quality beverages

since 1955

Annual Report

CONTENTS

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of **Quality Beverages Limited ("the Company")** will be held at the Boardroom of the Company, situated at Royal Road, Belle Rose on the **30th of June 2023 at 10.00 hours** to transact the following business:

RESOLUTIONS TO BE VOTED AS ORDINARY RESOLUTIONS

1. To adopt the Minutes of the Annual Meeting of Shareholders held on 27th July 2022 as true proceedings of the meeting.

   ORDINARY RESOLUTION I

   "**RESOLVED** that the Minutes of the Annual Meeting of Shareholders held on 27th July 2022 be adopted as true proceedings of the meeting."

2. To consider the Annual Report for the year ended 31st December 2022.

3. To receive the Auditors' Report for the year ended 31st December 2022.

4. To consider and adopt the Audited Financial Statements for the year ended 31st December 2022.

   ORDINARY RESOLUTION II

   "**RESOLVED** that the Audited Financial Statements for the year ended 31st December 2022 be adopted."

5. To re-appoint Mr. Saleem Karimjee as Director of the Company, to hold office until the next Annual Meeting of Shareholders.

   ORDINARY RESOLUTION III

   "**RESOLVED** that Mr. Saleem Karimjee be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."

6. To re-appoint Mr. Azim F Currimjee as Director of the Company, to hold office until the next Annual Meeting of Shareholders.

   ORDINARY RESOLUTION IV

   "**RESOLVED** that Mr. Azim F Currimjee be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."

7. To re-appoint Mr. Raffi Currimjee as Director of the Company, to hold office until the next Annual Meeting of Shareholders.

   ORDINARY RESOLUTION V

   "**RESOLVED** that Mr. Raffi Currimjee be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."

8. To re-appoint Mr. Ashraf M Currimjee as Director of the Company, to hold office until the next Annual Meeting of Shareholders.

   ORDINARY RESOLUTION VI

   "**RESOLVED** that Mr. Ashraf M Currimjee be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."

9. To re-appoint Mr. Rajvardhan Singh Bhullar as Director of the Company, to hold office until the next Annual Meeting of Shareholders.

   ORDINARY RESOLUTION VII

   "**RESOLVED** that Mr. Rajvardhan Singh Bhullar be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."

10. To re-appoint Mrs. Anne-Claire Moulin as Director of the Company, to hold office until the next Annual Meeting of Shareholders.

    ORDINARY RESOLUTION VIII

    "**RESOLVED** that Mrs. Anne-Claire Moulin be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."

11. To re-appoint Mr. Ziyad Abdool Raouf Bundhun as Director of the Company, to hold office until the next Annual Meeting of Shareholders.

    ORDINARY RESOLUTION IX

    "**RESOLVED** that Mr. Ziyad Abdool Raouf Bundhun be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."

12. To re-appoint Mr. Vincent Alain Yvan Legris as Director of the Company, to hold office until the next Annual Meeting of Shareholders.

    ORDINARY RESOLUTION X

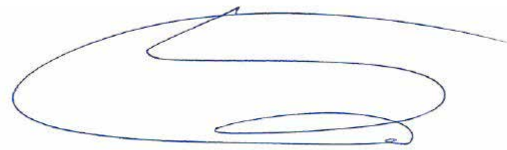
    "**RESOLVED** that Mr. Vincent Alain Yvan Legris be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."

13. To re-appoint Messrs. PricewaterhouseCoopers Ltd as Auditors of the Company for the year ending 31st December 2023 and to authorise the Board of Directors to fix their remuneration.

    ORDINARY RESOLUTION XI

    "**RESOLVED** that Messrs. PricewaterhouseCoopers Ltd be re-appointed as Auditors of the Company for the year ending 31st December 2023 and that the Board of Directors be authorised to fix their remuneration."

By Order of the Board **9th day of June 2023**



Currimjee Secretaries Limited
Per Ramanuj Nathoo
(Secretary)

Notes:

a. A member entitled to attend and vote at this Annual Meeting may appoint a proxy, whether member or not, to attend and vote on his or her behalf. A proxy needs not be a member of the Company.

b. The proxy forms, duly signed, to be effective, must be deposited at the Registered Office of the Company - Attention: The Secretary, at 38, Royal Street, Port Louis, not less than 24 hours before the Annual Meeting of Shareholders.

c. For the purpose of this Annual Meeting, the Directors have resolved, in compliance with section 120(3) of the Companies Act 2001, that the Shareholders entitled to receive notice of the meeting and attend such meeting shall be those Shareholders whose names are registered in the share register of the Company as at 05th June 2023.

d. The Minutes of the Annual Meeting of Shareholders held on 27th July 2022 are available for consultation by the Shareholders during office hours, at the Registered Office of the Company.

e. In the event that this meeting cannot be held on 30th June 2023 due to an extreme weather event[(1)], the meeting shall be held on the business day immediately following the day when the extreme weather condition warning has been removed, at the same time and place.

Note (1): An extreme weather event here means torrential rain, flood, flash flood, storm surge and includes any other weather condition likely to endanger life or property in the vicinity of the venue of such meeting.

This Communiqué is issued pursuant to Rule 14 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007.

OUR PURPOSE

An inspiring workplace where we celebrate our success of touching all consumers lives by providing them with their preferred choice of quality food and beverages.

OUR MISSION

We are a diverse team that fully embraces a culture of innovation, change, progress, and recognition. We work together to anticipate our customers' expectations, to provide unique and finest quality moments for our consumers, and ultimately to build value to last.

OUR HISTORY

Quality Beverages Limited (the "Company") dates back to 1955, when the Company was established as the manufacturer and distributor of PepsiCo. brands for the Mauritian territory. Back then, we began to manufacture and distribute Pepsi, Mirinda and Evervess in 8oz. returnable glass bottles only. Today, and after more than 64 years of operation, we have grown to be one of the leading bottlers and distributors of food and beverages in Mauritius.

