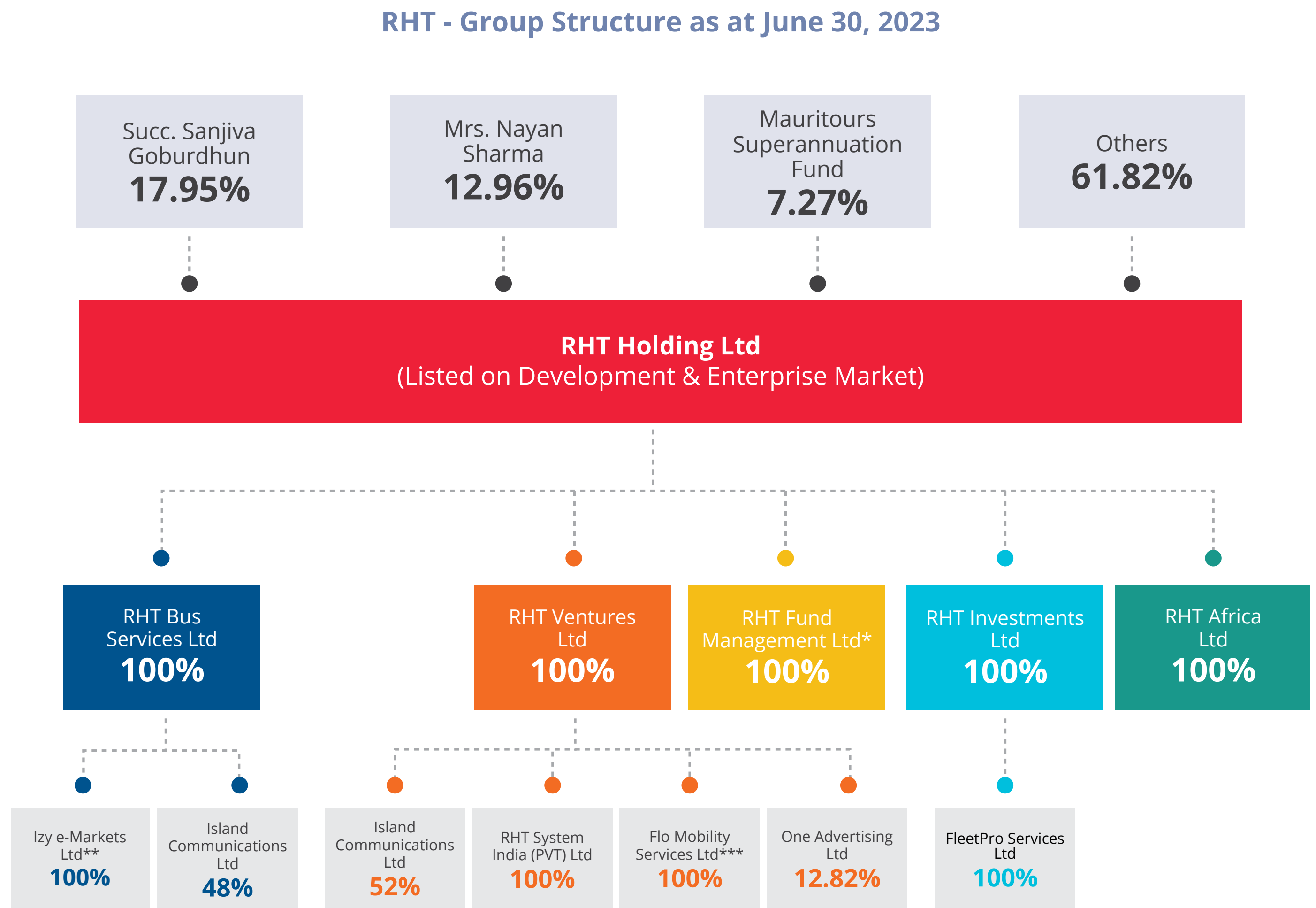
These documents have been drafted with the skills, knowledge, and expertise of the Board of Directors, who have not only been fully involved but have unanimously approved these essential documents and seek to adhere to them by the spirit and by letter. These are reviewed by the Board on a regular basis.

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. Moreover, the Company deemed it is sufficient that the information is available upon request in writing at the Company Secretary for consultation and has not published same on its website.

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:



** Under process of winding up*
*** Formely known as ADVANCE INSTITUTE OF MOTORING LTD*
**** Formely known as mychauffeur Ltd*

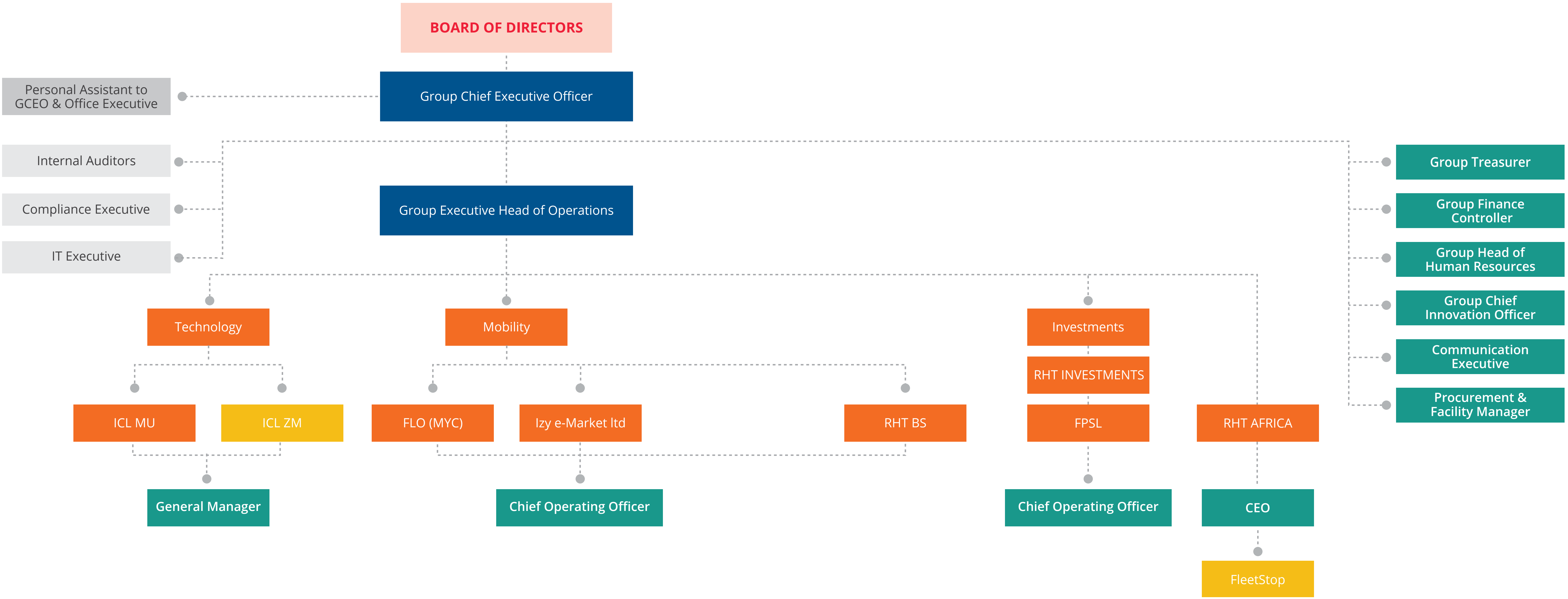
CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

SENIOR MANAGEMENT ORGANISATIONAL CHART

Organisation Structure

The Organizational Structure is under review to guarantee effective support for the Group's Strategy. The objective is to promote cross-functional cooperation within the Group and draw in agile and innovative individuals who can propel the Group towards a more extensive and diversified operational foundation.



CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

COMMON DIRECTORS

The names of the common Directors are as follows:

Common Directors	RHT Bus Services Ltd	RHT Investments Ltd	RHT Ventures Ltd	Island Communications Ltd	FleetPro Services Ltd	Flo Mobility Services Ltd (Ex mychauffeur Ltd)	Izy e-Markets Ltd (Previously known as Advance Institute of Motoring Ltd)	RHT Africa Ltd
Paul Chung Kim Fung Ah Leung								
Sidharth Sharma	✓	✓	✓*	✓	✓	✓		✓
Ajmal Abdool			✓	✓		✓		
Meha Desai	✓	✓			✓		✓	
Ravindra Goburdhun	✓	✓	✓	✓	✓	✓	✓*	✓
Uday Kumar Gujadhur								
Yoosuf Mohammad Kureeman	✓		✓	✓				
Gilbert Patrick Stephane Leal	✓*		✓	✓*	✓*	✓	✓	
Kamil Patel		✓*				✓*		
Khevin Seebah				✓				
Kavirasen Sornum	✓							

**Chairperson*

Substantial shareholders as at June 30, 2023

The Stated Capital of the Company as at June 30, 2023 amounted to MUR 24,324,300/- divided into 12,162,150 Ordinary Shares of MUR 2 each.

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

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, four (4) Non-Executive and two (2) Independent Non-Executive Directors as at June 30, 2023.

The notion of independent directors is based on the criteria provided under the Mauritius Companies Act 2001 as well as 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 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 June 30, 2023, the Board of RHT was composed as follows:

Name of Directors	Category
Paul C.K.F AH LEUNG	Chairperson and Non-Executive Director
Sidharth SHARMA	Group CEO and Executive Director
Meha DESAI	Non-Executive Director
Ravindra GOBURDHUN	Executive Director and Group Head of Operations
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

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

The Board is 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.

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.

It is noted that, out of eight (8) Directors, the Board currently has one (1) female Director. In order to comply with the recent changes in legislation, whereby, with effect as from January 01, 2024, a public listed company shall have a minimum of 25 percent (25%) of women on its Board, the Board is considering the appointment of an addional woman as Director of RHT based on the recommendation of the Corporate Governance, Nomination and Remuneration Committee.

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.

The Board also ensures that the activities of the Company comply with all legal and regulatory requirements as well as its Constitution from which the Board derives its authority to act.

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; and
- 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; and
- To keep proper accounting records and ensure that a true and fair set of financial statements are prepared.

CHAIRPERSON AND GROUP CHIEF EXECUTIVE OFFICER

The roles of the Chairperson and Group Chief Executive Officer are separate and each of them has clearly defined responsibilities. These ensure a proper balance of power, increased accountability, and greater capacity of the Board for independent decision-making.

The role of the Chairperson is assumed by a Non-Executive; the Group Chief Executive Officer reports directly to him and to the Board, giving therefore sufficient segregation of power between the Chairperson and the Management. The Board considers that Mr. Paul C.K.F AH LEUNG is deemed independent notwithstanding to the fact that he has served on the Board for more than nine (9) years from the date of his first election.

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

On the other hand, Dr Sidharth SHARMA, in his capacity as Group Chief Executive Officer is responsible for the executive management of RHT's operations and for developing the long-term strategy and vision of the Company, approved by the Board. Dr Sidharth SHARMA also ensures effective communication with the stakeholders.

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 seven (7) times, which includes one (1) Board Strategy meeting 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.

CORPORATE GOVERNANCE REPORT
Year ended June 30, 2023

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, the composition of the Audit and Risk Committee was as follows.

Members	Category
Kamil PATEL	Chairperson and Independent Non-Executive Director
Meha DESAI	Non-Executive Director
Uday GUJADHUR	Independent Non-Executive Director
Gilbert Patrick Stephane LEAL	Non-Executive Director
In attendance (when deemed appropriate)	
Sidharth SHARMA	Executive Director and Group Chief Executive Officer
Ravindra GOBURDHUN	Executive Director and Group Head of Operations
Prakash RAJKOMAR	Group Treasurer
Shekhar SAHAI	Group Finance Controller
PwC	Internal Auditors – Independent Service Provider
BDO & Co	External Auditors – Independent Service Provider

The Audit and Risk Committee operates under the Terms of Reference approved by the Board. The Audit and Risk Committee confirms that it has fulfilled its responsibilities for the year under review, in accordance with its Terms of Reference.

The Committee meets at least once each quarter and reports on its activities to the Board. A quorum of two (2) members is currently required for an Audit and Risk Committee meeting. The Audit and Risk Committee met five (5) times for the year under review.

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 16 December 2022.

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

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

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

Corporate Governance, Nomination and Remuneration Committee (Cont'd)

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;
- Ensuring a formal and transparent process is in place for the appointment of new Directors. It also ensures that there is a formal assessment of the effectiveness of the Board as a whole and the contribution of each Director to the Board;
- 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 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 Meetings
Paul C.K.F AH LEUNG	NED	7/7	-	3/3
Sidharth SHARMA	ED	7/7	-	3/3
Meha DESAI	NED	3/7	5/5	2/3
Ravindra GOBURDHUN	ED	7/7	-	-
Uday Kumar GUJADHUR	INED	6/7	4/5	3/3
Yoosuf Mohammad KUREEMAN	NED	5/7	-	3/3
Gilbert Patrick Stephane LEAL	NED	6/7	3/5	-
Kamil PATEL	INED	6/7	5/5	-
Sidharth SHARMA		-	5/5	-
Ravindra GOBURDHUN		-	5/5	-
Prakash RAJKOMAR		6/7	5/5	-
Shekhar SAHAI		6/7	5/5	-
External Auditors		-	1/5	-
Internal Auditors		-	2/5	-

**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.

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

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 pages 14 to 17 of this Report.

PROFILES OF THE SENIOR MANAGEMENT TEAM

The profiles of the senior management team of RHT are found on pages 18 to 21 of this Report.

GROUP COMPANY SECRETARY

The Group has a service agreement with Navitas Corporate Services Ltd, an entity duly registered with the Registrar of Companies, to provide company secretarial services to domestic companies.

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

Year ended June 30, 2023

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.

The Board of Directors had approved the creation of an Ethics Committee, a sub-committee of the Corporate Governance, Nomination and Remuneration Committee and is currently chaired by one (1) of the Directors of RHT, namely Mrs. Meha Desai and the members of the said Ethics Committee comprises of representatives from RHT Group of Companies.

WHISTLE-BLOWING POLICY

RHT has adopted a Group Whistle-Blowing Policy, which is also applicable to the Company.

The Policy provides clear insight about RHT Group key principles on whistleblowing, the various reporting channels, the investigation process and the different roles and responsibilities within that process. The Policy also addresses how the Whistle-Blowing Policy fits in the broader integrity framework of the Group.

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 and same 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.

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

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 MUR500,000, the Company has set up a Tender Committee for the evaluation and selection of the most appropriate supplier for the requested services and purchases.

RHT is duly registered as a Data Controller with the Data Protection Office.

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 above, 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 Charter

The Board Charter of the RHT Holding Group has been adopted by the Board of the Company and is reviewed on a regular basis. It sets inter alia:

- The Terms of Reference of the Board and committee meetings;
- The need for Board Evaluation and Appraisal and Individual Directors' Appraisals; and
- The process for Directors' selection and their conduct.

BOARD EVALUATION AND DEVELOPMENT

According to the Board Charter, the Board regularly assesses, at least every 3 years, its size, compositions, how it operated and interacts with management and the individual contribution of each Director's work to the operation as a whole, in order to continually improve the effectiveness of its activity and the contribution thereof to the proper governance of the Company and of its Group.

During the year under review, an Independent Consultant, namely Ernst & Young Ltd (EY) has conducted the evaluation of the Board, the sub-Committees of the Board, the Chairperson of the Board, individual Board members and Chief Executive Officer (CEO) of RHT Holding Ltd against the eight principles outlined in the National Code of Corporate Governance for Mauritius (2016).

The approach adopted by EY for the said Board Evaluation exercise was as follows:

- Plan and collect preliminary information from RHT;
- Perform desktop review of key governance documents which included the charter of the Board and its sub-Committees, minutes of meetings, the Code of Ethics and other RHT policies;
- Design and circulate a survey questionnaire to the directors of RHT;
- Collate and analyse survey results and perform one-to-one interviews with the eight (8) Directors; and
- Document and circulate a report of factual observations and survey results to the Board Directors.

Following the Board Evaluation exercise, it was noted that the Board of RHT has obtained an overall score of 76%. This score is arrived at by combining the score obtained from the survey conducted with the Directors (score of 81%) and that obtained from the desktop review of key governance documents in line with the requirements of the NCCG (score of 70%). This performance must be interpreted in the context of the unprecedented challenges the Board and management have had to face resulting from Covid-19 and the introduction of the light railway (including loss of business, high staff turnover and the need to diversify into new ventures to cushion the impact of the light railway).

The Corporate Governance, Nomination and Remuneration Committee will work on the recommendations of EY.

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

Year ended June 30, 2023

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.

REMUNERATION POLICY (Cont'd)

Executive Management (Cont'd)

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 81 of the Report.

Remuneration Programme

The existing remuneration and compensation procedures across the Group are under review with the goal of embracing a more strategic and market-oriented approach. This shift aims to facilitate the Group's ability to attract and retain the necessary talent essential for sustaining its ongoing diversification and expansion efforts. The establishment of a unified framework for compensation practices and performance assessment will contribute to the development of consistent compensation practices. Consequently, this will enhance internal trustworthiness and elevate talent retention levels throughout the Group.

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

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:

	Direct Interest		Indirect Interest	
Name of Directors	No. of shares	%	No. of shares	%
Paul C.K.F AH LEUNG	5,000	0.0411		
Sidharth SHARMA	447,865	3.6824	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	100	Nil

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

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 June 30, 2023, 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 both our 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.

Each subsidiary has been regularly submitting a 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 the 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 the challenges faced and the strategies used to manage these 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 fifth year as auditors have been updating us constantly on their work as external auditor, which has proceeded smoothly.

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

The Committee met four (4) times during the year under review. The minutes of proceedings are made available to the Board to keep the Directors fully appraised of the activities of the Committee.

The highlights for the financial year ended June 30, 2023 were as follows:

Financial Reporting

- Review quarterly reporting.
- Review the Annual Audit Report 2023.
- 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.

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 their 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 & safety report (OSH cover and major issues in RHT Holding Ltd and subsidiaries).
- Take note of legal proceedings.

Risk Governance & Internal Controls

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

Mr. Kamil Patel
Chairperson
Audit and Risk Committee

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:

- Terminal Operations Management
- Intercompany review
- Maintenance management
- health and safety management review
- Cash handling management

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.

BOARD OF DIRECTORS	Composition: Directors of RHT Holding Ltd
LEVEL 2	Composition: Audit and Risk Committee and/or Group Chief Executive Officer and/or Group Executive Head of Operations
LEVEL 1	Composition: Management Team of Business Unit
OPERATIONS TEAM BUSINESS UNIT	

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

INTERNAL AUDIT (CONT'D)

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 125 to 135 of the Financial Statements.

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

Operational risks – 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 Governance Process

Risk Category	Risk	Level 1	Level 2
Financial	Risk of failing to maintain adequate liquidity levels resulting in group company subsidiaries being unable to meet their obligations as they fall due.	Regular monitoring of cashflow via the interview of cashflow forecast and reporting cashflow requirements to executive officers to assist in securing facilities. Review covenants of financial arrangements with financial institutions and report looming deadlines to executive officers.	Assess request for funding and where relevant, recommend for approval to Board of Directors. Share approval of Board of Directors with Management Team to arrange for funding.
Legal and regulatory	Risk of incurring financial and non-financial loss due to failure to comply with legal requirements.	Review of compliance with statutory requirements. Take note of new statutory requirements from announcements by relevant authorities and notification from the Company Secretary. Report to executive officers any notice of failure to comply with statutory requirements.	Assess impact of failure to comply with statutory requirements. 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. Share recommendations of Audit and Risk Committee with Management Team to implement remedial action.
Operational	Risk of procedures not being followed with the effect of causing financial and non-financial loss to the business unit.	Ensure that set procedures are complied with. Report material departures to the Audit and Risk Committee. Comply with HR policies with regards to sanctions applicable to departure from contractual agreement.	Assess the financial and non-financial impact of the reported departure. Request Internal Auditor to investigate the matter and report on findings.
Strategic and Business	Risk of not meeting targeted results and missing business opportunities.	Regular meetings with operational teams and monitoring of performance of business units via the review of monthly reporting. Prepare working papers to update executive officers on potential new business avenues.	Meeting Management Teams at regular intervals as well as reviewing the reporting produced to assess the performance of the business unit. Make recommendations to Board of Directors about new business opportunities and arrange for facilitators and resources to explore new business avenues.

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.

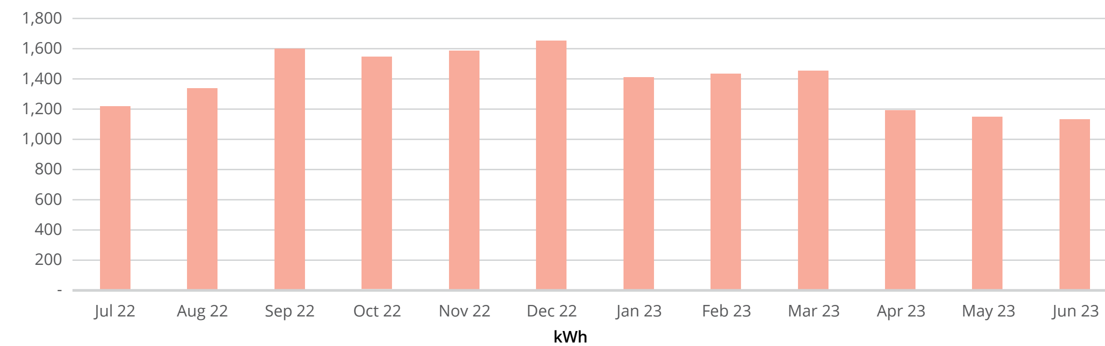
Please refer to the Statement of Directors' Responsibilities found on page 78 of the Annual Report.

SUSTAINABILITY REPORTING

Energy and Air quality:

The 13kWp of solar PV panels have contributed to emitting some **12.65 tons of CO_2 less** to the atmosphere and has produced a total of **16,787.7 kWh.**

The EVs have also contributed to a yearly reduction of some 30,586 litres of diesel which if burnt would have produced and **emitted 80,135.32 kgs of CO2 to the atmosphere.**



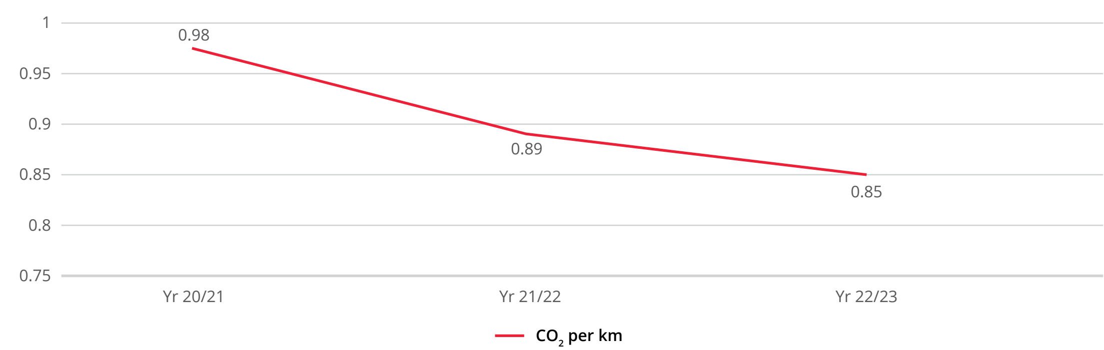
FY 2022/23 witnessed a drop due to enhanced proactive maintenance for RHT Bus Services Ltd (RHT BS) buses contravened for emission of black smoke and this further contributes to the better level of air quality. It is to be noted that only the Euro 0 buses namely the Nissan buses are contravened for opacity issues.

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

Continuous effort on proactive approach at looking at the level of emissions have brought in a drop in CO_2 emission despite covering more kilometres.