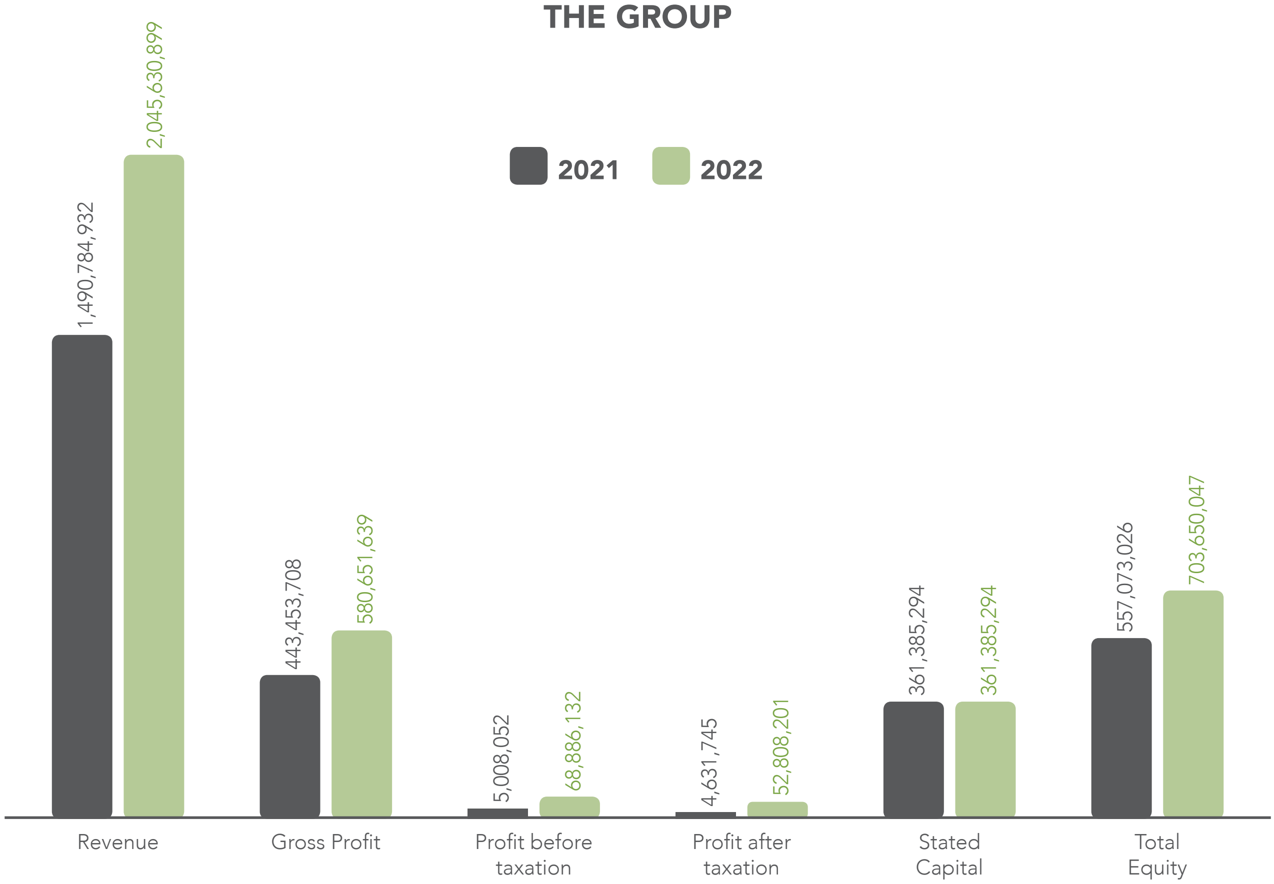
OUR VALUES

1. COMMUNITY	We understand that with success comes the responsibility to give back. We believe in supporting our communities, whether through hands-on involvement of our people or as coordinated at corporate level by the Currimjee Foundation. Giving back not only expresses gratitude for our blessings, it makes our communities better places to live, work and grow.
2. RESPONSIBILITY	We understand that success is not only reflected in the bottom line but also in how we positively impact the surrounding communities and the environment.
3. INTEGRITY	Through honesty, fairness and respect, we aim to build strong long – term relationships with all the stakeholders.
4. OPENNESS	We are open and inclusive, always willing to learn from others and demonstrating respect for different cultures, beliefs and ideas.
5. FORESIGHT	By making an effort to understand the needs of our customers and communities and taking a long-term view, we are able to visualize a better future and make it a reality through conscientious planning.
6. PASSION	We have the passion required to bring our vision to life, to inspire success and build a better tomorrow for our customers, company, people and country.