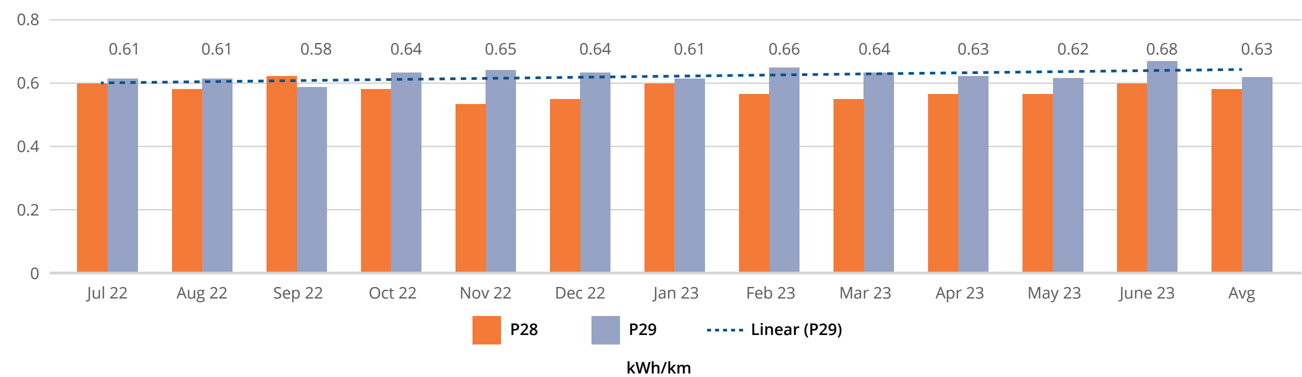
	CO_2 emission [Kgs]	Kms operated	CO_2 per km
Yr 20/21	2,402,552	2,449,457	0.98
Yr 21/22	2,393,472	2,702,204	0.89
Yr 22/23	2,320,432	2,704,555	0.85



Energy Savings:

With the installation of 29 Solar LED lights rated @ 100/220/300 watts across the depots for night lighting, RHT BS has reduced the yearly power consumption by around [3,620W*10 hrs] **36,200 kWh** and is paving its way to usage of sustainable power.

The EVs are more productive in terms of kWh/km. Below chart depicts the productivity which is at an average of **0.63 kWh/km.**



Potable water & Effluent.

The automatic bus washing plant with its water recycling plant has contributed to using less water for a wash cycle and yielded a positive impact on the effluent. Analysis of the effluent shows a normalisation on the parameters such pH, Chemical Oxygen Demand (COD) Cod, and the heavy metals.

The yearly computed monthly figures show a proactive approach towards the management of effluent at RHT Bus Services ltd. See table extrapolated from the monthly effluent analysis reports.

Units	Norms	Average for yrs. 22/23
COD	1500	937.9
BOD	N/A	317.4
TKN	80	26.1
pH	5 to 9	7.4
Total suspended solids	400	80.7
Lead	1	0.001
Zinc	2	0.020
Chromium	1	0.006
Cadmium	0.05	0.001
Nickel	2	0.003
Manganese	2	0.109
Mercury	0.1	0.010
Total Phosphorous	50	0.300
AOX	<0.10	<0.100

CORPORATE GOVERNANCE REPORT

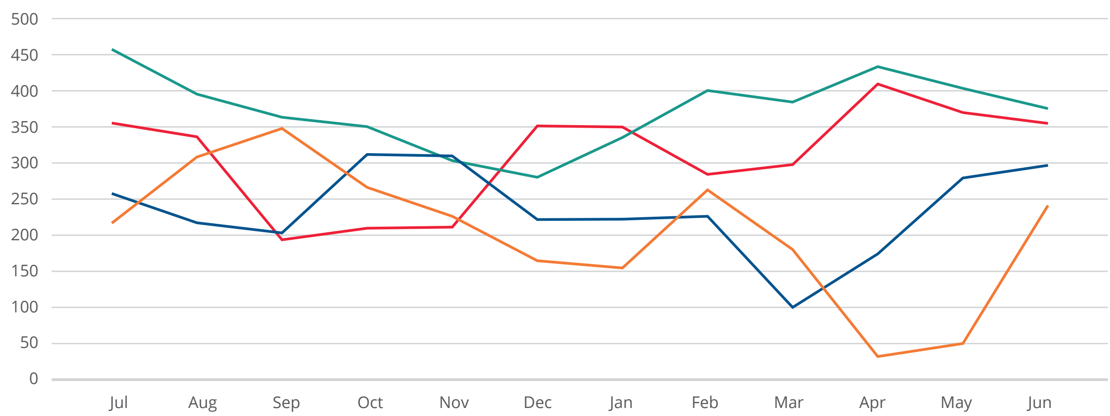
Year ended June 30, 2023

HUMAN RESOURCES

The Board and Management recognize the pivotal role our personnel play in driving our business's success. During the year under review, our primary focus in terms of Human Capital strategy revolved around the following areas.

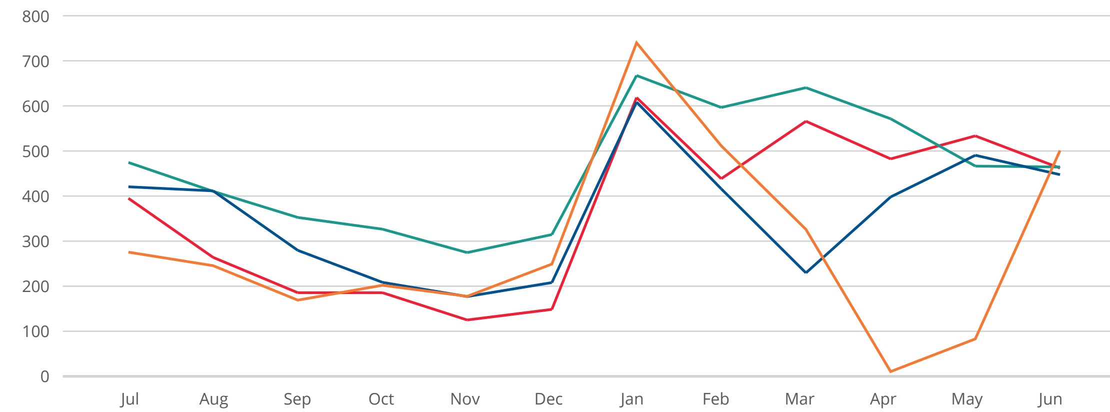
Operational Statistics for the year under review

Local Leaves



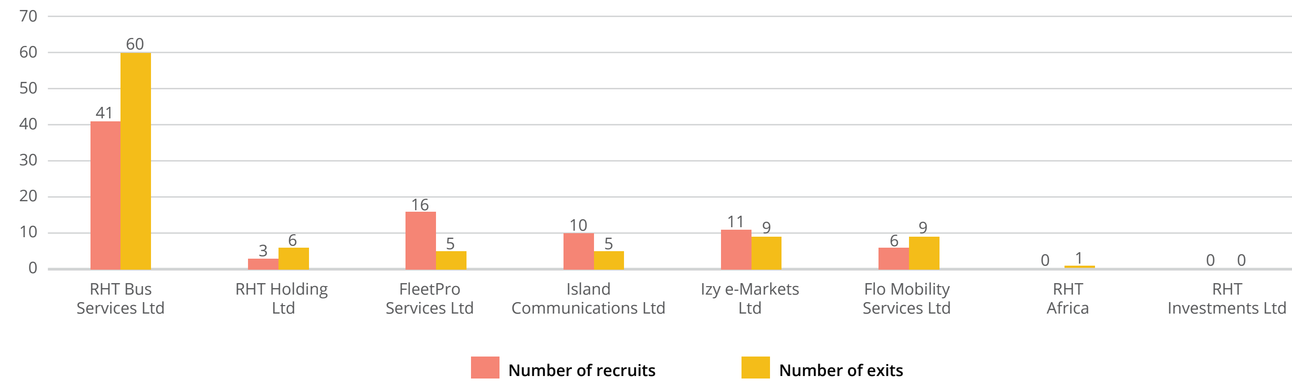
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	217.5	309	348.5	267	227	165.5	155.5	263.5	181	33	51	242
2020-2021	258.5	218	204	312.5	310.5	222.5	223	227	101	175	280	297.5
2021-2022	458	396	364	351	304	281	336	401	385	434	404	376
2022 - 2023	356	337	194.5	210.5	212	352	350.5	285	298.5	410	370.5	355.5

Sick Leaves



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	275	245	168.5	201.5	177	248.5	739.5	511	325.5	10	82.5	500.5
2020-2021	420	411	279	208	176.5	207.5	608	415.5	229	397.5	490	447
2021-2022	474	410	352	326	274	314	667	596	640	571	466	464
2022 - 2023	394.5	263.4	185	185	124.5	148	618	438	565.5	482	533	461.5

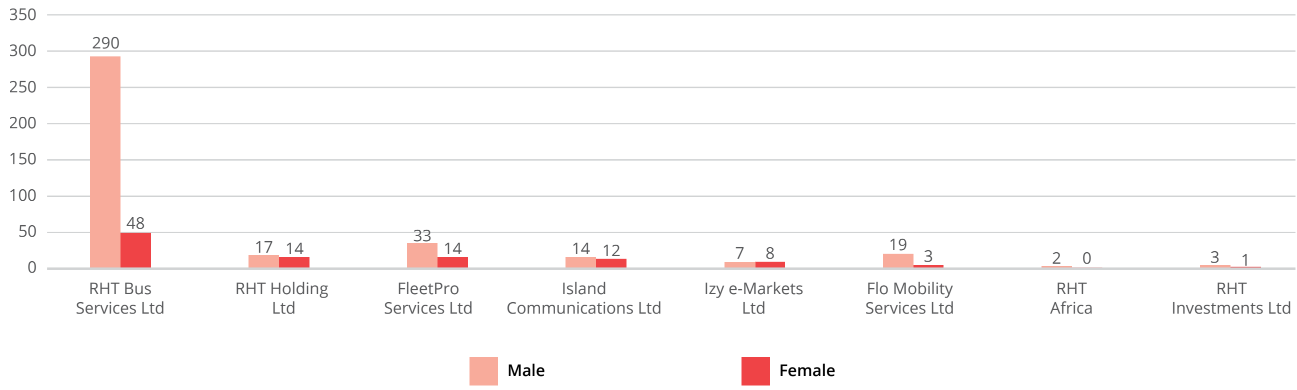
Turnover



CORPORATE GOVERNANCE REPORT

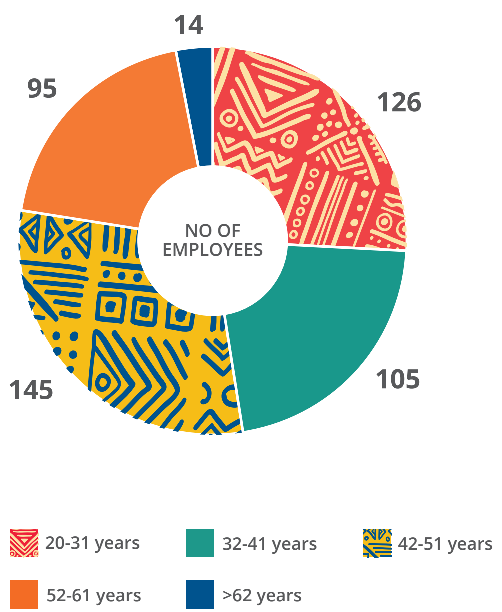
Year ended June 30, 2023

Gender

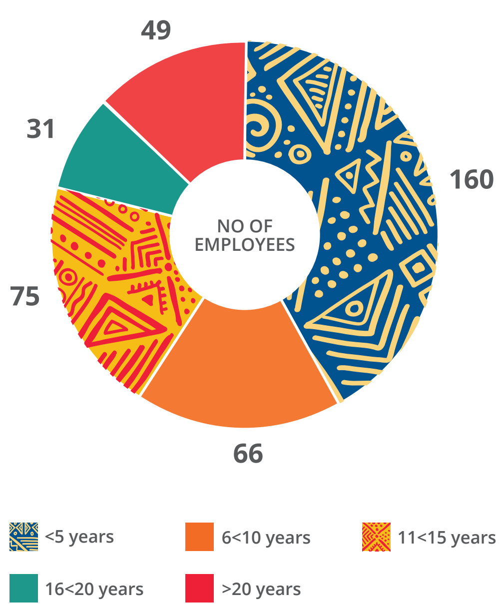


Company Name	RHT Bus Services Ltd	RHT Holding Ltd	FleetPro Services Ltd	Island Communications Ltd	Izy e-Markets Ltd	Flo Mobility Services Ltd	RHT Africa	RHT Investments Ltd
Ratio Male to Female	145.24	17.14	33.14	7.60	7.80	19.30	2.00	3.10

Age Group



Years in Service



OPERATIONAL STATISTICS FINANCIAL YEAR ("FY") 2023

Introduction

After many years, FY 2023 has seen some positive outcomes for the Company as follows:

- Increase of the fare structure (which has improved our revenue as a whole); and
- Allocation of new routes.

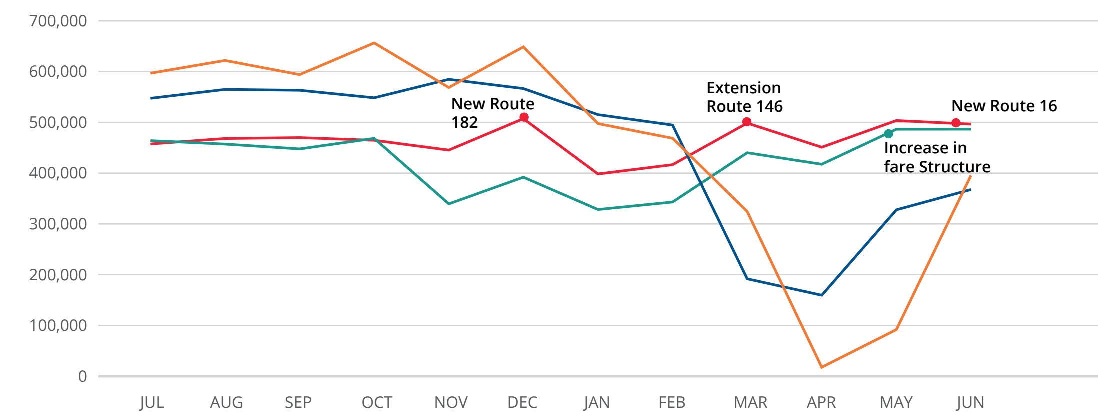
Period	Start Date	End Date	# Buses	Notes
FY 2023	21-12-2022		2	New RSL from NLTA for new route. Route 182-Chebel to La Cure Via GRNW-Tranquebar
FY 2023	21-03-2023		1	Extension of route 146 to Tribeca Mall
FY 2023	12-06-2023		2	New RSL from NLTA for new route. Route 16-Rose Hill to Flacq Via St Pierre-Quartier Militaire-Sebastopol-Bel Air

Furthermore, the Company has been able to secure some shuttle services with Landscope and Casela which has positively impacted the turnover for the private hire sector.

Pax and Traffic Receipt

The following graphs show the number of pax carried and the corresponding traffic receipt collected.

Number of Pax



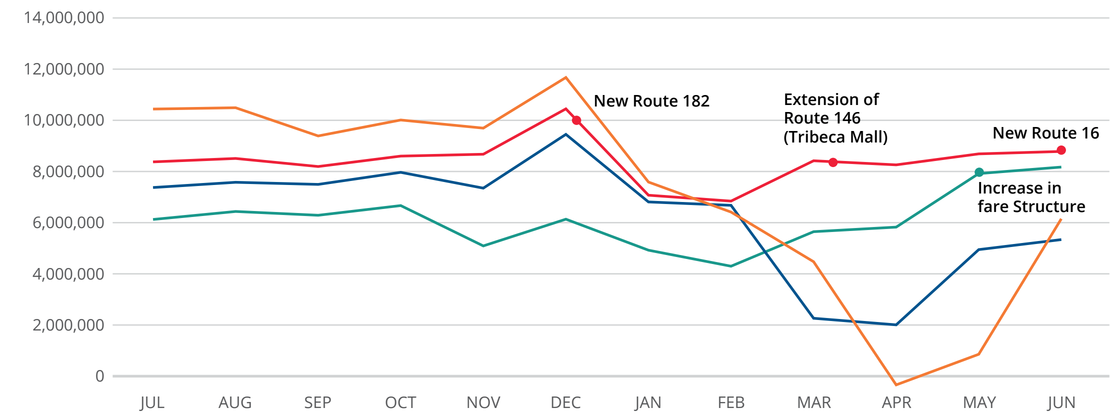
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
2019-2020	596,860	621,955	594,155	656,375	568,848	648,649	497,898	469,090	325,311	19,192	93,194	396,247
2020-2021	547,595	565,055	563,396	548,591	584,874	566,741	515,491	495,024	193,012	160,772	328,526	368,397
2021-2022	464,432	457,667	448,201	468,866	340,223	392,627	329,125	343,856	440,642	418,058	486,854	486,993
2022 - 2023	457,875	468,642	470,373	465,127	445,851	507,605	398,963	417,221	498,905	451,518	503,928	496,876

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

Pax and Traffic Receipt (Cont'd)

Traffic Receipt



	2019-2020	2020-2021	2021-2022	2022-2023
JUL	10,658,055	7,759,067	6,579,384	8,706,441
AUG	10,706,592	7,952,144	6,874,050	8,832,568
SEP	9,664,234	7,874,600	6,734,102	8,534,773
OCT	10,253,074	8,319,561	7,091,901	8,919,969
NOV	9,953,131	7,736,131	5,601,963	8,988,715
DEC	11,823,819	9,722,495	6,589,130	10,665,155

	2019-2020	2020-2021	2021-2022	2022-2023
JAN	7,961,284	7,226,324	5,443,730	7,474,672
FEB	6,852,388	7,101,359	4,852,087	7,257,563
MAR	5,017,989	2,928,817	6,127,958	8,747,562
APR	468,614	2,686,325	6,296,307	8,596,469
MAY	1,599,509	5,465,543	8,274,606	9,002,225
JUN	6,604,233	5,835,414	8,514,584	9,091,824

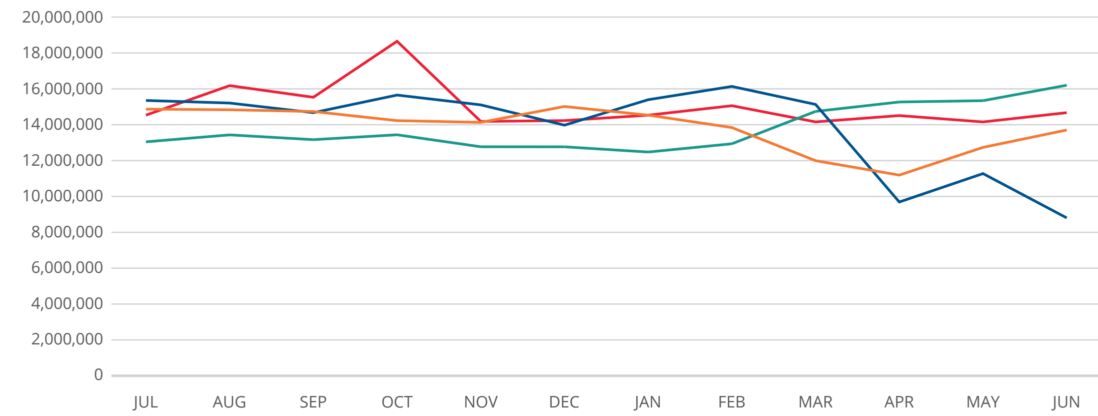
Notes:

- The total revenue from traffic receipt increased to MUR 104,817,936 in FY2022-2023 compared to MUR 78,979,802 in FY 2021-2022 representing an increase of 33%.

Operating Costs

The total operating costs in FY 2022 was MUR 165,072,241 versus MUR 179,908,790 in FY2023 representing a 9% increase which is mainly due the statutory salary increase and the rising cost of spare parts due to the unfavourable exchange rates.

Overall, the costs have been well managed in all areas where it was possible to streamline.



	2019-2020	2020-2021	2021-2022	2022-2023
JUL	14,828,570	15,311,542	13,001,665	14,491,510
AUG	14,791,841	15,168,210	13,389,442	16,141,376
SEP	14,694,526	14,630,303	13,122,408	15,490,301
OCT	14,185,588	15,614,214	13,395,085	18,620,017
NOV	14,088,866	15,066,515	12,725,829	14,141,520
DEC	14,976,618	13,932,946	12,722,383	14,187,268

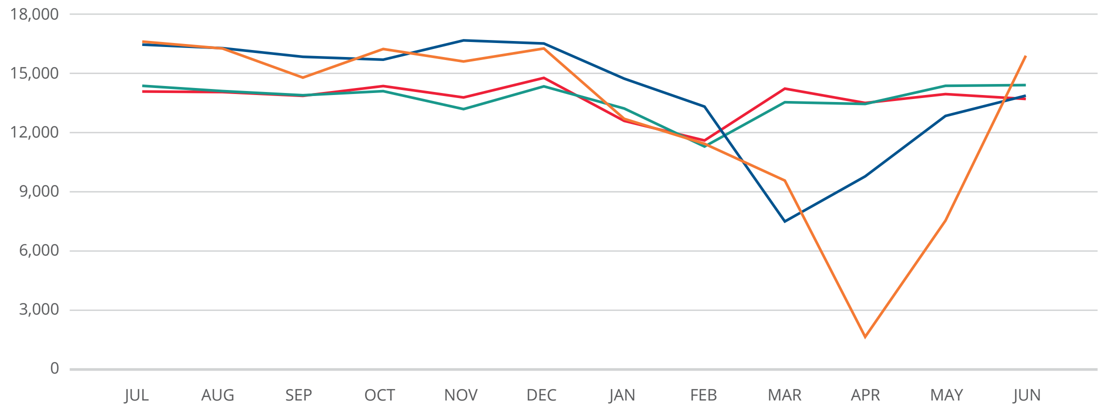
	2019-2020	2020-2021	2021-2022	2022-2023
JAN	14,492,499	15,354,769	12,430,872	14,489,743
FEB	13,798,925	16,096,558	12,892,282	15,020,039
MAR	11,947,948	15,090,944	14,701,127	14,115,409
APR	11,142,206	9,639,142	15,227,577	14,468,292
MAY	12,691,300	11,226,528	15,300,344	14,113,347
JUN	13,661,235	8,751,753	16,163,227	14,629,967

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

Number of Trips Performed

The following table displays the number of trips performed in FY 2022 versus FY 2023.



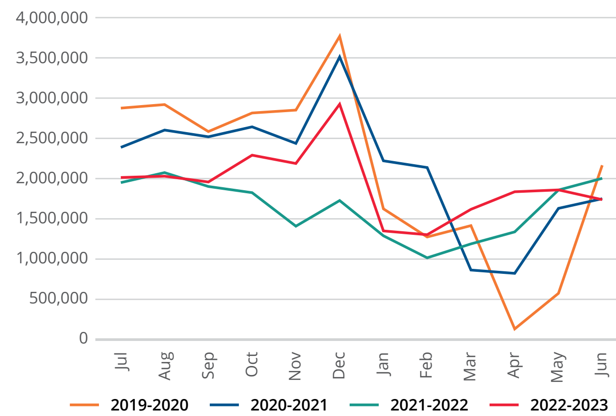
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
2019-2020	16,599	16,249	14,776	16,223	15,593	16,250	12,691	11,427	9,566	1,657	7,541	15,885
2020-2021	16,445	16,267	15,829	15,684	16,659	16,502	14,724	13,309	7,496	9,778	12,837	13,864
2021-2022	14,361	14,094	13,884	14,090	13,182	14,333	13,213	11,289	13,530	13,443	14,361	14,398
2022 - 2023	14,072	14,044	13,853	14,348	13,772	14,762	12,586	11,595	14,219	13,495	13,941	13,696

The number of trips performed (all routes) in FY2022 was 13,682 monthly averages compared to 13,699 average monthly in FY2023.

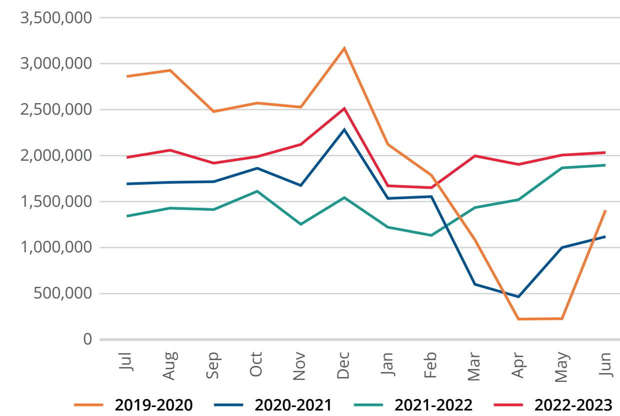
Routes Statistics

The various revenue per routes is as per the graphs below:

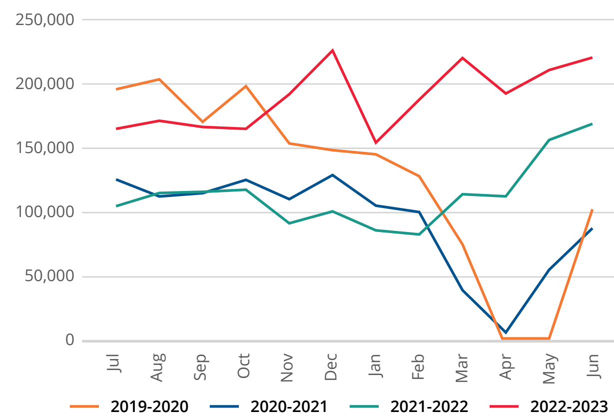
Route 1



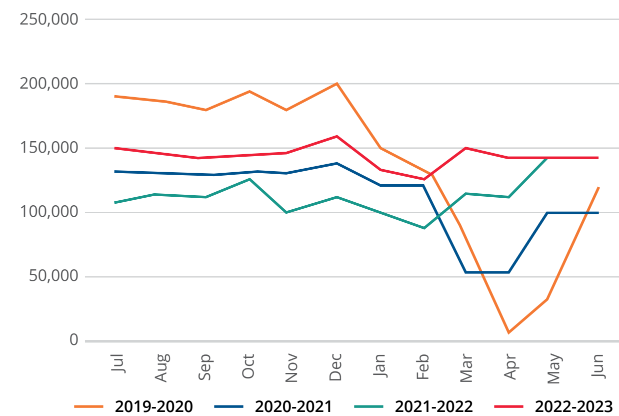
Route 174



Route 174B



Route 1A

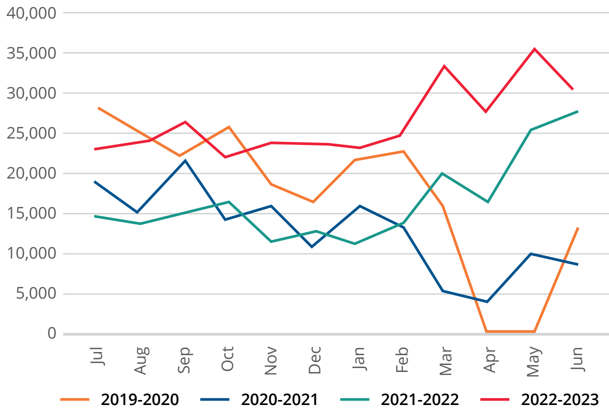


CORPORATE GOVERNANCE REPORT

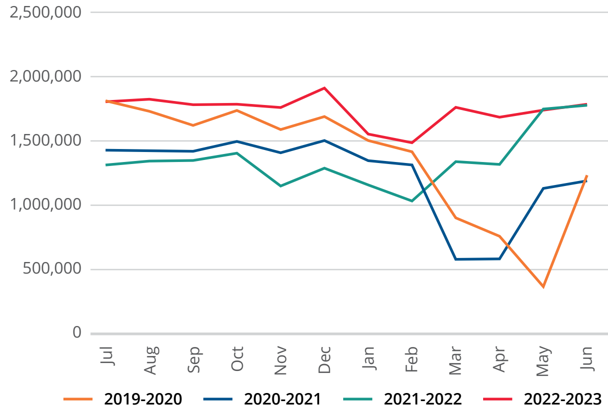
Year ended June 30, 2023

Routes Statistics (Cont'd)

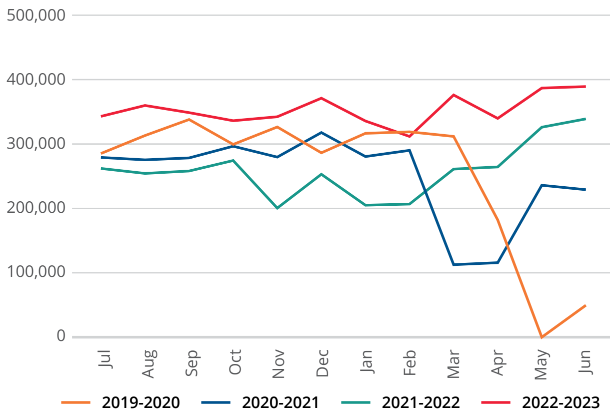
Route 40



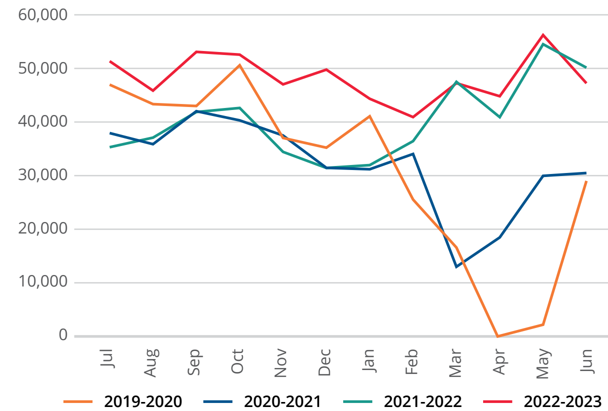
Route 145



Route 1B

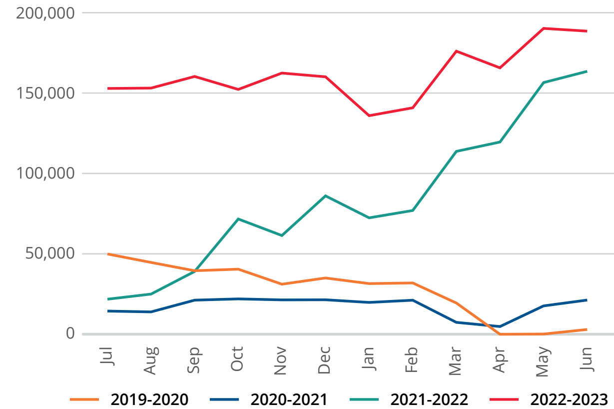


Route 1D

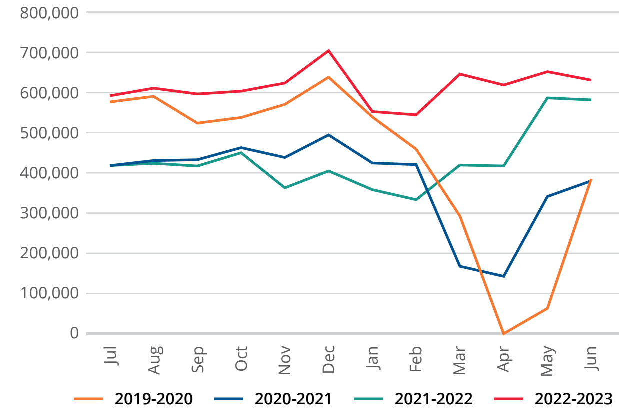


Routes Statistics (Cont'd)

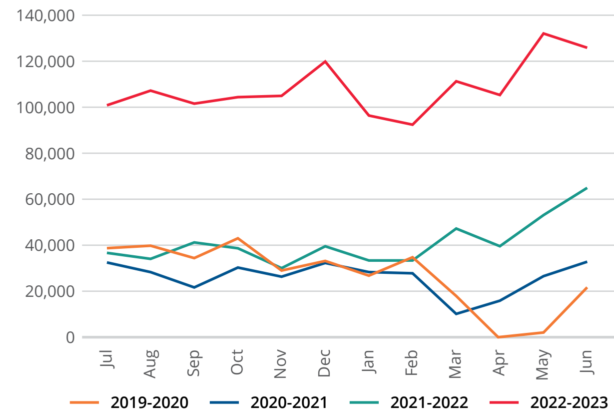
Route 31



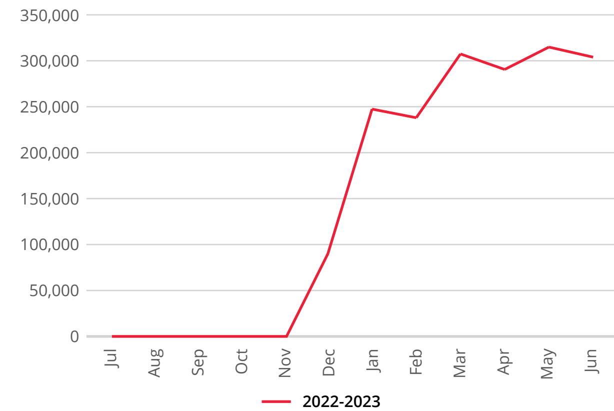
Route 239



Route 177



Route 182

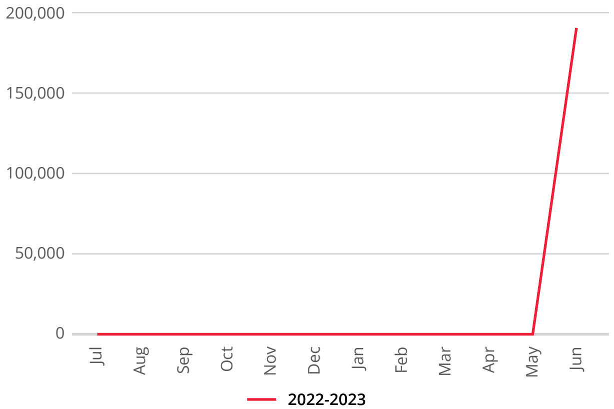


CORPORATE GOVERNANCE REPORT

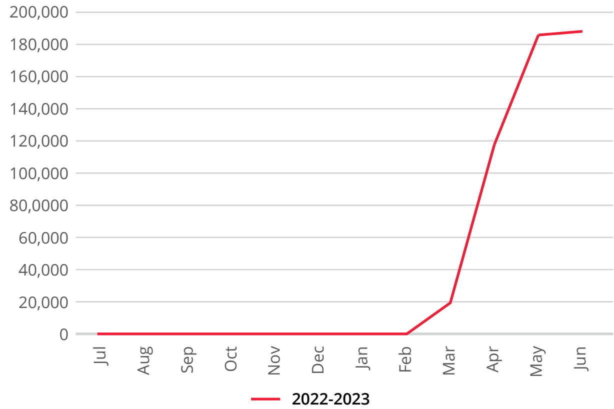
Year ended June 30, 2023

Routes Statistics (Cont'd)

Route 16



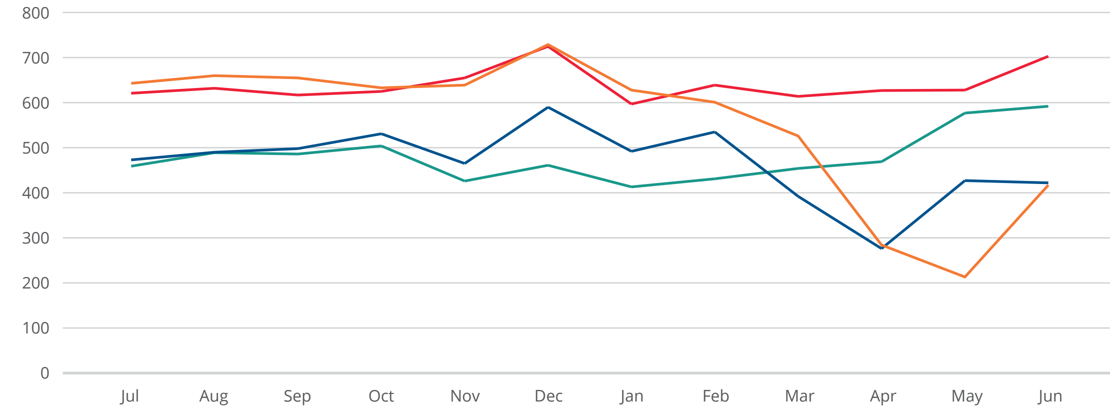
Route 146



Key points to observe is as follows:

- The highest revenue generating route remains Route 1 with a total earning of MUR 23,107,533 whereas the lowest earning route is Route 40 with an earning of MUR 198,662; and
- The route with the highest drop in revenue is Route 1, where the revenue dropped from MUR 25,525,498 in FY2021 to a value of MUR 19,576,891 in FY2022 representing a drop of 23%.

Earning/Trip



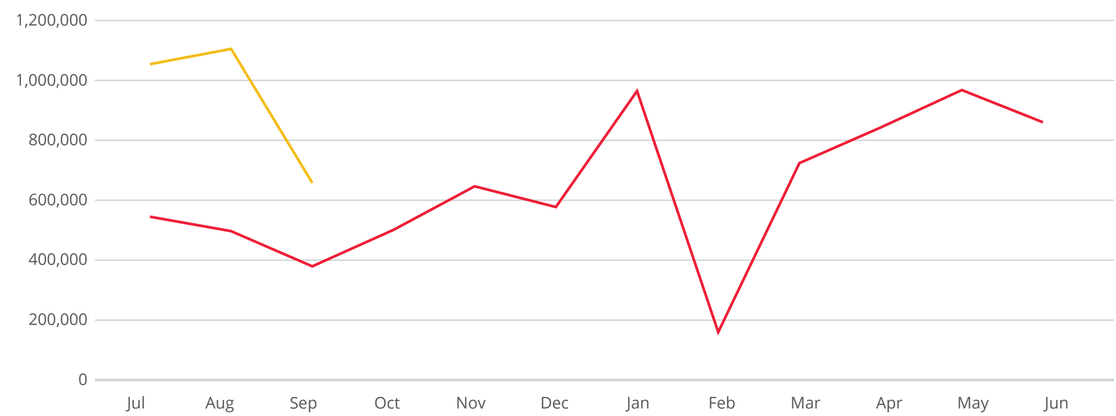
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	642	659	654	632	638	728	627	600	525	283	212	416
2020-2021	472	489	497	530	464	589	491	534	391	275	426	421
2021-2022	458	488	485	503	425	460	412	430	453	468	576	591
2022 - 2023	620	631	616	624	654	724	596	628	613	626	627	702

As per graph it has noticed that there is an increase in the average earning per trip from MUR 479 in FY 2022 to MUR 638 in FY 2023 an increase by 33%.

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

Private Hire



	2022 - 2023	2023 - 2024		2022 - 2023
Jul	545,000	1,054,400	**Jan**	964,800
Aug	496,700	1,105,500	**Feb**	159,400
Sep	379,200	658,100	**Mar**	724,100
Oct	501,000		**Apr**	842,900
Nov	646,500		**May**	968,000
Dec	577,300		**Jun**	860,400

The above graph shows a significant increase in private hire in FY2023 compared to FY2022. The total amount for private hire in FY2023 is MUR 7,665,300 compared to FY 2022 which show a MUR 1,508,400.

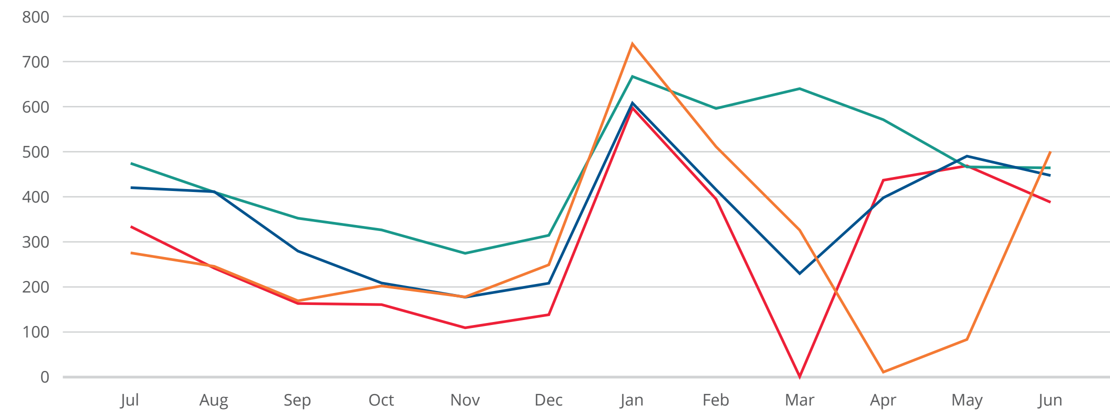
Below are some which has boost the private hire:

- During school holidays and during peak season at Casela leisure, 4 buses are allocated for them; and
- We have a shuttle service contract at Landscope for 2 buses (duration of contract – 6 months).

Leaves Taken

We have noticed a fall of about 40% in the number of sick leaves taken compared to be previous financial year, this is mainly attributed to the diminishing impact of Covid-19. High levels of sick leaves still remain an area of concern for the operations.

Comparison sick leaves taken



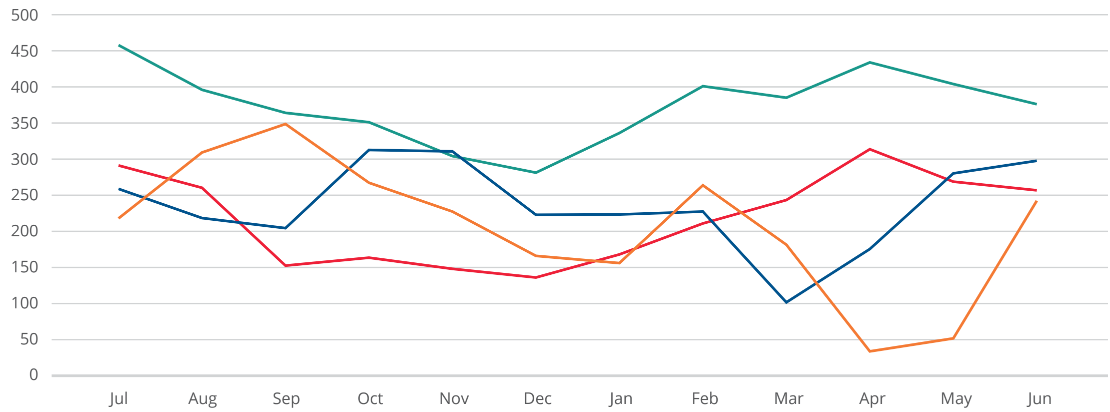
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	275	245	168.5	201.5	177	248.5	739.5	511	325.5	10	82.5	500.5
2020-2021	420	411	279	208	176.5	207.5	608	415.5	229	397.5	490	447
2021-2022	474	410	352	326	274	314	667	596	640	571	466	464
2022 - 2023	333.5	241	161.5	160	108.5	137.5	597	394.5	0	436.5	468.5	387.5

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

Leaves Taken (Cont'd)

Comparison local leaves taken

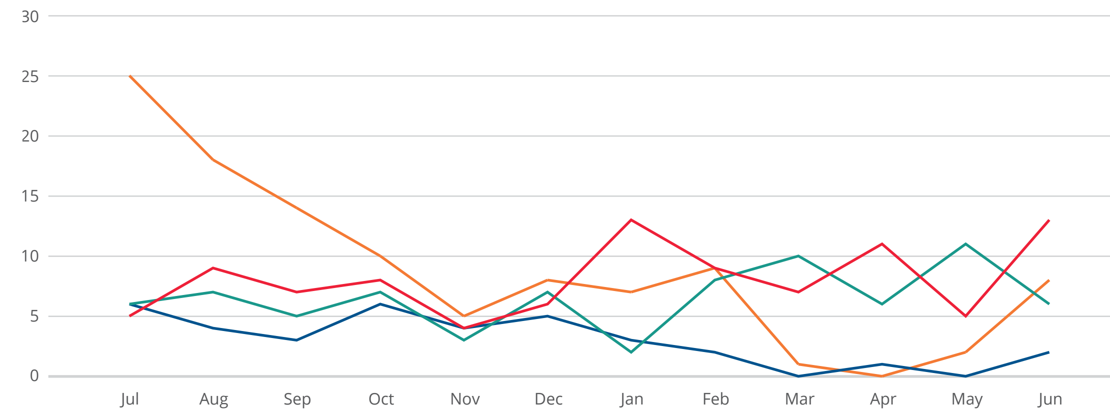


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	217.5	309	348.5	267	227	165.5	155.5	263.5	181	33	51	242
2020-2021	258.5	218	204	312.5	310.5	222.5	223	227	101	175	280	297.5
2021-2022	458	396	364	351	304	281	336	401	385	434	404	376
2022 - 2023	291	260	152	163	147.5	135.5	167.5	210.5	243	313.5	268.5	256.5

Accidents

In FY2023, we have seen an increase in accidents compared to the previous years. The main reason being the general economy back to normal meaning high level of traffic. Due to the scarcity of drivers on the market, we are also compelled to employ lesser experienced drivers.

Accidents - at fault



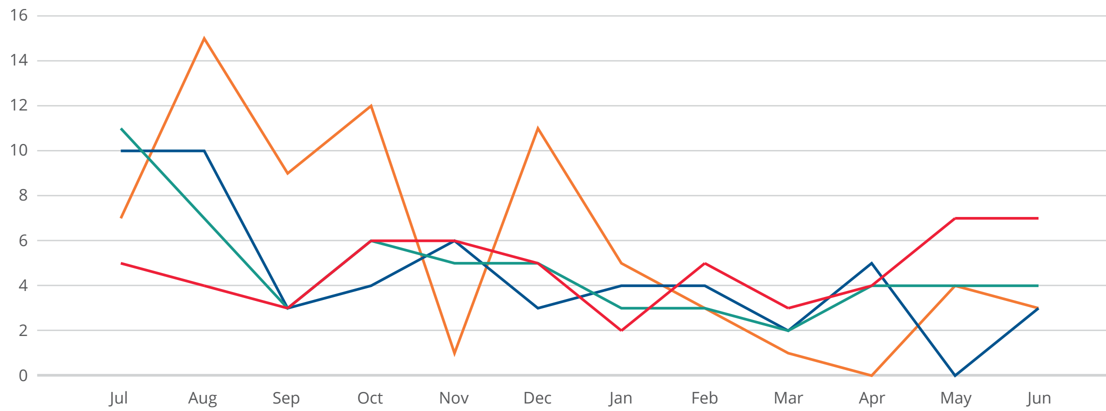
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	25	18	14	10	5	8	7	9	1	0	2	8
2020-2021	6	4	3	6	4	5	3	2	0	1	0	2
2021-2022	6	7	5	7	3	7	2	8	10	6	11	6
2022 - 2023	5	9	7	8	4	6	13	9	7	11	5	13

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

Accidents (Cont'd)

Accidents - not at fault



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	7	15	9	12	1	11	5	3	1	0	4	3
2020-2021	10	10	3	4	6	3	4	4	2	5	0	3
2021-2022	11	7	3	6	5	5	3	3	2	4	4	4
2022 - 2023	5	4	3	6	6	5	2	5	3	4	7	7

END WORD

The most areas, the operational statistics of FY2023 have shown an improvement over those of the last 3 years. In this current financial year, we have seen some positive changes from the authorities with the adjustment of the fare structure and allocation of new routes. We are of the opinion more positive changes are on the way.

HEALTH AND SAFETY

Health and Safety Report

At RHT Holding Ltd, safety is an essential foundation of our business activities. The continuous improvement of a safe work environment is a key component of our corporate responsibility across all business entities of the Group. RHT Holding Ltd adheres to the applicable standards, domestic regulations, and laws. These regulations aim to prevent injuries, equipment breakdowns, and transportation incidents, as well as preserve the health of our employees in the workplace and during work-related activities.