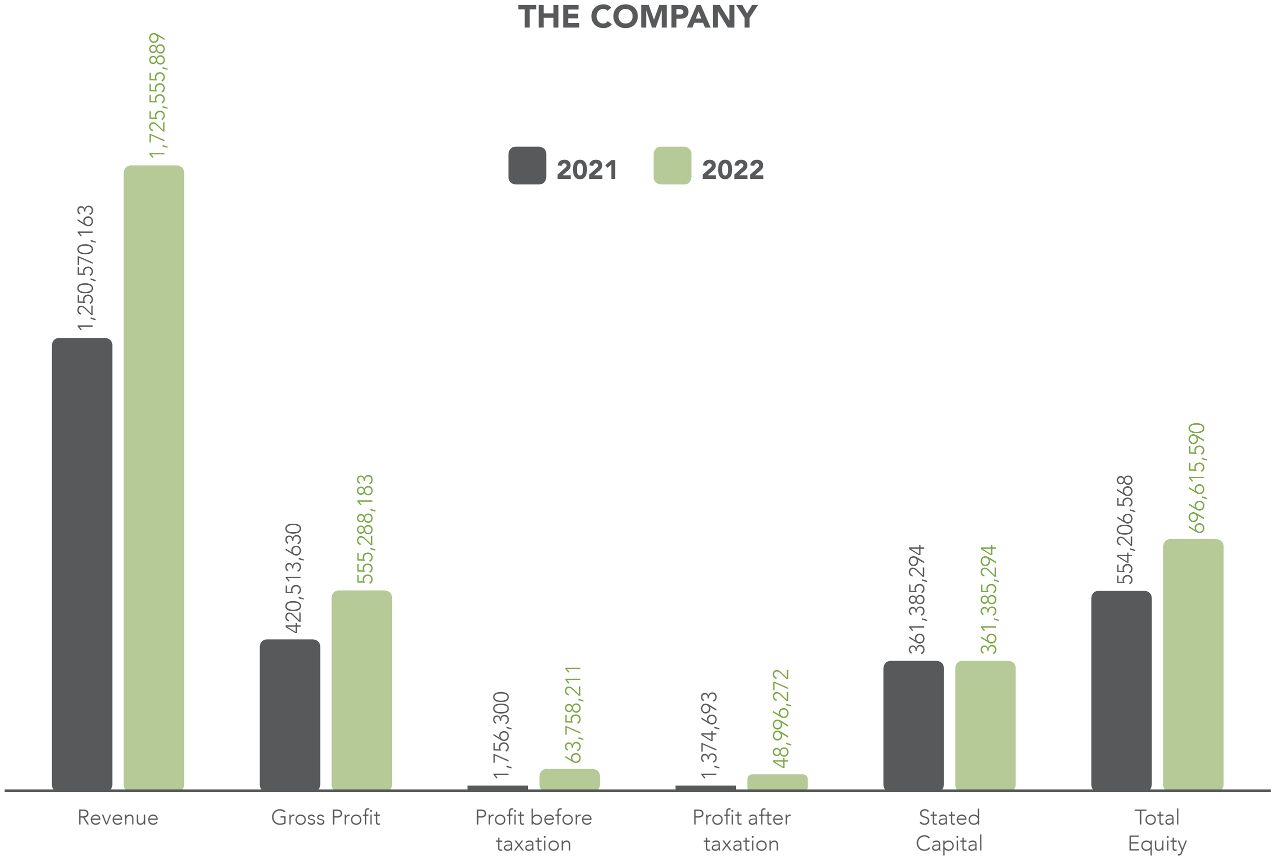

MAX
TASTE
NO
SUGAR
NEW
pepsi®
black
Découvrez le nouveau **Pepsi Black**
Disponible avec **Zero Sucres**
en format 500ml et 1.5l

FINANCIAL HIGHLIGHTS

THE GROUP



THE COMPANY



CHAIRMAN STATEMENT

Dear Shareholders,

I am pleased to present to you the Annual Report for **Quality Beverages Limited** for the year 2022.

OUR COMPANY

Founded in 1955 as the bottler and distributor of PepsiCo beverages in Mauritius, Quality Beverages has steadily evolved into a strong player in the fast-moving consumer goods industry. The product portfolio has gradually widened over the past 6½ decades, with new products such as "*Eau de Source*", juices, snacks, dairy, spreads, and baking and cooking ingredients to name a few, while two subsidiaries were established to distribute domestic gas bottles and offer advertising services.

The journey continues. Constantly rethinking, expanding and diversifying our portfolio will remain key to accelerating growth and delivering on our long-term objective of being a top-tier Mauritian consumer packaged goods company.

ECONOMIC CONTEXT

Although the turmoil caused by the Covid-19 pandemic receded, the conflict in Ukraine wreaked havoc during 2022, from an energy crisis in Europe to world-wide shortages of staple agricultural products and certain manufactured goods. The tightly interconnected global economy meant that Mauritius and its citizens were not spared. Notwithstanding the rebound in the hospitality sector, manufacturing and trading companies had to deal with supply chain disruptions, commodity price increases, depreciation of the Rupee, shortages of hard currency, and double-digit inflation.

These shocks are layered on top of a market that never stops changing, with generational shifts, climate change effects, and ever rising consumer expectations. We must therefore learn to ride the waves, and build an agile organization that can tackle the next crisis, manage the urgent and the critical, but remain focused on long-term strategic priorities.

2022 PERFORMANCE

Despite this challenging backdrop, we had a solid financial year. The strategic agenda we defined in 2021 is delivering results: Consolidated Net Revenue surpassed the two billion Rupee mark for the first time (up by 37% compared to 2021), thanks to volume growth from our core beverage and food categories, and the introduction of Lays and Doritos snacks in late 2021 and Quaker Oats cereals and Ceres juices in 2022. Profitability was also up, with a Net Profit before Tax of Rs. 68.9 million in 2022 compared to Rs. 5.0 million the previous year.

But we cannot rest on our laurels. With the aim to become more consumer centric, we continued to diversify the portfolio to be less dependent on beverages, less seasonal, and enabling us to meet a wider spectrum of consumer wants and needs. We strengthened our digital footprint to better engage with consumers, improving brand equity and driving innovation to be more responsive to consumer preferences.

SUSTAINABILITY AND WELLNESS

We remain deeply committed to win and lead with purpose by actively contributing to positive change for people and the planet. We have aligned with PepsiCo's "pep+", which is based on three pillars: Positive Value Chain, Positive Choices, and Positive Agriculture.

Positive Value Chain: Plastic waste is a major concern for everyone. In 2022 we continued to evaluate ways to ensure plastic does not become waste, and adopted a 3R approach with our recycling partners to ensure that all plastic from our products is either Reduced, Reused or Recycled. For example, 25% of our returnable glass bottles use paper labels, allowing faster bottle turns across multiple brands and reducing our environmental footprint. We are also proud to have been the pioneer in bottle light-weighting, which has reduced the plastic used in our beverage range by over 800 tons annually. We are also gradually substituting virgin plastic with recycled PET in our locally manufactured bottles, aiming to reach 50% recycled PET by 2025.

Positive Choices and Positive Agriculture: Our ambition is to evolve towards a portfolio of products that are better for consumers, and ultimately for the planet. For example, 67% of our beverage portfolio is either non-sugar or reduced sugar. We continue to offer healthier choices in our

CHAIRMAN STATEMENT (cont'd)

food portfolio, adding 100% natural fruit juices and whole grain breakfast cereals in 2022. Lastly, all palm oil in our margarines is now RSPO certified, and we source BonSucro approved sugar for our beverages.

Beyond pep+, we strongly believe in nurturing our people. As we work to unleash the full potential of our team, we find our employees more engaged and productive. In 2022 we promoted "Exercise at Work" whereby a fitness coach held body conditioning sessions and health checks for our employees. With respect to Diversity, Equity and Inclusion, we reached gender parity in the senior management team and 39% across all management levels.

Lastly, we believe that part of our purpose is to improve the lives of the communities we touch. We provided over 37,000 meals to the most needy through Foodwise, engaged over 21,000 Mauritians through our sports programs, and provided free swimming lessons to over 10,000 students. We will continue to strive to be a better company and inspire positive change for the planet, our stakeholders and our communities.