At RHT BS, all our buses are individually checked on a daily basis daily before being sent out on the roads. This ensures that we send out safe and comfortable means of transportation for our customers. Our bus drivers and conductors undergo periodic training on defensive driving as well as health and safety to ensure that our employees have the knowledge and skills necessary to adopt the right and safe behaviour whilst at work. The Company has an Accident Review Committee that assesses road traffic incidents involving our buses in view of identifying root causes and recommend corrective and preventive actions to diminish as far as reasonably practicable recurrences. A comprehensive H&S manual has also been developed to capture all work processes within the Company and highlight their respective hazards, risks, and control measures. RHT BS employees are regularly trained on the different contents of the manual to enable them to acquire skills to carry out their work safely.

FPSL has launched 2 new workshops at Plaine Lauzun and Forest Side in 2022 – 2023. The establishment of these work units involved upgrading existing infrastructure to meet required standards for fire safety, electrical safety, equipment safety and personal safety. FPSL management has acknowledged the inherent hazards and risks in their operations and has acquired the services of a health and safety consultant to assist them in establishing a safe work environment. Promoting safety awareness among employees has been essential for minimizing dangerous situations during day-to-day operations. Health and Safety trainings were carried out on both locations with all technical staff on different aspects of safety at work. All technicians have also been provided with all necessary protective equipment to enable them to conduct their tasks safely.

The safety of employees working on external clients' sites has been a primary concern for ICL. Management has decided to acquire the services of a health and safety consultant to assist them in building a solid framework to ensure that employees' health and safety are takin into consideration. The H&S consultant has carried out site visits along with technicians to assess risks pertaining to their tasks and recommend preventive and corrective actions. Technicians have received H&S training and have been provided with all required protective equipment to enable them to perform their tasks safely.

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

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 5,000 (2022: Nil).

SOCIAL REPORT FY 2023

Introduction

RHT BS, has always had as part of its core values the caring for society and environment at large. Hence, for the FY2023, despite it remaining a challenging year from an economic perspective, the Company has engaged in the following social activities.

Distribution of Easter Eggs

The Company has a long tradition of celebrating Easter by distributing Easter Eggs to employees and passengers. This year was no different, it brought joy to the faces of our passengers and employees once again. The event was a huge success. We believe that events like these are essential to building strong relationships with our customers and employees, and community and are committed to continuing with this tradition.

Happy Bus

At RHT BS, we have started a new initiative "Happy Bus – enn sirpriz tou le zour". The idea is to offer a new travelling experience to our commuters but offering a gift voucher, valued at Rs500, to a random passenger to put a smile on their face with a gift by simply travelling on our buses.

C-Care - Octobre Rose

In collaboration with C-Care, the Company assisted with the initiative 'BISROZ', which was a mobile station for the sensitization of women for the early detection of breast cancer.

NE POU SERVIR

The Company also contributed to the organization of **'Ne pou servir',** for the purchase of gifts for children during the Christmas 2022.

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

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 49 on the role of the Audit and Risk Committee.

EXTERNAL AUDIT

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

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

The Audit and Risk Committee has regularly met 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 pages 87 to 89.

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 197,000 for the year ended June 30, 2023 (2022: MUR 197,000).

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.

Pursuant to the amendments made to the Companies Act 2001, the Notice of the Annual Meeting of shareholders as well as the Annual Report are 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
November 2023	Interim dividend for financial year 2023/2024*
December 2023	Annual Meeting of Shareholders
June 2023	Financial year end
June 2023	Final dividend for financial year 2023/2024*

**Subject to the approval of the Board of Directors and the Company being solvent.*

Paul C.K.F AH LEUNG
Chairperson

Dr Sidharth SHARMA
Group Chief Executive Officer

Date: November 13, 2023

CORPORATE GOVERNANCE REPORT

Year ended June 30, 2023

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Directors acknowledge their responsibilities for:

(i) Adequate accounting records and maintenance of effective internal control systems;

(ii) The preparation of consolidated financial statements which fairly present the state of affairs of the Group and Company as at the end of the financial year and the results of their operations and cash flows for the year then ended which comply with International Financial Reporting Standards (IFRS) and the Mauritius Companies Act 2001; and

(iii) The selection of appropriate accounting policies supported by reasonable and prudent judgments.

The external auditors are responsible for reporting on whether the consolidated financial statements are fairly presented.

The Directors report that:

- Adequate accounting records and an effective system of internal controls and risk management have been maintained;
- Appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
- International Financial Reporting Standards and the Mauritius Companies Act 2001 have been adhered to. Any departure in the interest in fair presentation has been disclosed, explained, and quantified; and
- The Code of Corporate Governance has been adhered to.

Approved by the Board of Directors on November 13, 2023 and signed on its behalf by:

Paul C.K.F AH LEUNG
Chairperson

Dr Sidharth SHARMA
Group Chief Executive Officer

CERTIFICATE FROM THE COMPANY SECRETARY

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, 2023, 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: November 13, 2023

STATUTORY DISCLOSURES

Year ended June 30, 2023 (Section 221 of the Mauritius Companies Act 2001)

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 June 30, 2023.

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 9 of the financial statements.

DIRECTORS

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

Name	Categories	Date of Appointment
Paul Chung Kim Fung AH LEUNG	Chairperson of the Board of Directors and Non-Executive Director	January 10, 2007
Sidharth SHARMA	Group CEO and Executive Director	December 09, 2000
Uday Kumar GUJADHUR	Chairperson of the Corporate Governance, Nomination and Remuneration Committee and Independent Non-Executive Director	June 07, 2016
Kamil PATEL	Chairperson of the Audit and Risk Committee and Independent Non-Executive Director	July 01, 2014
Meha DESAI	Non-Executive Director	December 12, 2017
Ravindra GOBURDHUN	Executive Director and Group Head of Operations	June 02, 2009
Yoosuf Mohammad KUREEMAN	Non-Executive Director	January 01, 2007
Gilbert Patrick Stephane LEAL	Non-Executive Director	November 11, 2004
Michel Patrice LEAL (Alternate to Gilbert Patrick Stephane LEAL)	Non-Executive Director	December 19, 2011

The list of Directors of the subsidiaries is disclosed on page 32.

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 **2023 (MUR)**	Executive Directors **2023 (MUR)**	Independent & Non-Executive Directors 2022 (MUR)	Executive Directors 2022 (MUR)
Paul Chung Kim Fung AH LEUNG	**595,000**		586,917	
Meha DESAI	**425,000**		342,500	
Uday Kumar GUJADHUR	**461,000**		433,583	
Yoosuf Mohammad KUREEMAN	**283,000**		510,867	
Gilbert Patrick Stephane LEAL	**407,000**		471,333	
Kamil PATEL	**516,000**		508,583	
Sidharth SHARMA		**5,788,080**		5,191,253
Ravindra GOBURDHUN		**2,103,600**		2,009,134
Total	**2,687,000**	**7,891,680**	2,853,783	7,200,387

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

DONATIONS

	The Group		The Company	
	2023	2022	**2023**	2022
	MUR'000	MUR'000	**MUR'000**	MUR'000
Donations made during the year	**5,000**	Nil	**5,000**	Nil

STATUTORY DISCLOSURES

Year ended June 30, 2023 (Section 221 of the Mauritius Companies Act 2001)

AUDITORS' FEES

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

	The Group	
	2023	2022
	MUR'000	MUR'000
RHT Holding Ltd	**736,000**	640,000
RHT Bus Services Ltd	**874,000**	760,000
RHT Investments Ltd	**241,500**	210,000
Fleet Pro Services Ltd	**172,500**	150,000
	2,024,000	1,760,000

Approved by the Board of Directors on November 13, 2023 and signed on its behalf by:

Paul C.K.F AH LEUNG
Chairperson

Dr Sidharth SHARMA
Group Chief Executive Officer

STATEMENT OF COMPLIANCE

Year ended June 30, 2023 (Section 75(3) of the Financial Reporting Act 2004)

Name of Public Interest Entity ('PIE'): RHT Holding Ltd ('the Company' or 'RHT')

Reporting Period: June 30, 2023

On behalf of the Board of Directors of RHT, we confirm that, to the best of our knowledge, that, save for the disclosures on the website (Principles 1, 3, 4, 6 and 7), the Company has complied with all the obligations and requirements of the National Code of Corporate Governance for Mauritius (2016) (the 'Code').

Paul C.K.F AH LEUNG
Chairperson

Dr Sidharth SHARMA
Group Chief Executive Officer

November 13, 2023

INVESTING
FOR THE FUTURE

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of RHT Holding Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE 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 93 to 185 which comprise the consolidated and separate statements of financial position as at June 30, 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements on pages 93 to 185 give a true and fair view of the financial position of the Group and of the Company as at June 30, 2023, 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 Mauritian Companies Act 2001.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

1 REVENUE RECOGNITION - CASH RECEIPTS

Key Audit Matter

Total consolidated revenue for the financial year ended June 30, 2023 amounted to Rs. 272.2m (2022: Rs. 207.2m). Revenue of the Group is derived from the following key segments: Bus Operations, Trading Activities and Services (Note 23). As stated in the Accounting policies in Note 2 and in line the IFRS 15 Revenue from Contracts with Customers ("IFRS 15"), the Group recognises revenue when a performance obligation is satisfied by transferring control over a promised good or service.

More than 85% 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. Handling of cash is inherently risky and is highly susceptible to misappropriation and fraud. Ensuring completeness of revenue is therefore a challenge in a business which handles a high volume of physical cash.

Group revenue is considered as a key audit matter due to the inherent risk of fraud and misappropriation linked with the handling of cash receipts.

Related Disclosures

Refer to notes 23 & 32 of the accompanying financial statements.

Accounting policy note 2.16.

Audit Response

- We have tested the design and implementation of the control areas in the cash handling, completeness of bus tickets, revenue recognition and revenue recording process.
- We have tested effectiveness of 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 banked.
- We have obtained revenue listings from the Management and analysed the journal entries to identify unusual transactions.
- We have ensured that balances per sales ledger tallies with the general ledger and ultimately tallies with the trial balance, which forms the basis of the revenue balance on the financial statements.
- We have circularised banks as at reporting date.
- We assessed whether the Group's disclosures in the consolidated financial statements in respect of revenue were in accordance with the requirements of IFRS 15.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of RHT Holding Ltd (Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

2 VALUATION OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Key Audit Matter

As at June 30, 2023, the Group's financial assets at fair value through Other Comprehensive Income amounted to Rs. 352.2m (2022:Rs. 369.2m).

Financial assets at fair value through Other Comprehensive Income include a mix of quoted and unquoted investments.

Unquoted investments amounted to Rs. 106.9m at June 30, 2023 and Rs. 98m at June 30, 2022.

In assessing the fair value of financial assets, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Many of the inputs required can be obtained from readily available liquid market prices and rates. Where observable market data is not available, estimates are developed based on the most appropriate source data and are subject to significant judgment.

The significance of the unquoted investments in financial assets on the statements of financial position and the use of judgements and estimates in measuring their fair value resulted in them being identified as a Key Audit Matter.

Related Disclosures

Refer to note 10A of the accompanying financial statements.

Accounting policy note 2.8.

Audit Response

- We have tested the design and implementation of the controls relating to the valuation of investment.
- We have ensured that the financial assets are being recognised and measured in line with the respective IFRS.
- We have ascertained that the valuation techniques used are appropriate and consistently applied.
- We have circularised foreign and local securities at the reporting date.
- We have checked the reasonableness of inputs to the valuation techniques used.
- We have used our audit expert to assess the assumptions made in determining the discount rates used in the discounted cash flows used to fair value certain investments.
- We have evaluated whether disclosures in the consolidated financial statements in respect of financial assets at fair value through Other Comprehensive Income were in accordance with the requirements of International Financial Reporting Standards.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

3 VALUATION OF LAND AND BUILDINGS UNDER PROPERTY, PLANT AND EQUIPEMENT AND INVESTMENT PROPERTY

Key Audit Matter

The Group has land and buildings classified under Property, plant and equipement ("PPE") and land classified as Investment Property ("IP"). As at June 30, 2023 PPE and IP amounted to Rs. 140.5m (2022: Rs. 127.6m) Rs. 49.5m (2022: Rs. 48.6m) respectively. The Group carries its land and buildings (PPE) at revalued amount under the revaluation model in terms of IAS 16 Property, plant and equipment while the land relating to Investment Property is accounted for at fair value in accordance with IAS 40 Investment Property.

Revaluation of PPE is carried out at regular intervals of at least every 3 years, unless there is evidence that the fair value differs materially from the carrying amount. The fair value of IP is determined at the end of each reporting period. The fair value of land and buildings is determined by independent external valuers. The last valuation was carried out as at June 30, 2023.

Any revaluation surplus on PPE is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. However, the surplus is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. The revaluation surplus on Land and buildings under PPE reported in other comprehensive income amounts to Rs. 13.9m. Any fair value adjustment on IP is recognised in profit or loss. The fair value adjustment on land under IP reported in profit or loss amounts to Rs. 0.9m.

The recent valuation was performed in accordance with IFRS 13 Fair Value Measurement, with the fair value determined based on market approach for land and depreciated replacement cost for buildings. The valuation of land and buildings is of a subjective nature and involves the use of judgements, estimates and other assumptions in determining fair values and which materially affect the carrying amounts of the revalued assets.

The significance of the Land and buildings under PPE and IP on the statements of financial position and the use of judgements and estimates in measuring their fair value resulted in them being identified as a Key Audit Matter.

Related Disclosures

Refer to notes 5 and 6 of the accompanying financial statements.

Accounting policy notes 2.3 and 2.4.

Audit Response

- Obtained, read and understood the report from the external independent valuation specialist.
- Tested the mathematical accuracy of the report and evaluate the appropriateness of the valuation methodology used by the external independent valuation specialist for determining the fair value of buildings using the depreciated replacement cost basis.
- Assessed the qualifications, competence, capabilities and objectivity of the external independent valuation specialist.
- Discussed and challenged the key inputs and assumptions used by the external independent valuation specialist for the valuation model and also reviewed the scope of work with management to ensure that there were no matters affecting the external independent valuation specialist' judgements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

3 VALUATION OF LAND AND BUILDINGS UNDER PROPERTY, PLANT AND EQUIPEMENT AND INVESTMENT PROPERTY (CONT'D)

Audit Response (Cont'd)

- Performed benchmarking exercises.
- Evaluated whether disclosures in the financial statements in respect of valuation of land and buildings were in accordance with the requirements of International Financial Reporting Standards."

Other information

The Directors are responsible for the other information. The other information comprises mainly of information included in the Annual Report, including the Corporate Governance Report, Statement of Compliance, Statement of Directors' responsibilities and Statutory Disclosures, but does not include the consolidated and separate financial statements and our auditor's report thereon. All other information in the annual report, except those disclosed above, will be made available to us after that date. If we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and 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's and the Company's financial reporting process.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditor's Responsibilities for the Audit of the Consolidated And Separate Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe 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.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of RHT Holding Ltd (Cont'd)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Mauritian Companies Act 2001

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

- We have no relationship with, or interests in, the Company and its subsidiaries, other than in our capacity as 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.

Mauritian Financial Reporting Act 2004

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

Other Matter

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

BDO & CO
Chartered Accountants

Shabnam Peerbocus, FCA
Licensed by FRC

Port Louis,
Mauritius.

STATEMENTS OF FINANCIAL POSITION

At June 30, 2023

		THE GROUP			THE COMPANY	
			Restated*	Restated*		
	Notes	2023	2022	2021	2023	2022
ASSETS		Rs.	Rs.	Rs.	Rs.	Rs.
Non-current assets						
Property, plant and equipment	5	**196,728,449**	189,819,871	195,078,913	**432,261**	703,978
Right-of-use assets	5A	**22,976,150**	28,228,321	25,965,591	**1,051,760**	1,880,430
Investment properties	6	**49,500,000**	48,576,613	48,200,000	**-**	-
Finance lease receivable	7	**213,008,438**	162,311,387	159,584,164	**-**	-
Intangible assets	8	**4,493,763**	3,759,248	2,451,786	**-**	-
Investment in subsidiaries	9	**-**	-	-	**495,625,066**	495,625,066
Financial assets at fair value through other comprehensive income	10A	**352,259,667**	369,189,933	362,854,612	**-**	-
Financial assets at amortised cost	10B	**22,550,000**	21,850,000	21,025,000	**-**	-
Financial assets at fair value through profit or loss	11(i)	**73,761,858**	221,190,822	178,743,543	**10,072,850**	20,145,700
Deferred tax assets	12(a)	**676,332**	645,529	4,093,117	**-**	-
		935,954,657	1,045,571,724	997,996,726	**507,181,937**	518,355,174
Non-current assets held for sale	21	**4,106,694**	2,557,700	-	**-**	-
Current assets						
Inventories	13	**11,405,059**	9,558,038	7,202,667	**-**	-
Trade and other receivables	14	**65,943,325**	30,859,855	42,699,428	**29,389,922**	29,044,444
Finance lease receivable	7	**92,984,047**	72,159,422	14,487,017	**-**	-
Current tax asset	12(b)	**103,916**	361,020	-	**-**	-
Financial assets at fair value through profit or loss	11(i)	**135,000,000**	-	-	**-**	-
Cash at bank and in hand	33(a)	**27,502,972**	30,727,591	40,432,109	**7,611,983**	4,935,184
Other assets			-	2,122,800		
		332,939,319	143,665,926	106,944,021	**37,001,905**	33,979,628
TOTAL ASSETS		**1,273,000,670**	1,191,795,350	1,104,940,747	**544,183,842**	552,334,802

STATEMENTS OF FINANCIAL POSITION

At June 30, 2023

	Notes	THE GROUP			THE COMPANY	
			Restated*	Restated*		
		2023	2022	2021	**2023**	2022
EQUITY AND LIABILITIES		**Rs.**	Rs.	Rs.	**Rs.**	Rs.
Capital and reserves						
Stated capital	15	**24,324,300**	24,324,300	24,324,300	**24,324,300**	24,324,300
Retained earnings		**314,468,501**	284,748,771	283,458,954	**338,739,703**	372,829,602
Other reserves	22	**375,129,281**	388,194,426	366,941,473	**-**	-
Total equity attributable to owners of the company		**713,922,082**	697,267,497	674,724,727	**363,064,003**	397,153,902
Non-current liabilities						
Borrowings	16	**76,811,812**	97,220,026	99,188,751	**3,509,977**	-
Lease liabilities	5B	**133,233,818**	130,181,281	112,305,583	**430,905**	1,168,209
Employee benefit liabilities	17	**40,029,000**	42,200,000	46,328,000	**3,853,000**	451,000
Deferred tax liabilities	12(a)	**825,330**	568,274	375,179	**-**	17,889
Deferred income	18	**-**	5,138,000	3,683,334	**-**	-
		250,899,960	275,307,581	261,880,847	**7,793,882**	1,637,098
Current liabilities						
Trade and other payables	19	**73,384,435**	37,108,594	28,284,478	**132,426,989**	107,362,543
Borrowings	16	**133,264,915**	101,599,433	84,303,228	**30,276,554**	34,455,364
Lease liabilities	5B	**89,428,736**	68,230,866	43,649,676	**737,304**	859,967
Dividend payable	21(a)	**9,785,032**	6,495,928	6,309,995	**9,785,032**	6,495,928
Current tax liabilities	12(b)(i)	**775,511**	927,118	2,899,463	**100,074**	-
Deferred income	18	**1,539,999**	4,858,333	2,888,333	**-**	4,370,000
		308,178,628	219,220,272	168,335,173	**173,325,953**	153,543,802
TOTAL EQUITY AND LIABILITIES		**1,273,000,670**	1,191,795,350	1,104,940,747	**544,183,838**	552,334,802

*Refer to note 39 for prior year adjustment note.

These financial statements have been approved for issue by the Board of Directors on November 13, 2023

Paul C.K.F AH LEUNG
Chairperson

Dr Sidharth SHARMA
Group Chief Executive Officer

The notes on pages 101 to 185 form an integral part of these financial statements.
Auditor's report on pages 86 to 92.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended June 30, 2023

	Notes	THE GROUP		THE COMPANY	
			Restated*		
		2023	2022	**2023**	2022
		Rs.	Rs.	**Rs.**	Rs.
Revenue	23	**267,564,029**	207,270,603	**49,075,520**	46,420,800
Operating expenses	24	**(260,139,781)**	(217,732,952)	**-**	-
Gross Profit/(loss)		**7,424,248**	(10,462,349)	**49,075,520**	46,420,800
Investment income	25	**19,699,706**	21,035,474	**-**	-
Profit on recognition of net investment	26	**38,177,766**	31,332,284	**-**	-
Gain on financial asset at fair value through profit or loss	11	**15,901,380**	2,109,755	**-**	-
Loss allowance recognised during the year	15	**(624,294)**	(2,436,801)	**(3,086,865)**	-
Other income	27	**58,142,410**	68,605,973	**1,676,132**	1,163,000
Administrative expenses	24	**(138,267,282)**	(112,323,632)	**(70,844,410)**	(31,322,099)
(Loss)/Profit from operations		**453,934**	(2,139,296)	**(23,179,623)**	16,261,701
Finance income	28	**16,827,400**	13,208,857	**-**	104,019
Finance costs	29	**(25,000,390)**	(19,163,070)	**(5,697,231)**	(4,639,682)
(Loss)/profit before taxation		**(7,719,056)**	(8,093,509)	**(28,876,854)**	11,726,038
Taxation	12(b)(ii)	**(641,204)**	(4,062,931)	**(82,185)**	(176,948)
(Loss)/Profit for the year		**(8,360,260)**	(12,156,440)	**(28,959,039)**	11,549,090

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended June 30, 2023

	Notes	THE GROUP		THE COMPANY	
			Restated*		
		2023	2022	**2023**	2022
		Rs.	Rs.	**Rs.**	Rs.
Other comprehensive income					
Items that will not be reclassified to profit or loss					
		30,446,982	36,284,510	**(266,000)**	146,080
Changes in fair value of equity instruments at fair value through other comprehensive income	10	**13,869,808**	36,078,430	**-**	-
Gain of revaluation of PPE	5	**13,959,174**	-	**-**	-
Gain of disposal of assets available for sales			-		-
Re-measurement loss on employee benefit liabilities	17	**2,618,000**	236,000	**(266,000)**	176,000
Tax effect of re-measurement loss on employee benefit liabilities	12(a)	**-**	(29,920)	**-**	(29,920)
Items that may be reclassified subsequently to profit or loss					
Currency translation differences	22	**(567,277)**	239,023	**-**	-
Other comprehensive income		**29,879,705**	36,523,533	**(266,000)**	146,080
Total comprehensive income		**21,519,445**	24,367,093	**(29,225,039)**	11,695,170
Profit/(loss) attributable to:					
Owners of the parent company		**(8,360,260)**	(12,156,440)	**(28,959,039)**	11,549,090
Total comprehensive income/(loss) attributable to:					
Owners of the parent company		**21,519,445**	24,367,093	**(29,225,039)**	11,695,170
Basic and diluted earnings/(loss) per share	30	**(0.69)**	(1.00)		

*Refer to note 39 for prior year adjustment note.

The notes on pages 101 to 185 form an integral part of these financial statements.
Auditor's report on pages 86 to 92.