LOOKING AHEAD

The economic environment will likely remain volatile. Supply chains and commodity prices remain uncertain, which when combined with the rise in electricity tariffs and pressure on the Mauritian Rupee could cause high inflation to persist, resulting in reduced disposable income and leading consumers to adjust their preferential purchases and focus on affordability.

As we continue to navigate these uncertain times, our priorities remain to make our core stronger, consolidate growth from the new categories we recently entered, broaden our product portfolio to create scale and address consumer needs, and invest in our brands to drive demand. We will prioritise digitization, not just to simplify our processes and become more effective, but to create competitive advantage by offering differentiated services to our customers and our consumers, and transform the way we interact with them. This requires us to forge a flexible, agile and resilient organization, and to invest in our people and build new capabilities.

We have a robust agenda to ensure that we continue to grow, remain competitive and face the future in a way that better serves our consumers, while keeping sustainability at the core of everything we do. Our future success will depend on it.

GOVERNANCE

Robust governance is critical to enhance business performance, sustain growth, and maximise returns to shareholders while protecting the long-term interests of all stakeholders. We strive to ensure that the highest standards of corporate governance are upheld at all levels within the organisation, and are embedded in our culture.

The Company benefits from an engaged and active Board of Directors, with Board Committees focused on Audit and Risk, and Strategy and Finance, and joint shared Committees covering Human Resources and Organisation, and Corporate Governance, Nomination and Remuneration. As detailed in the enclosed Corporate Governance Report, the Board and its Committees met a total of twenty times during the year, providing high quality guidance and oversight to the Management Team. The Company complies in all material respects with the Code of Corporate Governance of Mauritius.

THANKS

An organisation is nothing without its people. On behalf of the Shareholders, the Board and the Management Team, I sincerely thank all our employees for their loyalty, hard work and perseverance in the face of the challenges we have grappled with.

To our customers, partners and shareholders, thank you for your ongoing trust. We will continue to grow stronger so we can maintain our place at the heart of your households.

And in ending, I thank my fellow Directors for their unflinching support and wisdom over the year.

Saleem Karimjee
Chairman


CHOOSE
CERES 100%
NO SUGAR ADDED
Cerés
100%
Fruit Juice
RED GRAPE
NO SUGAR ADDED
Cerés
100%
Fruit Juice
PEACH
NO SUGAR ADDED
1L
Cerés
100%
Fruit Juice
APPLE
NO SUGAR ADDED
1L
The best of nature,
on your table

CORPORATE INFORMATION

Directors of the Company

Chairman
Mr. Saleem Karimjee

Executive Directors
Mr. Azim F Currimjee – Managing Director
Mr. Raffi Currimjee – Deputy Managing Director

Non-Executive Directors
Mr. Ashraf M Currimjee
Mr. Rajvardhan Singh Bhullar
Mrs. Anne-Claire Moulin

Independent Directors
Mr. Ziyad A R Bundhun
Mr. Yvan V A Legris

Directors of the Company's Subsidiaries

	Creative Advertising Bureau Limited ("CAB")	Central Distributors Company Limited ("CDCO")
Mr. Azim F Currimjee	√	√
Mr. Raffi Currimjee	√	√

Secretary
Currimjee Secretaries Limited

Registered Office
38, Royal Street
Port Louis

Registry
Currimjee Secretaries Limited
38, Royal Street
Port Louis

Principle Place of Business
Royal Road, Belle Rose, Mauritius

External Auditor
PricewaterhouseCoopers Ltd
PwC Centre
Avenue de Telfair
Telfair 80829
Moka

Bankers
The Mauritius Commercial Bank Ltd
SBM Bank (Mauritius) Ltd
Absa Bank (Mauritius) Limited
AfrAsia Bank Limited
MAUBank Ltd

REPORT FROM THE BOARD OF DIRECTORS

Dear Shareholders

The Board of Directors is pleased to present the Annual Report of **QUALITY BEVERAGES LIMITED** ("the Company") for the year ended 31 December 2022.

Legal Form and Principal Activity

The Company was incorporated on 23 February 1954 as a private company and was converted into public company on 05 April 1972. The Company was admitted to the Development & Enterprise Market (DEM) of the Stock Exchange of Mauritius (SEM) in August 2006.

The principal activities of the Company consist of bottling and distribution of carbonated and non-carbonated beverages, manufacturing and sale of goods based on oils and fats, distribution of fast-moving consumer goods and food and beverage solutions and exclusive distribution of Lavazza coffee.

The activities of the wholly-owned subsidiaries of the Company are as follows:

Creative Advertising Bureau Limited ("CAB")
CAB is a media procurement agency and is a specialist in designing and delivering visual solutions such as signage, banners, billboard, totem signs, custom flags and all types of displays.

Central Distributors Company Limited ("CDCO")
CDCO is engaged in the distribution of liquid petroleum gas (LPG).

Results

Group Net Revenue crossed the Rs 2.0 Billion mark in 2022, up by 37% vs prior year. This was mainly driven by volume growth across our key core food and beverage categories as well as increase in our non-manufacturing distribution activities through the consolidation of our snacks business following the launch of Lays and Doritos and the introduction of Ceres juices and Quaker Oats Cereals. 2022 was a challenging year though, affected by continuous disruption in our supply chain, lingering effects from COVID-19 during the first half of the year, increased cost of raw materials and the depreciation of the Mauritian rupee against all major currencies. For Quality Beverages Limited, it has been a year of portfolio consolidation, expansion into new "better for you" categories and rethinking our supply chain for the future.

Top line growth and a positive impact from Retirement Benefit Obligations remeasurements has resulted in improved profitability in 2022. As a result, the Group ended the year with a profit before tax of Rs 68.9 million compared to Rs 5.0 million prior year.

Prospects

Current macroeconomic environment will most likely remain volatile in the near future. The economic consequences of the Russia-Ukraine conflict will continue to be prominent. Additionally, a rise in local electricity tariffs, food price increases and pressure on the Mauritian Rupee since the beginning of 2023 may cause high inflation to persist. As a result, a reduced disposable income may lead consumers to adjust their preferential purchases and focus on affordability, which may put pressure on staples future demand while for its part, the Group will face added pressure on its margins. In this complex and volatile operating environment, the Group will continue to drive and adjust as needed its strategic priorities to reach its long-term business goals and deliver sustainable growth over time.

Statement of Directors' responsibilities in respect of the Financial Statements

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- Adhere to the code of corporate governance, maintain adequate accounting records and an effective system of Internal Control and risk management.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

PricewaterhouseCoopers Mauritius has been re-appointed as auditor for the year ended 31 December 2022.

The total fees paid to the Auditor for the Company and its subsidiaries were as follows:

	2022	**2021**
	Rs	Rs
Audit fees	2,719,871	2,375,871
Other Services	303,355	245,050
	3,023,226	2,620,921

Acknowledgements

On behalf of the Board, we wish to express our sincere appreciation and gratitude to Management and staff for their work done and commitment to the Company.

Signed on behalf of the Board of Directors on 30th March 2023.

Mr Saleem Karimjee
Chairman

Mr Azim F Currimjee
Managing Director

QUICK COOKING

WHITE OATS

HIGH IN FIBRE 100% WHOLEGRAIN

QUAKER
ESTD 1877

CORPORATE GOVERNANCE REPORT 2022

Introduction

The Company is a Public Interest Entity and listed on the Development & Enterprise Market of the Stock Exchange of Mauritius Ltd. The Board fully endorses the eight principles espoused by the National Code of Corporate Governance of Mauritius 2016 ('the Code'). This Report sets out the Company's key corporate governance practices with reference to the Code and forms part of this Report, available on the Company's website https://www.quality.mu/.

While we saw a slight recovery in the Mauritian economy mainly due to higher than expected demand and consumption, backed by monetary and fiscal supports, our economy has witnessed several challenges in year 2022 including persistent inflationary pressures, rising interest rates as well as the international consequences of geopolitical fragmentation, energy crisis, and severe impact of climate change.

The Board acknowledges that the Company's governance has been critical for operating in such a volatile, uncertain, complex and ambiguous environment. Continuous improvement in governance whilst also maintaining agility and flexibility, has been key for the Board to navigate the disruptions and challenges and harness opportunities to ensure sustainable growth and meet the needs of shareholders and other stakeholders.

The Board, with the support of its Leadership Team and driven by the Company's five core values, namely Integrity, Foresight, Responsibility, Passion and Openness, played a crucial role in upholding an effective corporate governance framework across the Company.

This report illustrates how our strong governance structure, culture and business ethics have supported the Company and its Leadership Team.

Principle 01: Governance Structure

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

Statement of Accountabilities

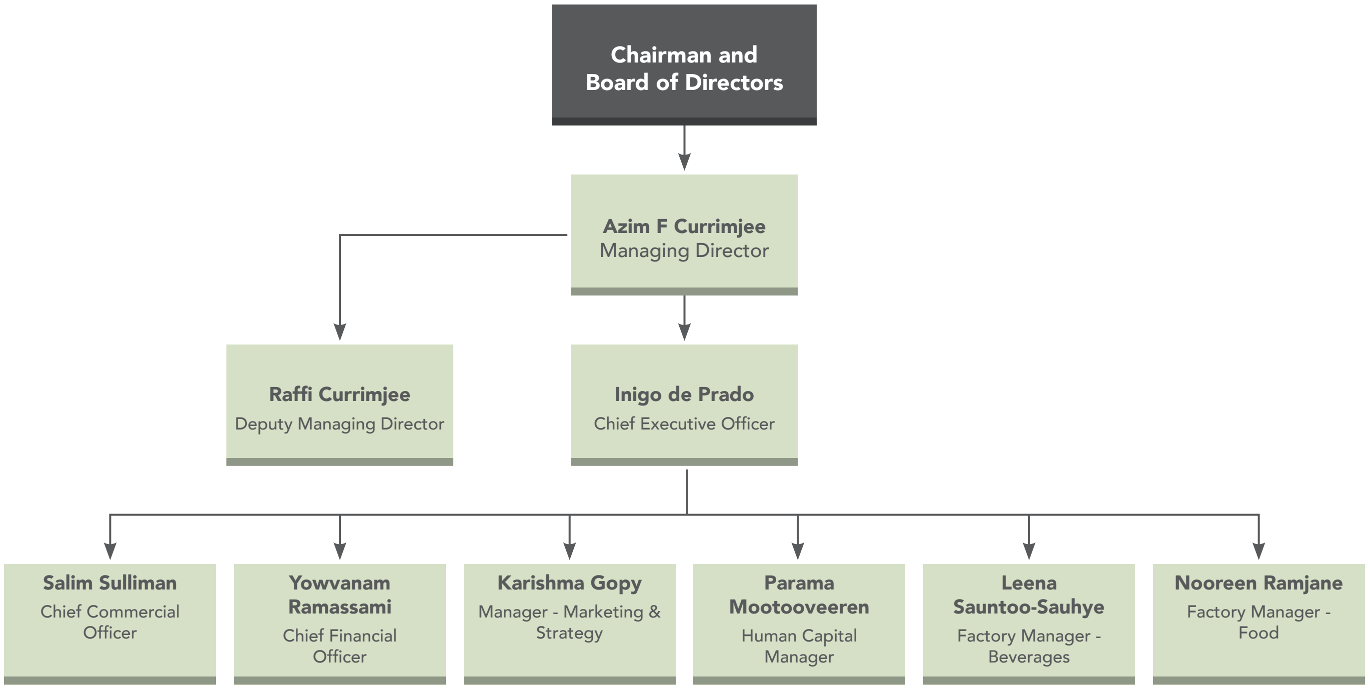
The Company is led by a committed and unitary Board with responsibility for leading and controlling the organisation and ensuring that all legal and regulatory requirements are met. The Board Charter defines the roles, functions and objectives of the Board of Directors and its Board Committees, the Position Statements of the Chairman, Managing Director and Company Secretary.

Amongst its prime objectives, the Board sets the tone for the overall organisation with regards to values and ethics in determining expected behaviours at all levels. The Company's Code of Conduct expresses the ethical and professional standards of behaviours and attitudes to be followed by the employees and Directors. The Board Charter, Position Statements of the Chairman, Managing Director and Company Secretary and Organisational Chart of Leadership Team are published on the website: https://www.quality.mu/.