STATEMENTS OF CHANGES IN EQUITY

For the year ended June 30, 2023

THE GROUP	**Notes**	**Stated capital**	**Translation reserves**	**Fair value and revaluation reserves**	**Retained earnings**	**Total**
		Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
At July 1, 2022						
- As previously reported		**24,324,300**	**5,637,338**	**382,557,088**	**277,668,451**	**690,187,177**
- Effect of prior year adjustment	39	**-**		**-**	**7,080,320**	**7,080,320**
- As restated		**24,324,300**	**5,637,338**	**382,557,088**	**284,748,771**	**697,267,497**
Loss for the year		**-**	**-**	**-**	**(8,360,260)**	**(8,360,260)**
Other comprehensive income for the year	22	**-**	**(567,277)**	**27,828,982**	**2,618,000**	**29,879,705**
Total comprehensive income for the year		**24,324,300**	**5,070,061**	**410,386,070**	**279,006,511**	**718,786,942**
Dividends	21	**-**	**-**	**-**	**(4,864,860)**	**(4,864,860)**
Transfer*		**-**	**-**	**(40,326,850)**	**40,326,850**	**-**
At June 30, 2023		**24,324,300**	**5,070,061**	**370,059,220**	**314,468,501**	**713,922,082**
At July 1, 2021						
- As previously reported		24,324,300	5,398,315	361,543,158	279,003,647	670,269,420
- Effect of prior year adjustment	39	-	-	-	4,455,307	4,455,307
- As restated		24,324,300	5,398,315	361,543,158	283,458,954	674,724,727
Loss for the year		-	-	-	(12,156,440)	(12,156,440)
Other comprehensive income for the year	22	-	239,023	36,078,430	206,080	36,523,533
Total comprehensive income for the year		-	239,023	36,078,430	(11,950,360)	24,367,093
Dividends	21	-	-	-	(1,824,323)	(1,824,323)
Transfer*		-	-	(15,064,500)	15,064,500	-
At June 30, 2022		24,324,300	5,637,338	382,557,088	284,748,771	697,267,497

*The transfer relates to the release of accumulated Financial asset at fair value through OCI reserve upon disposal.

The notes on pages 101 to 185 form an integral part of these financial statements.
Auditor's report on pages 86 to 92.

STATEMENTS OF CHANGES IN EQUITY

For the year ended June 30, 2023

THE COMPANY	Notes	Stated capital	Retained earnings	Total
		Rs.	Rs.	Rs.
At July 1, 2022		24,324,300	372,829,602	397,153,902
Profit for the year		-	(28,959,039)	(28,959,039)
Other comprehensive income for the year		-	(266,000)	(266,000)
Total comprehensive loss for the year		-	(29,225,039)	(29,225,039)
Dividend	21	-	(4,864,860)	(4,864,860)
At June 30, 2023		**24,324,300**	**338,739,703**	**363,064,003**
At July 1, 2021		24,324,300	362,958,755	387,283,055
Loss for the year		-	11,549,090	11,549,090
Other comprehensive income for the year		-	146,080	146,080
Total comprehensive loss for the year		-	11,695,170	11,695,170
Dividend	21	-	(1,824,323)	(1,824,323)
At June 30, 2022		**24,324,300**	**372,829,602**	**397,153,902**

The notes on pages 101 to 185 form an integral part of these financial statements.
Auditor's report on pages 86 to 92.

STATEMENTS OF CASH FLOWS

For the year ended June 30, 2023

	Notes	THE GROUP		THE COMPANY	
		2023	2022	**2023**	2022
		Rs.	Rs.	**Rs.**	Rs.
Cash flows from operating activities					
Profit/(loss) before taxation		**(7,719,056)**	(10,652,456)	**(28,876,854)**	11,726,038
Adjustments for:					
Depreciation on Property, plant and equipment	5	**14,183,412**	13,003,357	**271,716**	327,041
Depreciation of right-of-use assets	5A	**5,252,172**	14,055,026	**828,670**	828,670
Fair value movement		**-**	-	**10,072,850**	-
Dividend income	21(b)	**(19,816,020)**	(21,035,474)	**(18,978,810)**	(27,574,677)
Release of government grant	18	**-**	(2,913,334)		-
Release of upfront payments		**-**	2,122,800	**-**	-
Increase in fair value of Investment properties	6	**(923,387)**	-	**-**	-
Increase in fair value of financial assets at fair value through profit or loss	11	**5,828,533**	(2,109,755)	**-**	-
Amortisation of intangible assets	8	**196,935**	118,487	**-**	901
Interest expense	29	**25,171,005**	19,450,365	**5,697,231**	4,639,682
Interest income	28	**(16,827,400)**	(13,208,857)		(104,019)
Provision for retirement benefits obligations	17	**5,769,000**	2,971,000	**3,136,000**	(1,163,000)
Profit on disposal of Property, plant and equipment	5	**(9,915,512)**	(5,212,983)	**-**	-
Operating (loss)/profit before working capital changes		**1,199,682**	(3,411,824)	**(27,849,197)**	(11,319,364)
(Increase)/decrease in inventories	13	**(1,847,021)**	(2,355,371)	**-**	-
Decrease/(increase) in trade and other receivables	14	**(35,083,470)**	11,839,573	**(345,479)**	(9,689,070)
Increase/(decrease) in trade and other payables	19	**36,275,841**	8,824,116	**25,064,436**	10,925,691
Deferred income	18	**(8,456,334)**	6,338,000	**(4,370,000)**	4,370,000
Cash generated from operating activities		**(7,911,302)**	21,234,494	**(7,500,240)**	(5,712,743)
Tax paid	12(b)	**(381,275)**	(2,717,023)	**-**	-
Interest paid		**(25,171,005)**	(19,450,365)	**(5,697,230)**	(5,237,723)
Retirement benefit contribution paid	17	**(4,979,000)**	(6,863,000)	**-**	-
Dividend received	21(b)	**-**	-	**18,978,810**	27,574,677
Net cash (used in)/generated from operating activities		**(38,442,582)**	(7,795,894)	**5,781,340**	16,624,211

STATEMENTS OF CASH FLOWS

For the year ended June 30, 2023

	Notes	THE GROUP 2023 Rs.	THE GROUP 2022 Rs.	THE COMPANY 2023 Rs.	THE COMPANY 2022 Rs.
Cash flows from investing activities					
Purchase of intangible assets	7	**(931,450)**	(1,425,949)	**-**	-
Purchase of Property, plant and equipment	5	**(8,050,010)**	(9,288,920)	**-**	(227,293)
Interest received	28	**16,827,400**	13,208,857	**-**	104,019
Dividends received	21(b)	**19,816,020**	21,035,474	**-**	-
Proceeds on disposal of non current asset held for sale	20	**2,557,700**	-	**-**	-
Proceeds on disposal of Property, plant and equipment		**10,770,103**	6,781,450	**-**	-
Change in finance lease receivable		**(75,628,370)**	20,040,194	**-**	-
Addition on Investment Property	6	**-**	(376,613)	**-**	-
Purchase of investments in securities	10/11	**(42,405,897)**	(69,357,514)	**-**	(20,146,700)
Proceeds on sale of investments in securities	10/11	**91,463,471**	58,763,099	**-**	-
Net cash generated from/(used in) investing activities		**14,418,967**	39,380,078	**-**	(20,269,974)
Cash flows used in financing activities					
Dividend paid	21(a)	**(1,575,756)**	(1,638,390)	**(1,575,756)**	(1,638,390)
Principal paid on lease liabilities	33(b)	**(77,266,646)**	(54,299,444)	**(859,967)**	(807,189)
Proceed from lease liabilities	33(b)	**89,654,870**	-	**-**	-
Proceeds from bank loans	33(b)	**8,000,000**	-	**4,500,000**	-
Repayment of bank loans	33(b)	**(12,976,507)**	(15,846,001)	**(439,916)**	-
Overdraft movement	33(b)	**16,233,775**	31,173,481	**(4,728,917)**	7,353,627
Net cash used in financing activities		**22,069,736**	(40,610,354)	**(3,104,556)**	4,908,048
Net (decrease)/increase in cash and cash equivalents		**(1,953,879)**	(9,026,170)	**2,676,784**	1,262,285
Movement in cash and cash equivalents					
At July 1,		**30,727,591**	40,432,109	**4,935,184**	3,074,858
(Decrease)/increase		**(1,953,879)**	(9,026,170)	**2,676,784**	1,262,285
Exchange differences		**(1,270,740)**	(678,348)	**15**	598,041
At June 30,	33(a)	**27,502,972**	30,727,591	**7,611,983**	4,935,184

The notes on pages 101 to 185 form an integral part of these financial statements.
Auditor's report on pages 86 to 92.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

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 Group is involved in mobility, investments and technology, more details are disclosed in note 9 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 Mauritian Companies Act 2001 and Mauritian Financial Reporting Act 2004.

The consolidated and separate financial statements have been prepared on a historical cost basis, except for the following:

(i) Land and buildings, which are carried at revalued amounts;

(ii) Investment Properties, which are stated at their fair value; and

(iii) Financial assets at fair value through other comprehensive income and profit or loss are stated at their fair value.

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.

At June 30, 2023 the net current assets stood at Rs. 24.7m (2022 net current liability position: Rs. 75.5m) for the Group and Rs. 136.3m (2022: Rs. 119.6m) for the Company. The Directors have considered cash flow forecasts and other projects and discussions as described in note 37 to assess the going concern.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

Amendments to published Standards effective in the reporting period

Definition of a Business (Amendments to IFRS 3) clarifies the definition of a business to help determine whether a transaction should be accounted for as a business combination or an asset acquisition and permits, in certain circumstances, a simplified assessment that an acquired set of activities and assets is not a business. The amendments have no impact on the Group's financial statements.

Definition of Material (Amendments to IAS 1 and IAS 8) clarifies the definition of material and aligns the definitions used across IFRSs and other IASB publications. The amendments have no impact on the Group's financial statements.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) provides relief from certain hedge accounting requirements in order to avoid unnecessary discontinuation of existing hedge relationships during the period before the replacement of an existing interest rate benchmark with an alternative interest rate. The amendments have no impact on the Group's financial statements.

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

IFRS 1 First-time Adoption of International Financial Reporting Standards
Annual Improvements to IFRS Standards 2018– 2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture. *The amendments have no impact on the Group's financial statements.*

IFRS 3 Business Combinations
Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. *The amendments have no impact on the Group's financial statements.*

IFRS 9 Financial Instruments
Annual Improvements to IFRS Standards 2018– 2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. *The amendments have no impact on the Group's financial statements.*

IAS 16 Property, Plant and Equipment
Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of Property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. *The amendments have no impact on the Group's financial statements.*

IAS 37 Provisions, Contingent Liabilities and Contingent Assets
Onerous Contracts—Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making. *The amendments have no impact on the Group's financial statements.*

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (Cont'd)

IAS 41 Agriculture
Annual Improvements to IFRS Standards 2018– 2020: The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. *The amendments have no impact on the Group's financial statements.*

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2023 or later periods, but which the Company has not early adopted.

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

Effective date January 1, 2023

IFRS 17 Insurance contracts
IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. o This standard replaces IFRS 4 – Insurance Contracts

IAS 1 Presentation of Financial Statements
Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (Cont'd)

Effective date January 1, 2023 (Cont'd)

IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

International Tax Reform — Pillar Two Model Rules: The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

Effective date January 1, 2024

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Noncurrent: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

IFRS 16 Leases

Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

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

Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (Cont'd)

The effective date of this amendment has been deferred indefinitely until further notice

IFRS 10 Consolidated Financial Statements:

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

IAS 28 Investments in Associates and Joint Ventures:

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

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

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

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of RHT Holding Ltd and its subsidiaries as at June 30, 2023.

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

For the year ended June 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 BASIS OF CONSOLIDATION (CONT'D)

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 ; and
- 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost at recognition. Garage & buildings are subsequently stated at their revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation. Land is subsequently stated at its revalued amount being the fair value at the date of revaluation. All other Property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the assets' carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent costs are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Land and garage & buildings are revalued every three years, unless there is evidence that the fair value of the assets differ materially from the carrying amount. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholders' equity. "However, an increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss." Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to profit or loss.

A revaluation surplus on buildings is recognised gross on cost and its corresponding accumulated depreciation on accumulated depreciation.

Depreciation on all 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 to its residual value. The annual depreciation rates applied are as follows:

Garage and buildings	20 years
Buses	15 years
Other vehicles	5-6.25 years
Plant and machinery	8 years
Furniture, fittings and equipment	3-10 years
Computer equipment	3-5 years

No depreciation is provided on freehold land.

Depreciation is charged to either operating expenses or administrative expenses based on the function the asset holds. For those assets which are involved in the core operations of the entity, the depreciation is charged to operating expenses. For those assets which are involved in administrative operations, the depreciation is charged to administrative expenses.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The carrying amount of an item of Property, plant and equipment is derecognised:

(a) On disposal; or
(b) When no future economic benefits are expected from its use or disposal.

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. Cost includes the cost of replacing part of an existing Investment Property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are 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 the Investment Property is permanently withdrawn from use and no future economic benefits are expected from the 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 fair value 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.

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).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 INTANGIBLE ASSETS (CONT'D)

The annual amortisation rates applied are as follows:

Computer software and Inbuilt software	5 years

Intangible assets such as goodwill with indefinite useful lives are not amortised, but are tested for impairment at least annually and whenever there is an indicator of impairment 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, is recognised. Expenditure on research, or on the research phase of an internal project, is recognised as an expense when it is incurred.

An intangible asset arising from development, or from the development phase of an internal project, is 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; and
(f) When the ability to measure reliably the expenditure attributable to the intangible asset during its development is present.

In-built software 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 INTANGIBLE ASSETS (CONT'D)

Goodwill (Cont'd)

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.

2.6 INVESTMENTS IN SUBSIDIARIES

Separate financial statements

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

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Consolidated financial statements (Cont'd)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Disposal of subsidiaries

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

2.7 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.

(i) 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. After the entity's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 INVESTMENTS IN ASSOCIATES

(ii) 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.

(iii) 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 FINANCIAL ASSETS

The Group and the Company classify their financial assets into one of the categories discussed below, depending on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Group's accounting policy for each category is as follows:

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; and
- Equity investments for which the entity has not elected to recognise fair value gains and loss through OCI.

Initial recognition

At initial recognition, the Group and the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of financial assets (corporate bonds) 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 expected credit losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 FINANCIAL ASSETS (CONT'D)

Expected credit losses for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime forwad-looking expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed using a provision matrix. 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 administrative expenses 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.

Expected credit losses for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model using the general approach. The methodology used to determine the amount of the expected credit losses 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 and the Company elect 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, financial assets at amortised cost and cash and cash equivalents. The Company's financial assets measured at amortised cost comprise the following line items: Trade and other receivables, Cash at bank and in hand, Financial assets at amortised cost.

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

(iii) Fair value through other comprehensive income

The Group has a number of strategic investments in listed and unlisted entities. For those investments, the 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 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.

Dividends are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 FINANCIAL ASSETS (CONT'D)

(iii) Fair value through other comprehensive income (Cont'd)

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.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost and trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instruments has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available such as GDP growth rate.

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

1. The financial instrument has a low risk of default;
2. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
3. Adverse changes in economic and business condition in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 FINANCIAL ASSETS (CONT'D)

Impairment of financial assets (Cont'd)

(ii) Definition of default

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

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors in full.

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

(iii) Credit-impaired financial assets

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

(a) Significant financial difficulty of the issuer or the borrower;
(b) A breach pf contract, such as a default or past due event;
(c) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) The disappearance of an active market for that financial asset because of financial difficulties.

(iii) Write off policy

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 FINANCIAL ASSETS (CONT'D)

(iv) Measurement and recognition of expected credit losses

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

The Group recognises an impairment loss or reversal of impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity.

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

2.9 FINANCIAL LIABILITIES

Bank borrowings 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 are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

2.10 SHARE CAPITAL

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 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.

Corporate Social Responsibility (CSR)

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

The company accounts for CSR as per Mauritian taxation laws and it is calculated at 2% of previous year chargeable income. 75% of the amount is payable to Mauritius Revenue Authoriy and 25% is paid to NGOs.

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, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 CURRENT AND DEFERRED INCOME TAX

Deferred tax (Cont'd)

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.

2.12 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of an item of inventory. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and applicable selling expenses.

When inventories are sold or used, the carrying amount of those inventories shall be recognised as an expense in the period in which the related revenue is recognised or in the period in which the inventory is used. The amount of any write-down of inventories to net realizable value and all losses of inventories is recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of previous write-down of inventories, to the extent of the original write down, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.14 LEASES

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.

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 implicit 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; and
- 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).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 LEASES (CONT'D)

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 depreciated 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 using a revised rate. The carrying value of lease liabilities is revised using the same rate 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 depreciated 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 renegotiation 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; and
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group 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.

For contracts where the Group acts as an intermediate lessor, the Group accounts for a headlease and a sublease arrangement. The Group derecognises the asset linked to the headlease and recognises a finance lease receivable (note 7) linked to the sublease; the finance lease receivable is calculated as the net present value of future cash flows on the sublease. The difference between the asset derecognised and the finance lease receivable recognised is included as a profit or loss in the statement of profit or loss. The Group also recognises a finance income from the sublease.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 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) Workers Rights Act 2019

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 Workers Rights Act 2019 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.

2.16 REVENUE RECOGNITION

(a) Revenue for the Company consists of dividend income and management fees. Dividend income from investments is recognised when the shareholder's right to receive payment is established. Management fees are recognised by reference to the terms of the agreement.

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.

Revenue from contracts with customers

Performance obligations and timing of revenue recognition

The majority of the revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Company no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Management fees are recognised when the performance obligations are being met, that is when the services are being rendered.

Notes to the Financial Statements
For the year ended June 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 REVENUE RECOGNITION (CONT'D)

Revenue from contracts with customers (Cont'd)

Determining the transaction price

Most of the revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

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

Maintenance and Service fees income as well as management fees are recognised by reference to the terms of the agreement. These are recognised over time.

Revenue from bus fare and hire charges are recognised upon customer acceptance at one point in time.

(b) Other income 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; and
- Lease income arising from operating leases-on a straight-line basis over the lease term.

2.17 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group reviews the carrying amount of purchased goodwill for impairment, the Group also 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. 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 inflows. 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.

2.19 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 as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset.

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.

2.20 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 DIVIDEND DISTRIBUTION

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statement in the period in which the dividend is declared.

2.22 VALUED ADDED TAX

Revenue, expenses and assets are recognised net of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of value added tax included.

2.23 CONTINGENT LIABILITIES

The Group is party to cross guarantees securing certain bank loans. At June 30, 2022 and June 30, 2021, there was no liability that could arise for the Group from the cross guarantees. Where the Group enters into financial guarantee contracts and guarantees the indebtedness of other companies within the Group, the Group considers these to be insurance arrangements, and accounts for them as such. In this respect, the Group treats the guarantee contract as a contingent liability until such time that it becomes probable that the Group will be required to make a payment under the guarantee.

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 (consisting of 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 risk by use of a proper mix in fixed and floating rate borrowings. The Group makes placements in foreign currency. These placements are strategic and bear returns.

(i) Currency risk

The Group undertakes certain transactions denominated in foreign currencies for its projects in foreign countries. Hence, exposures to exchange rate fluctuations arise primarily with respect to the USD and EURO. The risk affects trade and other receivables.

The Group also has strategic placements in USD for capital appreciation or interest income, the risk affects financial assets at fair value through other comprehensive income and financial assets at amortised cost.

The Group also has investments in an entity in Zambia, whose net assets are exposed to currency translation risk.

The Group manages the currency risk by monitoring the amount of placements and exposure levels on a monthly basis. Placements in foreign currency are decided by the directors and made only made when the risk is minimal.

Retranslation risks are not hedged.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

(a) Market risk (Cont'd)

Currency profile

The currency profile of the Group's and the Company's financial assets and liabilities are summarised below:

THE GROUP	MUR	USD	EUR	CHF	ZMK	TOTAL
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At June 30, 2023						
Financial assets at fair value through other comprehensive income	**352,259,667**	**-**	**-**	**-**	**-**	**352,259,667**
Financial assets at fair value through profit or loss	**113,678,425**	**17,034,834**	**78,048,599**	**-**	**-**	**208,761,858**
Financial assets at amortised cost:						
Financial assets at amortised cost	**-**	**22,550,000**	**-**	**-**		**22,550,000**
Trade and other receivables	**36,468,730**	**20,869,249**	**-**	**-**	**934,972**	**58,272,951**
Cash and cash equivalents	**27,502,972**	**-**	**-**	**-**	**-**	**27,502,972**
Total financial assets	**529,909,794**	**60,454,083**	**78,048,599**	**-**	**934,972**	**669,347,448**
Trade payables and other payables	**69,484,435**	**-**	**-**	**-**	**-**	**69,484,435**
Borrowings	**210,076,727**	**-**	**-**	**-**	**-**	**210,076,727**
Lease liabilities	**222,662,554**	**-**	**-**	**-**	**-**	**222,662,554**
Total financial liabilities	**502,223,716**	**-**	**-**	**-**	**-**	**502,223,716**

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 FINANCIAL RISK FACTORS (CONT'D)

(a) Market risk (Cont'd)

(i) Currency profile (Cont'd)

THE GROUP	MUR	USD	EUR	CHF	ZMK	TOTAL
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At June 30, 2022						
Financial assets at fair value through other comprehensive income	369,189,933	-	-	-	-	369,189,933
Financial assets at fair value through profit or loss	111,591,750	97,630,577	7,372,622	4,595,873	-	221,190,822
Financial assets at amortised cost:						
Financial assets at amortised cost	-	21,850,000	-	-	-	21,850,000
Trade and other receivables	22,517,438	999	-	-	1,125,744	23,644,181
Cash and cash equivalents	30,727,591	-	-	-	-	30,727,591
Total financial assets	534,026,712	119,481,576	7,372,622	4,595,873	1,125,744	666,602,527
Trade and other payables	32,932,586	-	-	-	51,008	32,983,594
Borrowings	198,819,459	-	-	-	-	198,819,459
Leases Liabilities	186,386,238	-	-	-	-	186,386,238
Total financial liabilities	418,138,283	-	-	-	51,008	418,189,291

Trade and other receivables excludes prepayments, deposits, VAT and TDS. Trade and other payables excludes provisions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 FINANCIAL RISK FACTORS (CONT'D)

(a) Market risk (Cont'd)

(i) Currency risk (Cont'd)

THE COMPANY	MUR	USD	EUR	CHF	ZMK	TOTAL
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At June 30, 2023						
Financial assets at fair value through profit or loss	-	**10,072,850**	-	-	-	**10,072,850**
Financial assets at amortised cost:						
Trade and other receivables	**8,518,695**	**20,869,249**	-	-	-	**29,387,944**
Cash and cash equivalents	**7,611,983**	-	-	-	-	**7,611,983**
Total financial assets	**16,130,678**	**30,942,099**	-	-	-	**47,072,777**
Trade and other payables	**132,426,989**	-	-	-	-	**132,426,989**
Borrowings	**30,276,554**	-	-	-	-	**30,276,554**
Lease liabilities	**1,168,209**	-	-	-	-	**1,168,209**
Total financial liabilities	**163,871,752**	-	-	-	-	**163,871,752**
At June 30, 2022						
Financial assets at fair value through profit or loss	-	20,145,700	-	-	-	20,145,700
Financial assets at amortised cost:						
Trade and other receivables	9,653,376	19,389,091	-	-	-	29,042,467
Cash and cash equivalents	4,935,184	-	-	-	-	4,935,184
Total financial assets	14,588,560	39,534,791	-	-	-	54,123,351
Trade and other payables	107,362,543	-	-	-	-	107,362,543
Borrowings	34,455,364	-	-	-	-	34,455,364
Lease laiblities	2,028,176	-	-	-	-	2,028,176
Total financial liabilities	143,846,083	-	-	-	-	143,846,083

Trade and other receivables exclude prepayments, deposits, VAT and TDS. Trade and other payables exclude provisions.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 FINANCIAL RISK FACTORS (CONT'D)

(a) Market risk (Cont'd)

The following significant exchange rates have been applied.

	AVERAGE RATE		YEAR-END SPOT RATE	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
USD	**45.66**	44.60	**46.46**	43.54
EUR	**47.45**	46.93	**50.20**	43.54
ZMK	**2.55**	2.44	**2.55**	2.54
CHF	**49.01**	47.14	**52.32**	46.98

Sensitivity analysis

At June 30, 2023, if the rupee had weakened/strengthened 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	2023	2022
	Rs000's	Rs000's
	+/-7%	+/-11%
USD	**4,231,786**	12,230,738
	+/-15%	+/-9%
EUR	**11,707,290**	783,951
	+/-11%	+/-12%
CHF	**-**	562,054
	+/-1%	+/-18%
ZMK	**9,350**	194,493

THE COMPANY	2023	2023
	Rs000's	Rs000's
	+/-7%	+/-11%
USD	**2,165,947**	4,348,827

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 FINANCIAL RISK FACTORS (CONT'D)

(a) Market risk (Cont'd)

The sensitivity has been calculated using historical averages of changes in EUR, USD, CHF and ZMK based on historical observations.