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 01: Governance Structure (cont'd)

Organisational Chart – Leadership Team



The profiles of the Leadership Team positions are set out below.

Mr Inigo de Prado – Chief Executive Officer

Qualifications:

- MBA, Strathclyde Graduate Business School (UK) and Audencia Ecole de Mangement (France).
- BSc in Economics and Business Administration, Universidad del Pais Vasco (Spain).

Experience:

Inigo has over 20 years of management experience with global businesses and has held executive roles with leading FMCG business including the Coca-Cola Company and the Orangina Schweppes Group. He started his career with KPMG in Spain. He joined thereafter the Coca-Cola Company where he held executive positions including Finance Manager for the Benelux Region based in the Netherlands, Business Development Director for the Asia Pacific Group based in Hong Kong and Executive Assistant to the President Global Marketing, Strategy and Innovation based in Atlanta, USA. Prior to joining QBL, Inigo was the General Manager of a leading Spanish wine group with exports to over 30 countries.

Mr. Salim Sulliman – Chief Commercial Officer

Qualifications:

- Advance General Management Certificate, National University of Singapore.

Experience:

Salim has been working with the Currimjee Group since March 1987. He has over 30 years of experience in the commercial field. He held managerial position at Central Distributors Gaz ltd (Elf Antargaz). He then moved to MIL Group in 1990 and held many executive positions before promoted to the post of General Manager. He became the Chief Commercial Officer at Quality Beverages Limited on 01st January 2019. He is also an executive member of the Association of Mauritian Manufacturers.

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 01: Governance Structure (cont'd)

Ms. Yowvanam Ramassami – Chief Financial Officer

Qualifications:

- FCCA, Association of Chartered Certified Accountants (ACCA).
- MBA, Heriot-Watt University, Edinburgh Business School.

Experience:

Yowvanam has over 15 years of comprehensive experience and solid foundation in Finance. She last held the position of Finance Manager with Medine Ltd (Casela Ltd/ Safari Adventures) where she was responsible for the strategic financial activities of four business units. She joined Quality Beverages Limited as Chief Financial Officer in 2020.

Mrs. Giany Devi Sauhye-Sauntoo – Factory Manager (Beverage)

Qualifications:

- BSc in Chemistry, University of Mauritius.
- Master's Degree in Chemistry, University of Mauritius.

Experience:

Leena joined the Company in October 2004. She has over 18 years of experience in quality assurance, production, food safety and technical field. She held many executive positive before being promoted to Factory Manager (Beverage) at senior position level in 2017. She also is responsible for several sustainability projects within the organization.

Mrs. Nooreen Ramjane – Factory Manager (Food)

Qualifications:

- BSc. (Hons) in Food Science and Nutrition, University of Mauritius.

Experience:

Nooreen joined the Group in January 2011. She has accumulated 12 years of experience in the Quality Assurance and Production field. She is currently the Factory Manager (Food) and responsible for day-to-day management of the Production, Laboratory & Quality Assurance Department.

Mrs. Karishma Gopy – Manager - Marketing & Strategy

Qualifications:

- BSc in Management studies with specialisation in International Marketing, University of Mauritius.
- MBA, University of Mauritius.

Experience:

Karishma has over 20 years of management experience, Karishma joined the company in August 2014 as Marketing Manager. Prior to joining the Company, she worked at Emtel and Nestle where she held the position of Category Development Manager.

Mr Parama Mootooveeren – Human Capital Manager

Qualifications:

- Diploma in Human Resources Management – UNISA.

Experience:

Parama has 20 years in experience in Human Resources & Training, out of which 16 years in Hospitality Industry in such Companies as Marriott International (St. Regis Mauritius/JW Marriott Mauritius), Constance Group (Constance Le Prince Maurice & Constance Moofushi Maldives), Lux Resorts (Lux Le Morne & Tamassa) & Shanti Maurice. He also held experience in the Textile industry (Olympic Knitting), Construction industry (Gamma Civic), Service Sector (DCDM / Accenture) and FMGC (Innodis). He joined the Company in August 2022.

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 01: Governance Structure (cont'd)

The profiles of the Directors as at the date of this report are set out below. The Board has decided to disclose directorship in only public and listed companies. Details of other directorships are available at the Company's registry.

Mr Saleem Karimjee – Non-Citizen of Mauritius and Resident – Chairman and Non-Executive Director

Committee Membership: None

Qualifications:

- BSc in Mechanical Engineering (1982), and MSc in Robotics (1985) from Texas A&M University, USA.
- MBA from INSEAD, France, 1991.

Experience:

- Executive Director of several family businesses in Tanzania (1986-94).
- 27-year career with International Finance Corporation (IFC), a member of the World Bank Group (1992-2019); Board Director for numerous IFC investee companies.
- Executive Development programmes at HBS and IMD.

Directorship in other public and listed companies in Mauritius: Soap & Allied Industries Limited and Compagnie Immobilière Limitée.

Mr Azim F Currimjee – Mauritian Citizen & Resident - Managing Director

Committee Membership: Member of the Strategy & Finance Committee

Qualifications:

- B.A. Mathematics, Williams College, Massachusetts, USA.
- MBA, Trinity College, Dublin, Ireland

Experience:

- Over 10 years' experience in the textile industry.
- Has held key executive positions in the Food and Beverages Cluster of the Currimjee Group for the last 20 years and is currently the Managing Director of the Company.
- Former Manufacturing Director of Bonair Group of Companies.
- Director of a number of companies within the Currimjee Group.
- President of the Mauritius Chamber of Commerce and Industry ('MCCI') 2016 to 2018. He also held this position during 2007 and 2008.
- Former Vice-President of COMESA Business Council.
- Former Vice-President of Economic Development Board of Mauritius.
- Former Director of SBM Holdings, SBM Mauritius and SBM Kenya.
- Former Chairman of SBM India.
- Chairman of the Business Regulatory Review Council, set up under the aegis of Ministry of Finance, Economic Planning and Development of Mauritius.
- Board Member of Air Mauritius Ltd.

Directorship in listed and public companies: Soap & Allied Industries Limited and Air Mauritius Ltd.