(b) Interest rate risk management

The Group and the Company are exposed to interest rate risk as they borrow funds at both fixed and floating interest rates. The risk is managed by the Group and the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The Company is exposed to interest rate risk on its loans from related parties at fixed interest rates.

The interest rate profile of the Group's financial assets and financial liabilities at June 30, 2023 and June 30, 2022 were:

Financial assets	Floating interest rate		
	Currency	2023	2022
		%	%
Balances with banks	Rs.	**2.95 - 7.50**	2.95 - 4.75
Loan and receivables	Rs.	**4.75 - 7.50**	4.75 - 5.50

Financial liabilities	Floating interest rate		Fixed interest rate	
	2023	2022	2023	2022
	%	%	%	%
Bank overdrafts	**4.1 - 5.66**	4.1 - 5.66	**-**	-
Lease liabilities	**7.50**	-	**6.25 - 8.0**	6.25 - 7.5
Bank loans	**4.1 - 5.1**	4.1 - 5.1	**-**	-
Loans from related parties	**-**	-	**6.75**	5.5
Trade and other payables	**-**	-	**4.75 - 5.50**	4.75 - 5.50

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.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 FINANCIAL RISK FACTORS (CONT'D)

(b) Interest rate risk management (Cont'd)

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the profit for the year ended June 30, 2023 and 2022 would have decreased/increased by:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Profit or loss	**1,211,927**	622,879	**168,933**	133,868

(c) Price risks

The Group is exposed to price risks arising from investments in listed entities quoted on the Stock Exchange of Mauritius as well as investments in unlisted entities. This risk impacts investments classified either as financial assets at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL). To manage their price risk arising from investments in equity securities, the Group diversifies its portfolio.

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 9% in 2022 and 9% in 2021.

	Impact on post-tax profit		Impact on equity	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
FVOCI	**-**	-	**31,703,370**	33,227,094
Fair value through profit or loss (FVTPL)	**18,788,567**	18,094,061	**-**	-

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 FINANCIAL RISK FACTORS (CONT'D)

(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 and the company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group and the company uses other publicly available financial information and its own trading records to rate its customers. The Group's and the company'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 arise mainly as a result of trade receivables, cash at bank and corporate bonds under financial assets at amortised cost. The amounts presented in the statement of financial position are net of expected credit losses 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 and the company have no concentration of credit risk in its trade receivables in 2023 and 2022. Financial assets that are neither past due nor impaired are of a high credit quality.

(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 tables

The following tables detail the Group's remaining contractual maturity for its 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.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 FINANCIAL RISK FACTORS (CONT'D)

(e) Liquidity risk management (Cont'd)

	THE GROUP				
	On Demand Rs.	Less than 1 year Rs.	1 - 5 years Rs.	More than 5 years Rs.	Total Rs.
2023					
Bank overdrafts	**96,811,786**	**-**	**-**	**-**	**96,811,786**
Bank loans	**-**	**36,453,129**	**71,013,441**	**5,798,371**	**113,264,941**
Lease liabilities	**-**	**89,428,736**	**133,233,818**	**-**	**222,662,554**
Trade and other payables	**-**	**73,384,435**	**-**	**-**	**73,384,435**
	96,811,786	**199,266,300**	**204,247,259**	**5,798,371**	**506,123,716**
2022					
Bank overdrafts	80,578,011	-	-	-	80,578,011
Bank loans	-	21,021,422	83,542,046	13,677,980	118,241,448
Lease liabilities	-	68,230,866	130,181,281	-	198,412,147
Trade and other payables	-	37,108,594	-	-	37,108,594
	80,578,011	126,360,882	213,723,327	13,677,980	434,340,200

	THE COMPANY				
	On Demand Rs.	Less than 1 year Rs.	1 - 5 years Rs.	More than 5 years Rs.	Total Rs.
2023					
Bank overdraft	**29,726,447**	**-**	**-**	**-**	**29,726,447**
Trade and other payables	**132,426,989**	**-**	**-**	**-**	**132,426,989**
	162,153,436	**-**	**-**	**-**	**162,153,436**
2022					
Bank overdraft	34,455,364	-	-	-	34,455,364
Trade and other payables	107,362,543	-	-	-	107,362,543
	141,817,907	-	-	-	141,817,907

3. FINANCIAL RISK MANAGEMENT (CONT'D)

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 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 3. Level 3 instruments include land and garage buildings in property, plant and equipment and investment property at revalued amount.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Investments in unquoted entities are included in level 3. Level 3 instruments include unquoted equity investments under financial assets at FVOCI.

Specific valuation techniques used to value financial instruments include:

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

3.3 CAPITAL RISK MANAGEMENT

The Group and the company manage 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 Company and the Group set the amount of capital in proportion to risk. The Company and the Group manage the capital structure and make adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Consistent with others in the industry, the Company and the Group monitor capital on the basis of the net debt-to-adjusted capital ratio. Adjusted capital comprises all components of equity (i.e stated capital, other reserves, and retained earnings).

During 2023, the Company's and the Group's strategy, which was unchanged from 2022, was to reduce the net debt-to-adjusted capital ratio to a reasonable level in order to secure access to finance at a reasonable cost.

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.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 CAPITAL RISK MANAGEMENT (CONT'D)

Gearing ratio	**THE GROUP**		**THE COMPANY**	
	2023	2022	**2023**	2022
The gearing ratio at the year end was as follows:	**Rs.**	Rs.	**Rs.**	Rs.
Debt (i)	**432,739,281**	397,231,606	**34,954,740**	36,483,540
Cash at bank	**(27,502,972)**	(30,727,591)	**(7,611,983)**	(4,935,184)
Net debt	**405,236,309**	366,504,015	**27,342,757**	31,548,356
Equity (ii)	**713,922,082**	697,267,497	**363,064,003**	397,153,902
Net debt to equity ratio	**0.57**	0.53	**0.08**	0.08

(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.

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 (note 14).

(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) Investment properties

Investment Property has been valued based on Director's 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONT'D)

(d) 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 18 provides further information on same.

(e) 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 such as GDP growth rate and adjust historical loss rates to reflect relevant future economic conditions; and
- Calculating the expected credit losses.

(f) Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Group using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(g) Going concern

Going concern assessment is based on forecasts for the 12 months following the June 30, 2023. In making these forecasts, management uses significant estimates such as growth rates and inflation rates.

(h) Depreciation policies

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

Notes to the Financial Statements
For the year ended June 30, 2023

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONT'D)

(h) Depreciation policies (Cont'd)

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

(i) Fair value of land included in Property, plant and equipment and investment properties

The Group carries its Land and Buildings under Property, plant and equpment (PPE) and investment properties at fair value, with changes in fair value being recogmsed in the statement of comprehensice income and the statement of profit or loss respectively.

Management, in conjunction with the Company's extemal valuer assess the fair value of land under Investment properties at each reporting date using a valuation technique based on open-market value.

The Group's policy is to engage an extemal valuer to determine fair value of land and buildings classified as PPE and Investment Property every third year.

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Freehold land	Garage and Buildings	Buses	Plant and machinery	Other vehicles	Fittings and equipment	Computer equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
COST OR VALUATION								
At July 1, 2022	103,300,000	27,047,532	155,251,020	991,802	5,093,768	9,248,440	35,702,523	336,635,085
Additions	-	-	-	2,750,856	234,652	724,463	4,340,039	8,050,010
Disposal	-	-	(10,776,169)	-	(70,414)	(101,166)	(476,254)	(11,424,003)
Revaluation gain	12,143,108	2,692,307	-	-	-	-	-	14,835,415
Exchange differences	-	-	-	-	-	-	(96,552)	(96,552)
At June 30, 2023	115,443,108	29,739,839	144,474,851	3,742,658	5,258,006	9,871,737	39,469,756	347,999,955
ACCUMULATED DEPRECIATION								
At July 1, 2022	-	2,753,880	105,666,104	341,825	2,632,936	6,166,233	29,254,236	146,815,214
Charge for the year	-	963,393	8,184,843	349,120	578,213	715,645	3,392,198	14,183,412
Disposal adjustment	-	-	(10,475,649)	-	-	(2,424)	(91,339)	(10,569,412)
Revaluation adjustment	-	942,307	-	-	-	-	-	942,307
Exchange differences	-	-	-	-	-	-	(100,015)	(100,015)
At June 30, 2023	-	4,659,580	103,375,298	690,945	3,211,149	6,879,454	32,455,080	151,271,506
CARRYING AMOUNT								
At June 30, 2023	115,443,108	25,080,259	41,099,553	3,051,713	2,046,857	2,992,283	7,014,676	196,728,449

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Freehold land	Garage and Buildings	Buses	Plant and machinery	Other vehicles	Fittings and equipment	Computer equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
COST OR VALUATION								
At July 1, 2021	103,300,000	27,047,532	169,406,886	464,841	4,016,332	8,650,468	29,475,791	342,361,850
Additions	-	-	-	521,770	1,168,450	588,782	7,009,918	9,288,920
Disposal	-	-	(14,155,866)	-	(145,600)	-	(876,616)	(15,178,082)
Exchange differences	-	-	-	5,191	54,586	9,190	93,430	162,397
At June 30, 2022	103,300,000	27,047,532	155,251,020	991,802	5,093,768	9,248,440	35,702,523	336,635,085
ACCUMULATED DEPRECIATION								
At July 1, 2021	-	1,835,920	110,135,439	188,760	2,317,963	5,621,969	27,182,886	147,282,937
Charge for the year	-	917,960	8,218,054	148,745	314,191	541,967	2,862,440	13,003,357
Disposal adjustment	-	-	(12,687,389)	-	(70,746)	-	(850,960)	(13,609,095)
Exchange differences	-	-	-	4,320	71,528	2,297	59,870	138,015
At June 30, 2022	-	2,753,880	105,666,104	341,825	2,632,936	6,166,233	29,254,236	146,815,214
CARRYING AMOUNT								
At June 30, 2022	103,300,000	24,293,652	49,584,916	649,977	2,460,832	3,082,207	6,448,287	189,819,871

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

THE COMPANY	Plant and machinery	Fittings and equipment	Computer equipment	Total
2023	**Rs.**	**Rs.**	**Rs.**	**Rs.**
COST				
At July 1 and June 30,	**160,651**	**1,584,714**	**4,637,751**	**6,383,116**
ACCUMULATED DEPRECIATION				
At July 01,	100,687	1,516,168	4,062,284	5,679,139
Charge for the year	24,123	14,598	232,995	271,716
At June 30,	**124,810**	**1,530,766**	**4,295,279**	**5,950,855**
CARRYING AMOUNT				
At June 30,	**35,841**	**53,948**	**342,472**	**432,261**

	Plant and machinery	Fittings and equipment	Computer equipment	Total
2022	**Rs.**	**Rs.**	**Rs.**	**Rs.**
COST				
At July 01,	160,651	1,584,714	4,410,458	6,155,823
Additions	-	-	227,293	227,293
At June 30,	**160,651**	**1,584,714**	**4,637,751**	**6,383,116**
ACCUMULATED DEPRECIATION				
At July 01,	76,564	1,496,288	3,779,246	5,352,098
Charge for the year	24,123	19,880	283,038	327,041
At June 30,	**100,687**	**1,516,168**	**4,062,284**	**5,679,139**
CARRYING AMOUNT				
At June 30,	**59,964**	**68,546**	**575,467**	**703,978**

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

THE GROUP

(i) *Fair value measurement of the Group's freehold land and garage and buildings*

The Group's freehold land included in Property, Plant and Equipment and Investment Properties (note 6) and buildings were revalued in June 2023 by Messrs Realty Valuers, independent valuers not related to the Group. The fair value has been determined by the comparative method for land and the depreciated replacement cost (DRC) method for buildings. 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. The DRC method provides a value indication based on the current cost of replacing an asset with its modern equivalent less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. Messrs Realty Valuers 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).

Sensitivity analysis

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

2023 & 2022	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Range of unobservable inputs Rs.
Land	**Level 2**	**Sales comparison approach**	**Price per toise**	**27K - 39K**
Garage and buildings	**Level 2**	**DRC**	**Price per square feet**	**700 - 1,200**

An increase/decrease in the price per toise and the price per Square feet would result in an increase/decrease in fair value.

There were no changes to the valuation techniques during the period. The fair value measurement is based on the above items' highest and best use, which does not differ from their actual use.

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

	THE GROUP	
	2023	2022
	Rs.	Rs.
Net book value	**43,353,160**	44,271,120

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

THE GROUP (Cont'd)

(ii) The total amount of Property, plant and equipment has been pledged to secure banking facilities with the RHT Group (note 17).

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

	THE GROUP		**THE COMPANY**	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Operating expenses	**10,001,830**	10,625,805	**-**	-
Administrative expenses	**4,181,582**	2,377,552	**271,716**	327,041
	14,183,412	13,003,357	**271,716**	327,041

5A. RIGHT-OF-USE ASSETS

	THE GROUP								**THE COMPANY**	
	2023				2022				**2023**	2022
	Buildings Rs.	**Buses Rs.**	**Motor Vehicles Rs.**	**Total Rs.**	Buildings Rs.	Buses Rs.	Motor Vehicles Rs.	Total Rs.	**Motor Vehicles Rs.**	**Rs.**
As previously reported	**8,135,816**	**-**	**1,052,343**	**9,188,159**	1,921,917	5,664,776	3,099,493	10,686,186	**1,880,430**	2,709,101
Effect of prior year adjustment	**-**	**19,040,163**	**-**	**19,040,163**	-	15,279,405	-	15,279,405	**-**	-
As restated	**8,135,816**	**19,040,163**	**1,052,343**	**28,228,322**	1,921,917	20,944,181	3,099,493	25,965,591	**1,880,430**	2,709,101
Additions	**-**	**-**	**-**	**-**	6,892,223	-	5,664,776	12,556,999	**-**	-
Disposals	**-**	**-**	**-**	**-**	-	-	-	-	**-**	-
Depreciation	**(2,295,813)**	**(1,904,016)**	**(1,052,343)**	**(5,252,172)**	(678,324)	(1,904,019)	(7,711,926)	(10,294,269)	**(828,670)**	(828,671)
At June 30,	**5,840,003**	**17,136,147**	**-**	**22,976,150**	8,135,816	19,040,162	1,052,343	28,228,321	**1,051,760**	1,880,430

5B. LEASE LIABILITIES

	THE GROUP								THE COMPANY	
	2023				2022				2023	2022
	Buildings Rs.	**Buses Rs.**	**Motor Vehicles Rs.**	**Total Rs.**	Buildings Rs.	Buses Rs.	Motor Vehicles Rs.	Total Rs.	**Motor Vehicles Rs.**	**Rs.**
As previously reported	**8,319,515**	**-**	**178,066,723**	**186,386,238**	1,931,397	5,858,086	137,341,678	145,131,161	**2,028,176**	2,835,365
Effect of prior year adjustment	**-**	**12,025,909**	**-**	**12,025,909**	-	10,824,098	-	10,824,098	**-**	-
As restated	**8,319,515**	**12,025,909**	**178,066,723**	**198,412,147**	1,931,397	16,682,184	137,341,678	155,955,259	**2,028,176**	2,835,365
Additions	**-**		**89,654,870**	**89,654,870**	8,002,184	-	87,552,337	95,554,521	**-**	-
Interest expense	**492,574**	**223,340**	**11,146,269**	**11,862,183**	468,731	2,166,381	9,458,655	12,093,767	**127,550**	401,844
Lease payments	**(2,772,920)**	**(1,526,727)**	**(72,966,999)**	**(77,266,646)**	(2,082,797)	(6,822,656)	(56,285,947)	(65,191,400)	**(987,517)**	(1,209,033)
At June 30,	**6,039,169**	**10,722,522**	**205,900,863**	**222,662,554**	8,319,515	12,025,909	178,066,723	198,412,147	**1,168,209**	2,028,176
Current				**89,428,736**				68,230,866	**737,304**	859,967
Non current				**133,233,818**		-		130,181,281	**430,905**	1,168,209
At June 30				**222,662,554**				198,412,147	**1,168,209**	2,028,176

5B. LEASE LIABILITIES (CONT'D)

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

The Group and the Company leases buildings used for offices, motor vehicles and Buses for use in its operations.

(b) Lease payments

The lease payments for buildings are fixed yearly amounts with annual increases, motor vehicles and buses are fixed yearly amounts.

(c) Lease term

The buildings leases are for 3 years, motor vehicles leases are for a period of 5 years and Buses for 3 years.

(d) Termination or extension options

There are no termination or extension options.

(e) Interest expense and cash outflows

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Interest expense (included in finance cost)	**10,543,571**	12,093,767	**104,047**	401,844
Total cash outflows	**21,949,665**	12,093,767	**104,047**	401,844
Short term lease expenses	**854,887**	1,233,543	**-**	-

6. INVESTMENT PROPERTIES

	THE GROUP	
	2023	2022
Fair value - Level 2	**Rs.**	Rs.
At July 1,	**48,576,613**	48,200,000
Additions	**-**	376,613
Fair value gain	**923,387**	-
At June 30,	**49,500,000**	48,576,613

6. INVESTMENT PROPERTIES (CONT'D)

(a) Details of fair value measurement including sensitivity analysis are disclosed in note 5(i)

The Group's policy is to revalue its property every year. The fair value of the investment properties was re-assessed by an independent property valuer as at June 30, 2023. (See note 5(i) for disclosures).

	THE GROUP	
	2023	2022
	Rs.	Rs.
Freehold land	**49,500,000**	48,576,613

There was no rental income nor direct operating expenses linked to the investment properties; freehold land recognised as Investment Property relate to plots of land held for capital appreciation.

Rs. 40m of investment properties have been pledged to secure banking facilities within RHT Group of companies (note 17).

7. FINANCE LEASE RECEIVABLE

	THE GROUP	
	2023	2022
	Rs.	Rs.
Year 1	**95,813,154**	71,957,809
Year 2	**70,379,513**	72,643,776
Year 3	**62,884,493**	42,044,447
Year 4	**59,655,363**	38,909,081
Year 5	**42,753,598**	33,037,444
Onwards	**4,614,740**	1,495,181
Undiscounted lease payments	**336,100,861**	260,087,738
Less: unearned finance income	**(30,108,376)**	(25,616,929)
Present value of lease payments receivable	**305,992,485**	234,470,809
Net investment in the lease	**305,992,485**	234,470,809
Undiscounted lease payments analysed as:		
Recoverable within 12 months	**95,813,154**	71,957,809
Recoverable after 12 months	**240,287,707**	188,129,929
	336,100,861	260,087,738

7. FINANCE LEASE RECEIVABLE (CONT'D)

	THE GROUP	
	2023	2022
	Rs.	Rs.
Net investment in the lease analysed as:		
Recoverable within 12 months	**92,984,047**	72,159,422
Recoverable after 12 months	**213,008,438**	162,311,387
	305,992,485	234,470,809
Income from sub-leasing right-of-use asset:		
Finance income	**15,997,113**	12,173,951
At July 1,	**234,470,809**	174,071,181
Additions	**146,214,834**	121,384,872
Lease receipts	**(84,301,746)**	(67,449,539)
Finance income	**15,997,113**	12,173,951
Disposal	**(6,388,525)**	(5,709,656)
	305,992,485	234,470,809

The Group entered into finance leasing arrangements with external customers as an intermediate lessor for motor vehicles.

The terms of the leases entered into vary between 3 and 7 years and are non-cancellable and for most of the remaining useful life of the asset.

The Company is not exposed to foreign currency risk as a result of the lease arrangement, as the lease is denominated in MUR.

The expected credit loss on finance lease receivable at June 30, 2023 is immaterial.

8. INTANGIBLE ASSETS

	In built software	Purchased goodwill	Computer software	Work in Progress	Total
THE GROUP	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
COST					
At July 1, 2021	1,621,493	3,730,364	5,533,615	-	10,885,472
Additions - externally acquired	-	-	210,705	1,215,244	1,425,949
At June 30, 2022	1,621,493	3,730,364	5,744,320	1,215,244	12,311,421
Additions - externally acquired	-	-	-	931,450	931,450
At June 30, 2023	**1,621,493**	**3,730,364**	**5,744,320**	**2,146,694**	**13,242,871**
ACCUMULATED AMORTISATION AND IMPAIRMENT					
At July 1, 2021	1,621,493	1,411,806	5,400,387	-	8,433,686
Charge for the year	-	-	118,487	-	118,487
At June 30, 2022	1,621,493	1,411,806	5,518,874	-	8,552,173
Charge for the year	-	-	196,935	-	196,935
At June 30, 2023	**1,621,493**	**1,411,806**	**5,715,809**	**-**	**8,749,108**
CARRYING AMOUNT					
At June 30, 2023	**-**	**2,318,558**	**28,511**	**2,146,694**	**4,493,763**
At June 30, 2022	-	2,318,558	225,446	-	3,759,248

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

Purchased goodwill relates to the surplus of the amount paid compared to the net assets on acquisition of wholly owned subsidiaries. It has an indefinite useful life and is tested annually for impairment.

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

	THE GROUP
	2023
	Rs.
Cash-generating-unit - Island Communications Ltd (ICL)	**2,318,558**
	2,318,558

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 (2022: 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.

Notes to the Financial Statements
For the year ended June 30, 2023

8. INTANGIBLE ASSETS (CONT'D)

The recoverable amounts of all the above CGUs have been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five year period to June 30, 2028. Other major assumptions are as follows:

	ICL	
	2023	2022
	%	%
Discount rate	**14.8**	13.74
Growth rate	**3.3**	3.5

Both these assumptions have been determined using external sources of information for a similar industry in similar conditions.

The growth rate assumption applies only to the period beyond the formal budgeted period with the value in use calculation based on an extrapolation of the budgeted cash flows for year five. It is based on the projected inflation rate at year end.

If any one of the following changes were made to the above key assumptions, the carrying amount and recoverable amount would be equal.

Discount rate increase from 13.26% to 17.98%

Growth rate decrease from 3.5% to -3.56%

THE COMPANY	Computer software	
	2023	2022
COST	**Rs.**	Rs.
At July 01,	1,118,179	1,118,179
At June 30,	**1,118,179**	**1,118,179**
AMORTISATION		
At July 01,	1,118,179	1,117,278
Charge for the year	-	901
At June 30,	**1,118,179**	**1,118,179**
CARRYING AMOUNT		
At June 30,	-	-

9. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2023	2022
Unquoted at cost	**Rs.**	Rs.
At July 01,	**495,625,066**	495,624,066
Additions	**-**	1,000
At June 30,	**495,625,066**	495,625,066

(a) Investment in subsidiaries is stated at cost. The Directors have assessed that for one of the subsidiaries, namely RHT Bus Services Ltd there was an indication of impairment.

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 investment and are of opinion that at year end, the carrying value has not suffered any impairment loss (2022: 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.

The recoverable amount of the investment have been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five year period to June 30, 2028. Other major assumptions are as follows:

RHT Bus Services Ltd	**2023**	**2022**
	%	%
Discount rate	**11.17**	7.57
Growth rate	**3.5**	3.5

Both these assumptions have been determined using external sources of information for a similar industry in similar conditions.

The growth rate assumption applies only to the period beyond the formal budgeted period with the value in use calculation based on an extrapolation of the budgeted cash flows for year five. It is based on the projected inflation rate at year end.

If any one of the following changes were made to the above key assumptions, the carrying amount and recoverable amount would be equal.