Mr. Raffi Currimjee – Mauritian Citizen and Resident - Executive Director

Committee Membership: Member of the Strategy & Finance Committee

Qualification:

- BSE Mechanical Engineering and Applied Mechanics, University of Pennsylvania, USA.

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 01: Governance Structure (cont'd)

Experience:

- Has Held key executive Positions in the Food and Beverage Cluster of the Currimjee group for the last 26 Years and is currently the Deputy Managing Director of the Company.
- Director of a number of companies within the Currimjee Group.
- Non-executive director on the Board of the Mawdsleys Group Investments Limited.

Directorship in other public and listed companies: Soap & Allied Industries Limited, Compagnie Immobilière Limitée and Island Life Assurance Co. Ltd.

Mr. Ashraf M Currimjee – Mauritian Citizen & Resident – Non-Executive Director

Committee Membership: Member of the Audit & Risk Committee

Qualifications:

- B.A. Economics, Williams College, Massachusetts, USA.

Experience:

- Managing Director of Soap & Allied Industries Limited, a company listed on the SEM.
- Director of a number of companies within the Currimjee Group.

Directorship in listed and public companies: Soap & Allied Industries Limited and Mauritius Oil Refineries Ltd.

Mr Rajvardhan Singh Bhullar – Indian Citizen & Mauritian Resident – Non-Executive Director

Committee Membership: Member of the Strategy & Finance Committee

Qualifications:

- Bachelor's Degree, History Honours Punjab University, India.
- MBA with specialisation in Marketing.

Experience:

- Has over 42 years Work Experience with 18 years of working experience in the Telecom Sector working for Airtel India and Airtel Africa in Seychelles, Sierra Leone and Rwanda.
- Formerly worked for Coca Cola and other FMCG companies in Senior Management roles and has a strong commercial background.
- CEO Seychelles Telecom.
- Former Managing Director, Airtel Sierra Leone.
- Former Managing Director, Airtel Rwanda.
- Former CEO of Emtel Limited.

Directorship in other listed and public companies: Soap & Allied Industries Limited.

Mrs. Anne-Claire Moulin – French & Swiss Citizen & Swiss Resident – Non-Executive Director

Committee Membership: Chair of the Strategy & Finance Committee

Qualifications:

- Master of Business Administration - INSEAD, France.
- Master of Science in Chemistry (Honours), Minor: Biochemistry / Biotechnology - Purdue University, USA.
- Master of Science in Chemical Engineering - Ecole Supérieure de Chimie Industrielle de Lyon (Grande école), France.
- Bachelor of Science in Math, Physics and Chemistry - Orsay University, France.

Principle 01: Governance Structure (cont'd)

Experience:

- Senior business executive with almost 30 years' experience in the Procter & Gamble Company.
- Former Lead Team member of global, regional and local organisations.
- Current Marketing and Commercial practice leader at Kinetic Consulting.
- Former Key Accounts V.P at Pricing One.

Directorship in other listed and public companies: Soap & Allied Industries Limited.

Mr. Ziyad A R Bundhun – Mauritian Citizen & Resident - Independent Director (appointed on 03 March 2022)

Committee Membership: Chairman of the Audit & Risk Committee and Member of the Strategy & Finance Committee

Qualifications:

- Chartered Accountant in the United Kingdom in July 1990.
- Member of the Institute of Chartered Accountants in England and Wales.

Experience:

- Founder and Chief Executive Officer of New Africa Advisors since May 2017.
- Former Chief Finance & Investment Executive of Rogers Group.
- Former Managing Director of MCB Capital Partners.
- Founder of the Mauritius office of Mazars.
- Over 30 years' experience as an investment and finance professional having worked in the corporate finance, private equity, banking, trust services and audit.

Directorship in other listed and public companies: None

Mr. Yvan Legris – Mauritian Citizen & Non-Resident - Independent Director (appointed on 03 March 2022)

Committee Membership: Member of the Audit & Risk Committee

Qualifications:

- Diploma in Humanitarian Action, CERAH, Geneva.
- Advanced Negotiations, Executive Education, Harvard Business School.
- Fellow of the UK Institute of Actuaries (Retired).
- BSc Economics & Actuarial Science, London School of Economics.

Experience:

- General manager of Bacon & Woodrow's West Indies office, Trinidad.
- Founder of Bacon, Woodrow & Legris (Now Aon Hewitt), Mauritius.
- Leader of Client Development team, Hewitt Associates UK.
- Managing Director Consulting, Hewitt Associates UK.
- President Consulting, Hewitt Associates USA.
- CEO, Aon Hewitt EMEA.
- Global CEO Consulting, Aon Hewitt USA.
- International Board Treasurer, Médecins sans Frontières, Switzerland.