Discount rate increase from 11.17% to 17.5%

Growth rate decrease from 3.5% to -10%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Type of holding	Class of shares held	Principal activity	Shareholding 2023 %	Shareholding 2022 %
RHT Bus Services Ltd	Direct	Ordinary	Bus transport industry	**100**	100
RHT Ventures Ltd	Direct	Ordinary	Investment holding	**100**	100
RHT Investments Ltd	Direct	Ordinary	Investment holding	**100**	100
Island Communications Ltd	Indirect	Ordinary	Information technology	**100**	100
Flo Mobility Services Ltd	Indirect	Ordinary	Chauffeur services	**100**	100
Fleet Pro Services Ltd	Indirect	Ordinary	Maintenance and servicing of vehicles	**100**	100
IZY e-Market Ltd	Indirect	Ordinary	Motoring training	**100**	100
RHT Systems India Private Limited	Indirect	Ordinary	Information technology	**100**	100
ICL Zambia Ltd	Indirect	Ordinary	Information technology	**100**	100
RHT Africa Ltd	Direct	Ordinary	Investment holding	**100**	100
Fleet Stop Uganda Ltd	Indirect	Ordinary	Maintenance and servicing of vehicles	**100**	-

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

(b) Fleet Stop Uganda Ltd was incorporated on September 01, 2022. It is 100% owned by RHT Africa Ltd. The share capital of the Company is USD 250,000.

10. INVESTMENT IN ASSOCIATE

	2023 Rs.	2022 Rs.
THE GROUP		
At June 30,	**-**	-

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

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

(ii) The associate is in the process of being wound up.

10A. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

2023	THE GROUP Level 1 Rs.	THE GROUP Level 3 Rs.	THE GROUP Total Rs.
At July 1	**270,553,743**	**98,636,190**	**369,189,933**
Additions	**32,077,200**	**-**	**32,077,200**
Disposals	**(59,602,751)**	**(3,274,526)**	**(62,877,277)**
Change in fair value recognised in OCI	**5,584,463**	**8,285,348**	**13,869,811**
At June 30	**248,612,655**	**103,647,012**	**352,259,667**

2022	THE GROUP Level 1 Rs.	THE GROUP Level 3 Rs.	THE GROUP Total Rs.
At July 1	263,596,028	99,258,584	362,854,612
Disposals	(28,803,664)	(939,445)	(29,743,109)
Change in fair value recognised in OCI	35,761,379	317,051	36,078,430
At June 30	**270,553,743**	**98,636,190**	**369,189,933**

10A. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

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

	THE GROUP	
	2023	2022
	Rs.	Rs.
Quoted - Level 1:		
Listed equity securities - [Mauritius]	**245,365,281**	270,553,743
Equity securities - [India]		-
Unquoted - Level 3:		
Equity securities - [Mauritius]	**106,894,386**	98,636,190
	352,259,667	369,189,933

(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.

(iv) **Level 1**

The fair value of quoted securities is based on published market prices. These include investments listed on the local Stock exchange of Mauritius.

Level 3

These include strategic equity investments in local unquoted entites.

The fair value of unquoted shares is based on the Net Assets Value of the investees based on their latest available management or audited accounts as at reporting date. In the directors' opinion, these approximate the fair value of the unquoted shares. The investee entities hold only Investment Properties as their main asset and generate rental income from them.

An increase/decrease in the NAV would cause an increase/decrease in the fair value.

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

	THE GROUP	
	2023	2022
	Rs.	Rs.
MUR	**352,259,667**	369,189,933
	352,259,667	369,189,933

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

10B. FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP	
	2023	2022
Corporate bonds	**Rs.**	Rs.
At July 1,	**21,850,000**	21,025,000
Exchange gain	**700,000**	825,000
At June 30,	**22,550,000**	21,850,000
Classified as:		
Non-current	**22,550,000**	21,850,000
Current	**-**	-
	22,550,000	21,850,000

The corporate bond is held with the State Bank of Mauritius USD bond fund. The carrying amount is considered to be the same as their fair value.

The expected credit loss on financial asset at amortised cost at June 30, 2023 and 2022 was immaterial.

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

2023 and 2022	
Maturity Date	Interest Rate
2025	**4.75%**

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

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Level 1				
At July 1,	**201,045,122**	178,743,543	**-**	-
Additions	**10,328,697**	49,211,814	**-**	-
Disposals	**(28,586,194)**	(29,019,990)	**-**	-
Fair value gains	**15,901,383**	2,109,755	**-**	-
At June 30,	**198,689,008**	201,045,122	**-**	-

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Level 2				
At July 1,	**20,145,700**	-	**20,145,700**	-
Additions	**-**	20,145,700	**-**	20,145,700
Fair value adjustment	**(10,072,850)**		**(10,072,850)**	
At June 30,	**10,072,850**	20,145,700	**10,072,850**	20,145,700
Non-current	**73,761,858**	221,190,822	**10,072,850**	20,145,700
Current	**135,000,000**	-	**-**	-
	208,761,858	221,190,822	**10,072,850**	20,145,700

(ii) **Level 1**

The fair value of quoted securities is based on published market prices.

Level 2

The fair value of unquoted securities is based on observable inputs.

(iii) Fair value through profit or loss financial assets include the following:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Quoted - Level 1:				
Listed equity securities - [Mauritius]	**113,678,425**	111,591,750	**-**	-
Equity securities - [Ireland, USA, Germany, Switzerland, Luxembourg]	**85,010,583**	89,453,372	**-**	-
Unquoted - Level 2:				
Preference shares in Tondeka Metro Company Ltd (TMC)	**10,072,850**	20,145,700	**10,072,850**	20,145,700
	208,761,858	221,190,822	**10,072,850**	20,145,700

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

On June 24, 2022, the Company has subscribed to 9 Fed+1% Series A cumulative redeemable preference shares ("preference shares") in TMC at a price of USD 51,222 per share (equivalent of Rs. 2,238,411 per share). The preference shares are redeemable at the discretion of Tondeka.

The carrying amount at June 30, 2023 reflects the fair value of the preference shares which have been estimated using recent transaction and there have been no significant events between June 24, 2022 to June 30, 2023 that would significantly change the fair value of the preference shares. In addition, the instrument is a variable rate financial asset hence carrying amount approximates fair value.

(iv) Fair value through profit or loss financial assets are denominated in the following currencies:

	THE GROUP		THE GROUP	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
MUR	**113,678,425**	111,591,750		-
EUR	**78,048,599**	7,372,622		-
USD	**17,034,834**	97,630,577	**10,072,850**	20,145,700
CHF	**-**	4,595,873		-
	208,761,858	221,190,822	**10,072,850**	20,145,700

12. DEFERRED TAX AND TAXATION

(a) Deferred taxes

Deferred tax is calculated on all temporary differences under the liability method at 17%, 30% and 35% (2022: 17%, 30% and 35%). The following amounts are shown in the Statement of Financial Position:

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

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Deferred tax assets	**(676,332)**	(645,529)	**-**	-
Deferred tax liabilities	**825,330**	568,274	**-**	17,889
Net	**148,998**	(77,255)	**-**	17,889

12. DEFERRED TAX AND TAXATION (CONT'D)

(a) Deferred taxes (Cont'd)

The movement on the deferred tax account is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
At July 1,	(77,255)	(3,717,938)	17,889	(188,979)
Recognised in profit or loss				
Exchange difference		(68,510)		-
Charge/(credit) for the year	226,253	3,679,273	(17,889)	176,948
Recognised in other comprehensive income				
Deferred tax on retirement benefit obligations	-	29,920	-	29,920
At June 30,	148,998	(77,255)	-	17,889

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	At July 1, 2022	Recognised in profit or loss	Recognised in other comprehensive income	Exchange Difference	At June 30, 2023
		Rs.	Rs.	Rs.	Rs.
Deferred taxes					
Accelerated capital allowances	**140,472**	**226,253**	**-**	**-**	**366,725**
Revaluation of land and buildings	**80,681**	**-**	**-**	**-**	**80,681**
Right of use asset	**1,133,129**	**-**	**-**	**-**	**1,133,129**
	1,354,282	**226,253**	**-**	**-**	**1,580,535**
Retirement benefit obligations	**(97,432)**	**-**	**-**	**-**	**(97,432)**
Expected credit losses	**(167,445)**	**-**	**-**	**-**	**(167,445)**
Lease liabilities	**(1,166,660)**	**-**	**-**	**-**	**(1,166,660)**
	(1,431,537)	**-**	**-**	**-**	**(1,431,537)**
Net deferred tax assets	**(77,255)**	**226,253**	**-**	**-**	**148,998**

12. DEFERRED TAX AND TAXATION (CONT'D)

(a) Deferred taxes (Cont'd)

	At July 1, 2021	Recognised in profit or loss	Recognised in other comprehensive income	Exchange Difference	At June 30, 2022
		Rs.	Rs.	Rs.	Rs.
Deferred taxes					
Accelerated capital allowances	4,244,586	(4,035,604)	-	(68,510)	140,472
Revaluation of land and buildings	80,681	-	-	-	80,681
Right of use asset	-	1,133,129	-	-	1,133,129
	4,325,267	(2,902,475)	-	(68,510)	1,354,282
Retirement benefit obligations	(7,875,760)	7,748,408	29,920	-	(97,432)
Expected credit losses	(167,445)	-	-	-	(167,445)
Lease liabilities		(1,166,660)	-	-	(1,166,660)
	(8,043,205)	6,581,748	29,920	-	(1,431,537)
Net deferred tax assets	(3,717,938)	3,679,273	29,920	(68,510)	(77,255)

	2023	2022
	Rs.	Rs.
Tax losses not accounted for	**129,206,800**	101,312,027

12. DEFERRED TAX AND TAXATION (CONT'D)

(a) Deferred taxes (cont'd)

The tax losses expire on a 5 year rolling basis as follows:

	2023
	Rs.
No expiry	**66,365,601**
2024	**3,367,299**
2025	**2,270,833**
2026	**4,788,764**
2027	**19,710,295**
2028	**32,704,008**
	129,206,800

Deferred tax assets have not been recognised on tax losses due to the uncertainty of future taxable profits.

THE COMPANY	2022	Recognised in profit or loss	Recognised in other comprehensive income	2023
	Rs.	Rs.	Rs.	Rs.
Deferred taxes				
Accelerated capital allowances	**115,321**	**(115,321)**	**-**	**-**
Retirement benefit obligations	**(97,432)**	**97,432**	**-**	**-**
Net deferred tax assets	**17,889**	**(17,889)**	**-**	**-**

THE COMPANY	2021	Recognised in profit or loss	Recognised in other comprehensive income	2022
	Rs.	Rs.	Rs.	Rs.
Deferred taxes				
Accelerated capital allowances	115,321	-	-	115,321
Retirement benefit obligations	(304,300)	176,948	29,920	(97,432)
Net deferred tax assets	**(188,979)**	**176,948**	**29,920**	**17,889**

12. DEFERRED TAX AND TAXATION (CONT'D)

(b) Taxation

The Group is taxable at the rate of 17% (2021: 17%) on companies incorporated in Mauritius, at 30% (2021: 30%) on its Indian operations as adjusted for tax purposes and at 35% (2021: 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		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
At July 1,	**566,098**	2,899,463	**-**	-
Current year tax liability @ 15% (2022: 15%)	**724,746**	288,748	**-**	-
CSR @ 2% (2022: 2%)	**64,107**	94,910	**-**	-
Underprovision in prior years	**-**	-	**100,074**	-
Less:				
Tax paid	**(683,356)**	(2,717,023)	**-**	-
At June 30,	**671,595**	566,098	**100,074**	-
Disclosed as:				
Current tax asset	**(103,916)**	(361,020)	**-**	-
Current tax liability	**775,511**	927,118	**100,074**	-
	671,595	566,098	**100,074**	-

Tax charge/(credit)

Major components of tax expense:	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Tax expense	**Rs.**	Rs.	**Rs.**	Rs.
Current tax expenses	**724,746**	288,748	**-**	-
CSR	**64,107**	94,910	**-**	-
Overprovision in previous years	**-**	-	**100,074**	-
	788,853	383,658	**100,074**	-

12. DEFERRED TAX AND TAXATION (CONT'D)

(b) Taxation (Cont'd)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Deferred tax	**Rs.**	Rs.	**Rs.**	Rs.
Deferred tax charge/(credit) (note 12(a))	**226,253**	3,679,273	**(17,889)**	176,948
	226,253	3,679,273	**(17,889)**	176,948
Tax charge/(credit)	**641,204**	4,062,931	**82,185**	176,948

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Profit/(loss) before taxation	**(11,240,201)**	(8,093,509)	**(28,876,854)**	11,726,038
Tax at the applicable tax rate 17%-35% for the Group and 17% for the Company	**(1,910,834)**	(1,375,897)	**(4,909,065)**	1,993,426
Less: Tax effect of :-				
Expenses not deductible in determining taxable profits	**19,118,758**	13,809,693	**9,407,832**	2,871,217
Deferred tax movement not recognised	**-**	1,231,068		-
Exempt income	**(14,655,886)**	(10,833,246)	**(4,723,809)**	(4,687,695)
Deferred tax asset not previously recognised	**-**	1,231,313	**307,227**	-
	2,552,038	5,438,828	**4,991,250**	(1,816,478)
Tax charge/(credit)	**641,204**	4,062,931	**82,185**	176,948

13. INVENTORIES

	THE GROUP	
	2023	2022
	Rs.	Rs.
Spare parts and consumables	**11,405,059**	9,558,038
	11,405,059	9,558,038

The cost of inventories recognised as an expense amount to Rs. 84.8 (2022: Rs. 54.7m).

The inventories have been pledged to secure banking facilities for the Group.

14. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Trade receivables	**41,907,104**	21,177,452	**10,374,075**	1,279,435
Less: provision for ECL	**(10,834,172)**	(8,966,625)	**(3,086,865)**	-
Trade receivables - net	**31,072,932**	12,210,827	**7,287,210**	1,279,435
Dividend receivable (note 21 (b))	**9,742,606**	7,358,415	**4,639,456**	5,000,000
Other receivables	**986,638**	4,074,939	**148,815**	400,003
VAT and TDS receivable	**2,666,392**	4,251,000	**-**	282,295
Loan to VSL	**16,470,775**	-	**-**	-
Deposits	**618,261**	759,486	**1,978**	1,977
Prepayments	**4,385,721**	2,205,188	**-**	-
Amount due from fellow subsidiaries (note 35)	**-**	-	**17,312,463**	22,080,734
	65,943,325	30,859,855	**29,389,922**	29,044,444

The carrying of trade and other receivables approximates its fair value.

Dividend is receivable from the Group's investment in a local listed entity, the dividend was declared before year end but payment was received just after year end.

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 defines 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.

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(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 June 30, 2023 or July 1, 2022 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 such as forecasted GDP growth rate affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at June 30, 2023 and June 30, 2022 was determined as follows for trade receivables:

THE GROUP	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	**Total**
At June 30, 2023	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Expected loss rate	**12%**	**9%**	**19%**	**54%**	**26%**
Gross carrying amount - trade receivable	**8,626,348**	**14,151,311**	**5,543,089**	**13,586,356**	**41,907,104**
Loss allowance	**1,047,051**	**1,335,131**	**1,064,973**	**7,387,017**	**10,834,172**
At June 30, 2022					
Expected loss rate	**17%**	**37%**	**42%**	**61%**	**42%**
Gross carrying amount - trade receivable	7,318,745	2,103,105	919,236	10,836,366	21,177,452
Loss allowance	1,217,932	776,752	385,315	6,586,626	8,966,625

THE GOMPANY	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	**Total**
At June 30, 2023	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Expected loss rate	**0%**	**0%**	**0%**	**48%**	**30%**
Gross carrying amount - trade receivable	**2,136,408**	**883,029**	**881,239**	**6,473,399**	**10,374,075**
Loss allowance	**-**	**-**	**-**	**3,086,865**	**3,086,865**

The movement in loss allowance is due to new trade receivables and and receivables written off during the year

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) Impairment of trade receivables (Cont'd)

The movements in loss allowances for trade receivables as at June 30, 2023 are as follows:

	Trade receivables			
	THE GROUP		**THE COMPANY**	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Loss allowance as at July 1,	8,966,625	6,529,824	**-**	-
Loss allowance recognised in profit or loss during the year	3,711,158	2,436,801	**3,086,865**	-
Receivables written off during the year as uncollectible	(1,843,611)	-	**-**	-
At June 30,	10,834,172	8,966,625	**3,086,865**	-

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

	THE GROUP		**THE COMPANY**	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Rupee	**45,074,076**	29,733,112	**7,585,701**	9,655,353
US Dollar	**20,869,249**	999	**20,869,249**	19,389,091
Kwacha	**-**	1,125,744	**934,972**	-
	65,943,325	30,859,855	**29,389,922**	29,044,444

(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% (2022: 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 as they progress and grow with the support of the Group.

15. STATED CAPITAL

	THE GROUP		**THE COMPANY**	
	2023	2022	**2023**	2022
	Number of shares		**Rs.**	Rs.
Issued and fully paid ordinary shares				
Ordinary shares issued	**12,162,150**	12,162,150	**24,324,300**	24,324,300

The ordinary shares are entitled to dividend and one share carries one voting right. Each share has a par value of Rs. 2 per share.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

16. BORROWINGS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Non-current				
Bank loans (note 16(a))	**76,811,812**	97,220,026	**3,509,977**	-
Current				
Bank overdrafts (note 33(a))	**96,811,786**	80,578,011	**29,726,447**	34,455,364
Bank loans	**36,453,129**	21,021,422	**550,107**	-
	133,264,915	101,599,433	**30,276,554**	34,455,364
	210,076,727	198,819,459	**33,786,531**	34,455,364

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
- after one year and before two years	**29,689,656**	31,604,013	**586,395**	-
- after two years and before three years	**11,634,129**	23,704,077	**628,669**	-
- after three years and before four years	**16,923,104**	16,147,255	**672,403**	-
- after four years and before five years	**12,766,552**	12,086,701	**718,993**	-
- after five years	**5,798,371**	13,677,980	**903,517**	-
	76,811,812	97,220,026	**3,509,977**	-

(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 Mauritius, plus Fixed Margins which varies between 0.25% to 1.25% per annum. The rates ranged between a minimum of 1.50% (Covid loan programme) to 5.10%. During the year ended June 30, 2022, the PLR decreased to 4.50%.

(c) The loans are secured by floating charges on the assets of the Group for Rs. 260.1m and fixed charges on Investment Property for Rs. 49m (notes 5, 6, 10 and 11).

17. 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 June 30, 2023 is based on figures reported in the report from actuaries Aon Hewitt Ltd (Actuarial Valuer) and applying accounting estimates as determined by the Directors.

17. EMPLOYEE BENEFIT LIABILITIES (CONT'D)

Movement in liability recognised in the statement of financial position:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
At July 1	**42,200,000**	46,328,000	**451,000**	1,790,000
Amount recognised in profit or loss	**5,769,000**	2,971,000	**3,136,000**	(1,163,000)
Amount recognised in OCI	**(2,961,000)**	(236,000)	**266,000**	(176,000)
Employer contributions	**(4,979,000)**	(6,863,000)	**-**	-
At June 30	**40,029,000**	42,200,000	**3,853,000**	451,000

The details of the component of the unfunded retirement benefit obligation as per the actuarial report is detailed below for the year ended June 30, 2023.

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Liability recognised in the statement of financial position	**40,029,000**	42,200,000	**3,853,000**	451,000

Amount recognised in the statement of profit or loss:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Current service cost	**3,662,000**	3,234,000	**29,000**	21,000
Past service cost	**-**	(2,403,000)	**3,083,000**	(1,272,000)
Interest expense	**2,107,000**	2,140,000	**24,000**	88,000
Included in staff costs	**5,769,000**	2,971,000	**3,136,000**	(1,163,000)

17. EMPLOYEE BENEFIT LIABILITIES (CONT'D)

Components of amounts recognised in Other Comprehensive Income:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Liability experience loss/(gain)	**(718,000)**	(113,000)	**360,000**	(243,000)
Liability (gain)/gain due to change in financial assumptions	**(2,408,000)**	1,140,000	**(94,000)**	67,000
	(3,126,000)	1,027,000	**266,000**	(176,000)

Reconciliation of fair value of Employer Contributions (Plan Assets):

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Fair value of plan assets at July 1	**1,469,000**	-	**-**	-
Employer contributions	**4,979,000**	6,863,000	**-**	-
Benefits paid	**(1,657,000)**	(5,394,000)	**-**	-
Fair value of plan assets at June 30	**4,791,000**	1,469,000	**-**	-

Reconciliation of the present value:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Present value of obligation at July 1	**43,669,000**	46,328,000	**451,000**	1,790,000
Current service cost	**3,662,000**	3,234,000	**3,112,000**	(1,251,000)
Interest expense	**2,272,000**	2,140,000	**24,000**	88,000
Past service cost	**-**	(2,403,000)	**-**	-
Other benefits paid	**(1,657,000)**	(5,394,000)	**-**	-
Liability experience loss/(gain)	**(718,000)**	(1,378,000)	**360,000**	(243,000)
Liability (gain)/loss due to change in financial assumptions	**(2,408,000)**	1,142,000	**(94,000)**	67,000
Present value of obligation at June 30	**44,820,000**	43,669,000	**3,853,000**	451,000

17. EMPLOYEE BENEFIT LIABILITIES (CONT'D)

The principal assumptions used for the purpose of computing the present value of the unfunded retirement benefit obligations:

	THE GROUP AND THE COMPANY	
	2023	2022
	%	%
Annual discount rate	**5.7**	5.3
Future annual salary increase	**3.7**	3.7
Average retirement age (ARA)	**65**	65

Sensitivity Analysis on Defined Benefit Obligation at End of Period

- Increase due to 1% decrease in discount rate		
- RHT Holding Ltd	**931,000**	267,000
- RHT BUS Services Ltd	**5,424,000**	6,106,000
- Decrease due to 1% decrease in discount rate		
- RHT Holding Ltd	**762,000**	203,000
- RHT BUS Services Ltd	**4,572,000**	5,129,000
- Increase due to 1% increase in salary increase rate		
- RHT Holding Ltd	**883,000**	276,000
- RHT BUS Services Ltd	**5,644,000**	6,322,000
- Decrease due to 1% decrease in salary increase rate		
- RHT Holding Ltd	**806,000**	211,000
- RHT BUS Services Ltd	**4,828,000**	5,390,000

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 Rs. 2,659,00 (Company Rs. 4,590,000).
- Weighted average duration of the defined benefit obligation:
  - RHT Holding Ltd 18 Years
  - RHT BUS Services Ltd 13 Years

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

18. DEFERRED INCOME

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
At July 1,	**9,996,333**	6,571,667	**4,370,000**	-
Government grant released during the year	**(8,456,334)**	(2,913,334)	**-**	-
Income received in advance	**-**	6,338,000	**(4,370,000)**	4,370,000
At June 30,	**1,539,999**	9,996,333	**-**	4,370,000
Analysed as follows :				
Non-current	**-**	5,138,000	-	**-**
Current	**1,539,999**	4,858,333	-	**4,370,000**
	1,539,999	9,996,333	-	**4,370,000**

The Group received a government subsidy of Rs. 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, Rs. 12m is being amortised over five years which is the lease period of the 12 buses and has been fully amortised at June 30, 2022. The remaining subsidy, relating to the double decker bus, is being amortised over ten years which is the latter's lease period.

19. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Trade payables	**59,364,924**	24,899,487	**8,722,660**	5,164,616
Other payables	**8,511,288**	4,195,724	**696,557**	408,929
Accruals	**-**	2,009,489	**1,364,363**	713,200
PRGF payable	**1,608,223**	1,878,894	**-**	-
Provisions	**3,900,000**	4,125,000	**-**	-
Amount due to related companies (Note 35)	**-**	-	**121,643,409**	101,075,798
	73,384,435	37,108,594	**132,426,989**	107,362,543

19. TRADE AND OTHER PAYABLES (CONT'D)

(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 as above are unsecured, and carries interest at the rate of 5.5% (2022: 5.5%) per annum and repayable on demand.

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Rupee	**73,384,435**	37,057,586	**132,426,989**	107,362,543
Kwacha	**-**	51,008	**-**	-
	73,384,435	37,108,594	**132,426,989**	107,362,543

20. NON-CURRENT ASSETS HELD FOR SALE

	THE GROUP	
	2023	2022
	Rs.	Rs.
At July 1,	**2,557,700**	-
Additions	**4,106,694**	2,557,700
Disposal	**(2,557,700)**	-
At June 30,	**4,106,694**	2,557,700

The assets were cars held by the group for resale following the end of the rental Contract .

21. DIVIDEND

(a) 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 is declared. The liability is extinguished when actual payments are made to the shareholders.

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs.	Rs.
Interim dividend		
Interim ordinary dividend of Rs. 0.20 (2022: Rs. Nil) per ordinary share	**2,432,430**	-
Dividend declared		
Final ordinary dividend of Rs. 0.20 (2022: Rs. 0.15) per ordinary share	**2,432,430**	1,824,323
	4,864,860	1,824,323
At July 1,	**6,495,928**	6,309,995
Dividend declared during the year	**4,864,860**	1,824,323
Dividend paid	**(1,575,756)**	(1,638,390)
At June 30,	**9,785,032**	6,495,928

Dividend was declared during the year on the 30.06.23 amounting to Mur 4,864,860.

(b) Dividend receivable was as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
At July 1,	**7,358,415**	9,801,920	**5,000,000**	6,301,920
Dividend receivable declared during the year	**19,816,020**	21,035,474	**18,978,810**	27,574,677
Dividend received	**(17,431,829)**	(23,478,979)	**(19,339,354)**	(28,876,597)
At June 30,	**9,742,606**	7,358,415	**4,639,456**	5,000,000

22. OTHER RESERVES

	Translation reserves	Fair value and revaluation reserves	Total reserves
	Rs.	Rs.	Rs.
THE GROUP			
At July 1, 2021	5,398,315	361,543,158	366,941,473
Changes in fair value of equity instruments at fair value through other comprehensive income (note 10)	-	36,078,430	36,078,430
Currency translation differences	239,023	-	239,023
Transfer		(15,064,500)	(15,064,500)
At June 30, 2022 and July 1, 2022	**5,637,338**	**382,557,088**	**388,194,426**
Changes in fair value of equity instruments at fair value through other comprehensive income (note 10)	**-**	**27,562,982**	**27,562,982**
Currency translation differences	**(567,277)**	**266,000**	**(301,277)**
Transfer	**-**	**(40,326,850)**	**(40,326,850)**
At June 30, 2023	**5,070,061**	**370,059,220**	**375,129,281**

Translation reserves relate to the reserve create upon retranslation of the foreign subsidiary upon consolidation.

Fair value and revaluation reserves relate to the revaluation of financial asset at fair value through other comprehensive income and the revaluation of land and garage & buildings in Property, plant and equipment.

23. REVENUE

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Recognised at a point in time:				
Mobility	**217,933,704**	160,306,825	**-**	-
Technology	**46,623,602**	34,635,173	**-**	-
Dividend income	**-**	-	**18,978,810**	27,574,677
Recognised over time:				
Management fees	**3,006,723**	12,328,605	**30,096,710**	18,846,123
	267,564,029	207,270,603	**49,075,520**	46,420,800

Further segmental and geographical breakdowns are provided in segmental reporting (note 32).

There was a reclassification of management fees from other income to revenue, the comparatives have also been restated.

24. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Raw materials and consumables used (note 13)	**84,876,328**	54,755,713	**-**	-
Employee benefit expenses (note 24(a))	**204,743,631**	172,213,908	**30,709,963**	19,392,350
Motor vehicle running expenses and repairs	**2,701,327**	3,306,621	**926,743**	620,005
Insurance	**9,418,378**	6,856,776	**-**	-
Software and support	**1,767,556**	10,181,249	**1,065,380**	942,672
SIM card charges	**2,970,458**	2,948,176	**-**	-
Advertising	**4,211,502**	360,665	**152,601**	250,000
Utilities	**3,444,991**	3,433,154	**-**	124,173
Repairs and maintenance	**2,159,011**	7,493,065	**-**	21,034
Depreciation of Property, plant and equipment (note 5)	**14,183,412**	13,003,357	**271,716**	327,041
Depreciation of right-of-use assets (note 5A)	**5,252,170**	1,738,682	**828,670**	828,671
Amortisation of intangible assets (note 8)	**196,935**	118,487	**-**	901
Provision for obsolescence, impairment and write-off	**28,626,824**	-	**-**	-
Rentals	**703,411**	289,661	**980,856**	561,492
Professional fees and training	**18,072,517**	6,838,347	**8,272,194**	5,020,147
Security office	**402,016**	617,178	**-**	-
Other operating expenses	**513,101**	10,122,081	**-**	-
General expenses	**10,076,095**	35,428,092	**2,867,918**	3,233,613
Other sundry expenses	**4,087,400**	351,372	**24,768,369**	-
	398,407,063	330,056,584	**70,844,410**	31,322,099

Disclosed as follows:

Operating expenses	**260,139,781**	217,732,952	**-**	-
Administrative expenses	**138,267,282**	112,323,632	**70,844,410**	31,322,099
	398,407,063	330,056,584	**70,844,410**	31,322,099

24. EXPENSES BY NATURE (CONT'D)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
(a) Employee benefit expenses	**Rs.**	Rs.	**Rs.**	Rs.
Wages and salaries	**193,640,846**	118,585,448	**21,481,975**	18,873,207
Short-term benefits	**5,134,028**	40,888,691	**1,809,761**	-
Defined contribution pension cost	**3,817,127**	3,900,413	**2,971,503**	1,682,143
Defined benefit scheme cost	**-**	2,971,000	**-**	(1,163,000)
Other long-term employee benefits	**-**	-	**3,136,000**	-
Social security contributions	**2,151,630**	5,868,356	**1,310,724**	-
	204,743,631	172,213,908	**30,709,963**	19,392,350

25. INVESTMENT INCOME

	THE GROUP	
	2023	2022
	Rs.	Rs.
Dividend income (note 21(b))	**19,816,020**	21,035,474
	19,816,020	21,035,474

The Company recognises dividend income as revenue.

Dividend income earned by FVOCI assets was Rs. 13,474,894 (2022 :Rs. 14,304,122)

Dividend income earned by financial assets derecognised during the year was Rs. 3,963,204 (2022: Rs. 2,524,257).

26. PROFIT ON RECOGNITION OF NET INVESTMENT

	THE GROUP	
	2023	2022
	Rs.	Rs.
Profit on recognition of net investment	**38,177,766**	31,332,284
	38,177,766	31,332,284

The Group has intermediate lessor arrangements and the profit on recognition of net investment relates to the difference between the finance lease receivable recognised for the sublease (note 7) and the amount of right of use asset derecognised for the headlease.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

27. OTHER INCOME

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Bus advertising	**596,243**	1,829,858	**-**	-
Insurance claims	**478,831**	713,178	**-**	-
Profit on disposal of Property, plant and equipment	**9,915,512**	5,212,983	**-**	-
Other income	**1,038,903**	2,173,312	**1,676,132**	1,163,000
Release of deferred income (note 18)	**8,456,334**	2,913,334	**-**	-
Management services	**-**	-	**-**	-
Government wage assistance scheme	**-**	17,273,468	**-**	-
Financial support*	**19,560,000**	32,303,680	**-**	-
Diesel subsidy	**17,173,200**	6,186,160	**-**	-
Monthly support fee	**-**	-	**-**	-
Gain on fair value of Investment Property (note 6)	**923,387**	-	**-**	-
	58,142,410	68,605,973	**1,676,132**	1,163,000

*Financial Support relates to subsidy received from Government to help bus operators cater for increases in the price of diesel.

There was a reclassification of management fees from other income to revenue, the comparatives have also been restated.

28. FINANCE INCOME

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Interest on finance lease receivable (note 7)	**15,997,113**	12,173,951	**-**	-
Interest from intercompany balances	**-**	-	**-**	104,019
Interest on corporate bonds	**830,287**	1,034,906	**-**	-
	16,827,400	13,208,857	**-**	104,019

29. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Bank loans	**6,237,641**	5,970,631	**233,909**	-
Bank overdrafts	**5,968,789**	3,193,188	**2,228,269**	1,439,229
Lease liabilities	**12,964,575**	11,422,292	**104,047**	156,822
Loan from group companies	**-**	-	**3,131,006**	3,641,672
Exchange (gain)/loss	**(170,615)**	(1,423,041)	**-**	(598,041)
	25,000,390	19,163,070	**5,697,231**	4,639,682

30. EARNINGS PER SHARE

	THE GROUP	
	2023	2022
	Rs.	Rs.
Basic and diluted earnings/(loss) per share		
Loss for the year attributable to owners of the Company	**(8,360,260)**	(12,156,440)
Equity shares in issue	**12,162,150**	12,162,150
Basic and diluted loss per share	**(0.69)**	(1.00)

As the Group has not issued any class of share, option or otherwise which have dilution potential, the basic and diluted earnings per share are the same.

31. NET ASSET VALUE PER SHARE

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Net asset value per share				
Equity attributable to holders of the Company	**713,922,082**	697,267,497	**363,064,003**	397,153,902
Equity shares in issue	**12,162,150**	12,162,150	**12,162,150**	12,162,150
Net asset per share	**58.70**	57.33	**29.85**	32.65

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

32. SEGMENTAL INFORMATION

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. Mobility, Investments and Technology). Information reported to the Group's chief operating decision maker is more specifically focused on these business segments.

Geographical information

The Group operates in three principal geographical areas - Mauritius (country of domicile), Zambia for its subsidiary ICL Zambia Ltd and India for its subsidiary RHT Systems India Private Limited (Dormant).

The Group's revenue from external customers and information about its segment assets by geographical location are detailed below:

	THE GROUP					
	2023			2022		
	Total	Adjustments	Consolidated	Total	Adjustments	Consolidated
GEOGRAPHICAL	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Geographical revenue:						
Mauritius	**291,364,576**	**(35,846,067)**	**255,518,509**	234,410,169	(35,182,701)	199,227,468
Uganda			**-**	-	-	-
Zambia	**12,045,520**	**-**	**12,045,520**	8,043,135	-	8,043,135
Total revenue	**303,410,096**	**(35,846,067)**	**267,564,029**	242,453,304	(35,182,701)	207,270,603
Geographical results:						
Mauritius	16,704,365	(22,400,323)	(8,945,692)	39,771,824	(29,882,581)	9,889,243
Uganda			-	(19,388,092)	-	(19,388,092)
Zambia	1,226,636	-	1,226,636	1,405,340	-	1,405,340
Profit /(Loss) before tax	17,931,001	(22,400,323)	(7,719,056)	21,789,072	(29,882,581)	(8,093,509)

	THE GROUP	
	2023	2022
Segment assets	**Rs.**	Rs.
Mauritius	**1,269,951,244**	1,187,905,231
Zambia	**3,049,426**	3,890,119
	1,273,000,670	1,191,795,350
Segment liabilities		
Mauritius	**555,294,570**	491,476,744
Zambia	**3,784,018**	3,051,109
	559,078,588	494,527,853

32. SEGMENTAL INFORMATION (CONT'D)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

2023	Mobility	Investment	Technology	Adjustments	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Segmental revenue	**219,293,151**	**38,852,789**	**49,947,009**	**(35,846,067)**	**272,246,882**
Investment income	**-**	**19,816,020**	**-**	**-**	**19,816,020**
Gain on financial asset at FVTPL	**-**	**15,901,380**	**-**	**-**	**15,901,380**
Other income	**55,463,268**	**25,699,887**	**841,066**	**(23,861,811)**	**58,142,410**
Profit on recognition of net investments	**38,177,766**	**-**	**-**	**-**	**-**
Segment results - (Loss)/profit from Operations	**16,733,934**	**25,633,277**	**2,413,194**	**(44,326,471)**	**453,934**
Finance income		**1,199,974**		**15,627,426**	**16,827,400**
Finance costs	**(20,758,162)**	**(10,394,275)**	**(520,509)**	**6,672,556**	**(25,000,390)**
Profit before taxation					**(7,719,056)**

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.

Mobility represents companies involved in the mobility sector. It replaces the Operating Segment.

Investments represents the parent company, the investment company and its subsidiary (leasing company). It replaces Financial and Rentals segments.

Technology represents the companies involved in the technology business and mobility solutions. It replaced the Trading segment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

32. SEGMENTAL INFORMATION (CONT'D)

Segment revenue and results

The following is an analysis of the Group's revenue:

2022	Mobility	Investment	Technology	Adjustments	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Segmental revenue	160,306,825	43,664,879	38,481,600	(35,182,701)	207,270,603
Investment income	235,572	23,575,020	-	(2,775,118)	21,035,474
Gain on financial asset at FVTPL	-	2,109,755	-	-	2,109,755
Other income	69,900,916	7,785,784	541,867	(9,622,594)	68,605,973
Profit on recognition of net investments	31,332,284	-	-		31,332,284
Segment results - (Loss)/profit from Operations	22,081,771	10,548,436	3,290,389	(38,059,892)	(2,139,296)
	-	-			
Finance income	12,173,951	1,034,906	-	-	13,208,857
Finance costs	(6,230,516)	(7,942,555)	(391,463)	(4,598,536)	(19,163,070)
Loss before taxation					**(8,093,509)**

32. SEGMENTAL INFORMATION (CONT'D)

Segment assets and liabilities

	Mobility		Investment		Rentals		Technology		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.	**Rs.**	Rs.	**Rs.**	Rs.	**Rs.**	Rs.
Segment assets	**455,001,705**	454,071,057	**810,756,979**	701,323,752	**-**	-	**7,241,986**	36,400,541	**1,273,000,670**	1,191,795,350
Associates	**-**	-	**-**	-			**-**		**-**	-
									1,273,000,670	1,191,795,350
Segment liabilities	**255,806,836**	89,389,833	**67,840,724**	14,420,249	**-**	-	**12,635,990**	2,713,691	**336,283,550**	106,523,773
Borrowings									**221,747,094**	387,628,902
Deferred tax liabilities									**1,047,944**	375,178
									559,078,588	494,527,853
Additions to:										
Property, Plant and Equipment	**3,599,400**	9,026,589	**505,790**	998,072	**-**	-	**3,944,820**	1,127,431	**8,050,010**	11,152,092
Investment Property	**-**	-	**-**	162,918,368	**-**	-	**-**	-	**-**	162,918,368
Intangible assets	**-**	-	**590,975**	1,404,059	**-**	-	**340,475**	21,890	**931,450**	1,425,949
Depreciation and amortisation:										
Property, Plant and Equipment	**10,182,869**	9,884,194	**1,653,946**	1,271,434	**-**	-	**2,346,597**	1,847,729	**14,183,412**	13,003,357
Amortisation of right of use asset	**3,745,178**	12,548,032	**828,670**	828,670	**-**	-	**678,325**	678,324	**5,252,173**	14,055,026
Intangible assets	**20,933**		**-**	901	**-**	-	**176,002**	117,586	**196,935**	118,487

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.

33. NOTES TO STATEMENT OF CASH FLOWS

(a) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2023 Rs.	2022 Rs.	**2023 Rs.**	2022 Rs.
Cash at bank and in hand	**27,502,972**	30,727,591	**7,611,983**	4,935,184
	27,502,972	30,727,591	**7,611,983**	4,935,184

Expected credit losses on cash and cash equivalents is not material.

(b) Reconciliation of liabilities arising from financing activities

2023	THE GROUP				
	At July 1, 2022 Rs.	**Additions Rs.**	**Payments Rs.**	**Non-cash transactions Rs.**	**At June 30, 2023 Rs.**
Bank loans (note 16)	**118,241,448**	**8,000,000**	**(12,976,507)**	**-**	**113,264,941**
Lease liabilities (note 5B)	**198,412,147**	**89,654,870**	**(77,266,646)**	**11,862,183**	**222,662,554**
Bank Overdraft (note 16)	**80,578,011**	**16,233,775**	**-**	**-**	**96,811,786**
Total liabilities from financing activities	**397,231,606**	**113,888,645**	**(90,243,153)**	**11,862,183**	**432,739,281**

	THE COMPANY				
	At July 1, 2022 Rs.	**Additions Rs.**	**Payments Rs.**	**Non-cash transactions Rs.**	**At June 30, 2023 Rs.**
Bank loans (note 16)	**-**	**4,500,000**	**(439,916)**	**-**	**4,060,084**
Lease liabilities (note 5B)	**2,028,176**	**-**	**(987,517)**	**127,550**	**1,168,209**
Bank Overdraft (note 16)	**34,455,364**	**-**	**(4,728,917)**	**-**	**29,726,447**
Total liabilities from financing activities	**36,483,540**	**4,500,000**	**(6,156,350)**	**127,550**	**34,954,740**

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

2022	THE GROUP				
	At July 1, 2021 Rs.	**Additions Rs.**	**Payments Rs.**	**Non-cash transactions Rs.**	**At June 30, 2022 Rs.**
Bank loans (note 16)	134,087,449	-	(15,846,001)	-	118,241,448
Lease liabilities (note 5B)	155,955,259	95,554,521	(65,191,400)	12,093,767	198,412,147
Bank Overdraft (note 16)	49,404,530	31,173,481	-	-	80,578,011
Total liabilities from financing activities	339,447,238	126,728,002	(81,037,401)	12,093,767	397,231,606

	THE COMPANY				
	At July 1, 2021 Rs.	**Additions Rs.**	**Payments Rs.**	**Non-cash transactions Rs.**	**At June 30, 2022 Rs.**
Lease liabilities (note 5B)	2,835,365	-	(1,209,033)	401,844	2,028,176
Bank Overdraft (note 16)	27,101,737	7,353,627	-	-	34,455,364
Total liabilities from financing activities	29,937,102	7,353,627	(1,209,033)	401,844	36,483,540

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	
	2023	2022
	Rs.	Rs.
- Property, plant and equipment	**-**	-

35. RELATED PARTY TRANSACTIONS

THE GROUP

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

THE COMPANY

Related parties include subsidiaries (note 9), one associate (note 9A) and key management personnel of the Company.

The Company does not have any transactions and balances with its associate.

Details of transactions with the subsidiaries are disclosed below.

Oustanding balances :

Amount payable to subsidiaries		Amount receivable from subsidiaries		Dividend Receivable	
2023	2022	**2023**	2022	**2023**	2022
Rs.	Rs.	**Rs.**	Rs.	**Rs.**	Rs.
121,643,409	101,075,798	**17,312,463**	22,080,734	**4,639,456**	5,000,000

Nature and volume of transaction

	Costs recharges		Interest income		Interest expense		Management fees		Dividend		Rental expenses	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.	**Rs.**	Rs.	**Rs.**	Rs.	**Rs.**	Rs.	**Rs.**	Rs.
Subsidiaries	**1,676,132**	1,027,243	**76,118**	104,019	**3,207,123**	3,641,672	**19,522,981**	5,490,278	**18,978,810**	27,574,677	**980,856**	561,492

All inter-company loan bear interest at 5.5% per annum (2022: 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, 2023, the Company assessed that no provision for impairment losses relating to amounts owed by related parties is necessary (2022: 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.

35. RELATED PARTY TRANSACTIONS (CONT'D)

Compensation of key management personnel

The remuneration of directors during the year is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Short term benefit				
- Executive	**7,891,680**	7,200,387	**7,891,680**	1,589,946
- Non-Executive	**2,687,000**	2,853,783	**2,377,000**	2,853,783
	10,578,680	10,054,170	**10,268,680**	4,443,729

36. GOVERNMENT GRANT

	THE GROUP	
	2023	2022
	Rs.	Rs.
Government grants received for:		
Bus fares subsidy	**54,768,000**	54,768,000
Wages and Diesel subsidy	**19,560,000**	31,856,160
Financing of buses	**-**	-

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 Rs. 54.8m (2022: Rs. 54.8M) have been included in revenue and financial support for wages and diesel amounting to Rs. 19.6m (2022: Rs. 31.8M) has been included in other income.

37. GOING CONCERN ASSESSMENT

The Company had net current liabilities Rs. 133.2m at June 30, 2023 (2022: Rs. 119.6m). The Group and the Company incurred a net loss of Rs. 11.9m and Rs. 25.9m respectively.

The Company

The Directors have prepared forecasts for the Company for the next 12 months and are in the view that the Company will be able to generate positive cashflows and will be within their overdraft facility limit at June 30, 2023. The forecasted cashflows income include dividend income and management fees from subsidiaries and from the Tondeka Metro Company Project (TMC) in Uganda.

During the period under review, RHT Holding Ltd provided resources and assistance to TMC through RHT Africa Ltd in order to get the Bus Rapid Transit project off the ground in Uganda and to secure new ventures. Unfortunately, due to setbacks beyond the control of RHT Holding Ltd, the TMC project could not be launched on time.

37. GOING CONCERN ASSESSMENT (CONT'D)

The Company (Cont'd)

The project is now well on its way and to secure the interest of RHT Holding Ltd, a formal settlement agreement was entered into with Tondeka Metro Company during the period under review and subsequently the amount due to RHT Holding Ltd was converted into redeemable preference shares with a maturity amount of Rs. 20m. RHT Holding Ltd is also expecting to receive management fees from TMC in the financial year 2023.

The directors are confident that the preference shares redemption amount and management fees will be received in the financial year 2024 given that the project is of national interest to the Government of Uganda and the first buses were successfully deployed in September 2022 with more to follow within the next 12 months.

In the event that there are potential delays to recover the amount from TMC in the next twelve months, RHT Holding Ltd will resort to assistance from its subsidiary company, RHT Investment Ltd, which holds liquid investments (shares in the Mauritius Commercial Bank Ltd - MCB Ltd and foreign listed shares) that are easily convertible into cash of up to Rs. 208.8m. In fact, RHT Investments Ltd acts as a treasury for the Group and provides financial support to the group.

The directors of RHT Investments Ltd have signed a representation letter confirming that should the funds not be made available on time, they will proceed with the sale of shares in MCB Ltd and foreign listed shares.

The Group

The Group's going concern issue stems mainly from its holding company which is providing resources and assistance to TMC through RHT Africa Ltd. As explained above, the Directors are confident that the prefernce share redemption amount and management fees from TMC will be received in financial year 2024.

In the event that these funds are not received on time, financial support will be provided by the Group's treasury company RHT Investments Ltd.

At June 30, 2023, there has been a reclassification of Rs. 135m from Financial Assets at fair value through profit or loss from Non-current to Current assets representing MCB shares which can be readily sold on the Stock Exchange of Mauritius and foreign listed shares.

The reclassification of these liquid shares from non-current to current has generated a net current asset position of Rs. 24.7m at June 30, 2023 for the Group.

Given that the Group has a treasury company which can easily provide financial support to the tune of Rs. 208.8m, in the foreseeable future, there is no going concern issue for the Group and the Company at June 30, 2023.

38. CONTINGENT LIABILITIES

There are legal cases against some subsidiaries of the Group amounting to Rs. 58.4m at June 30, 2023. The court cases are ongoing and the outcome of these cases is still unknown.

39. PRIOR YEAR ADJUSTMENT

During the year the a correction was made to right of use assets and lease liabilities relating to Buses held on operating lease which was wrongly calculated at inception.

The following balances were restated retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The effect of the restatements are summarised as follows:

	As previously reported	Prior year adjustments	Restated balance
Statement of financial position	Rs.	Rs.	Rs.
At July 1, 2021			
Right of use assets	10,686,186	15,279,405	25,965,591
Lease liabilities	145,131,161	10,824,098	155,955,259
Retained earnings	279,003,647	4,455,307	283,458,954
At July 1, 2022			
Right of use assets	9,188,159	19,040,163	28,228,322
Lease liabilities	186,386,238	12,025,909	198,412,147
Retained earnings	279,003,647	7,014,254	286,017,901
Statement of profit or loss			
Administrative expenses	116,084,391	(3,760,759)	112,323,632
Finance cost	18,027,324	1,135,746	19,163,070
Loss for the year	14,781,453	(2,625,013)	12,156,440

Basic and diluted loss per share was 1.21 before prior year adjustment and 1.00 after prior year adjustment.

32 (Ex. 14), HUGNIN ROAD,
ROSE HILL, MAURITIUS

Tel: + 230 464 1221 | Fax: +230 464 6023