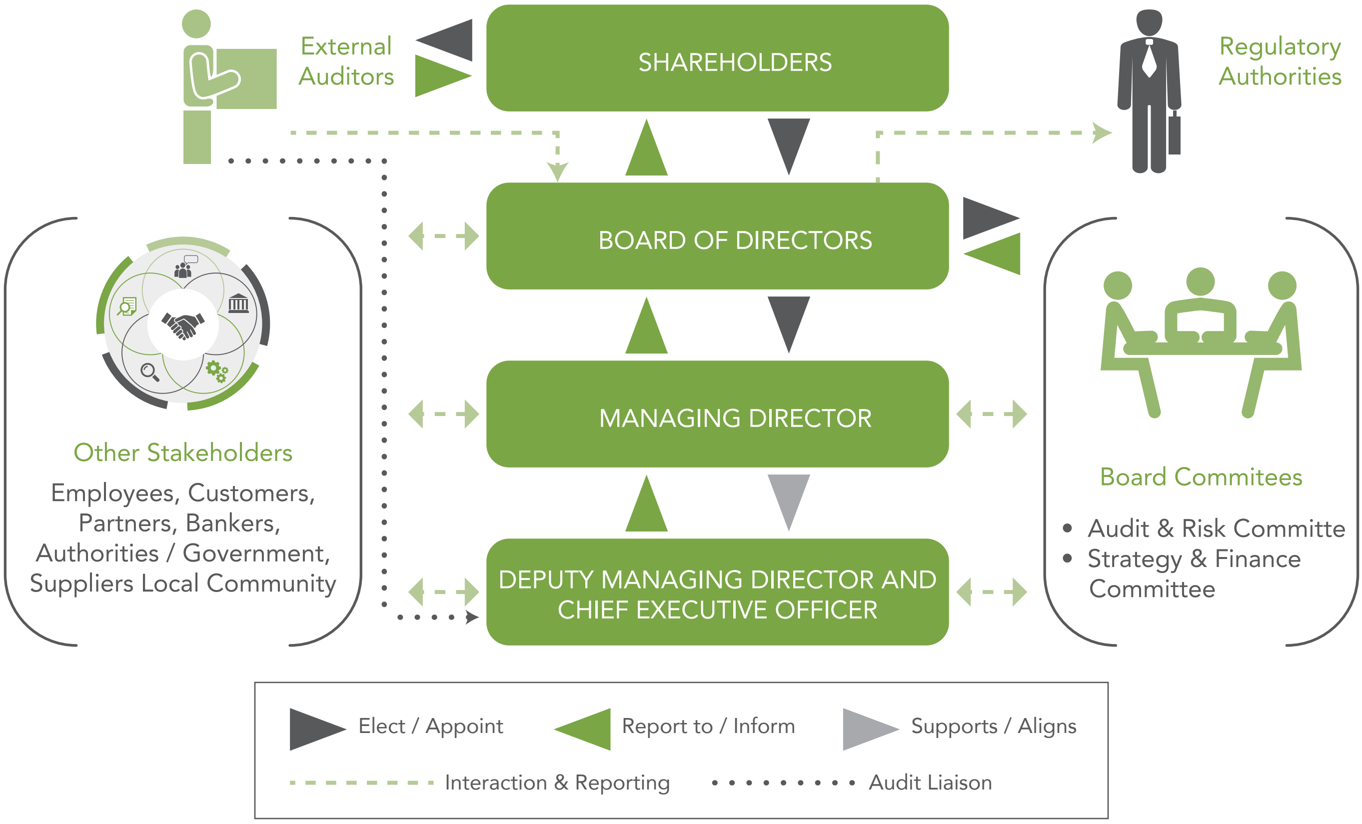
Directorship in other listed and public companies: None

Corporate Governance Framework

The Company operates within a defined corporate governance framework, with proper delegation of authority and clear lines of reporting for the Board of Directors, its Board Committees and key stakeholders. The Board is the focal point of the corporate governance system. It is supported by its Board Committees that are entrusted with specific responsibilities to oversee the affairs of the Company with powers to act on behalf of the Board in accordance with their respective terms of reference. The Board nevertheless remains collectively responsible for the decisions and actions taken by the Committees.

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 01: Governance Structure (cont'd)



Principle 02: 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.

Size and Composition of the Board

The Company is led by a unitary Board of 8 Directors consisting of 2 Independent Directors, 4 Non-Executive Directors including the Chairman, and 2 Executive Directors.

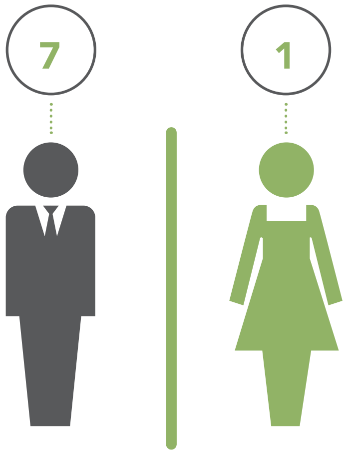
The Directors come from different industries and backgrounds with strong business, international and management experience which are crucial given the nature and scope of activities of the Company and the number of Board Committees.

The Board has ascertained that its current size, mix of skills, competencies, set of expertise, knowledge and gender representation is appropriate to enable it to carry out its duties and responsibilities in an effective and competent manner so as to achieve the Company's objectives.

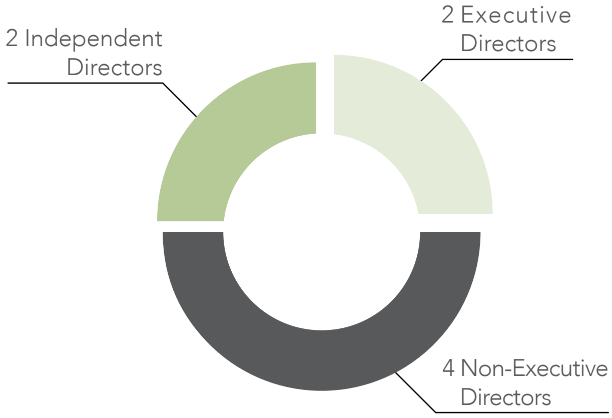
CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 02: The Structure of the Board and its Committees (cont'd)

Gender Representation



Board Composition



Board Size: 8

Board Meetings: 7

4 Decisions adopted by way of Written Resolutions of Directors

Board Areas of Expertise

Business Leadership, Accounting & Finance, National and International organisations' exposure, Marketing and Commercial

Company Secretary

Currimjee Secretaries Limited is the Company Secretary and is represented by Mr. Ramanuj Nathoo.

Mr Nathoo is a fellow Member of the Institute of Chartered Secretaries and Administrators, UK ('ICSA') and also holds a MBA from the University of Leicester. He is a Fellow Member of the Mauritius Institute of Directors and the ICSA Mauritius Branch. He also attended a professional course on Governance of Family Businesses at 'Institut Européen d'Administration des Affaires' (INSEAD).

Board Responsibilities

The Board is responsible for leading and controlling the Company as well as meeting all legal and regulatory requirements and acts in the best interest of its Shareholders.

Board Meeting Process

Board Meeting Process

1. Planning of quarterly Board Meetings at start of the year involving Chairman, Managing Director and Company Secretary.
2. Setting of Agenda in consultation with the Chairman and Managing Director well in advance of the Board Meeting.
3. Circulating Notice, Agenda and Board Papers well in advance of the Board Meeting.
4. Day of Board Meeting. Company Secretary ascertains constitution of meeting and the Chairman proceeds with the business of the day.
5. Drafting of Minutes and circulating to the Board. Follow up by Company Secretary / Management on board decisions.

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 02: The Structure of the Board and its Committees (cont'd)

The Board Committees normally precede Board Meetings and additional Committee meetings may be convened, if required. A similar process as set out above is followed. The agenda for the Committees' meetings is set in consultation with the respective Committee Chairman, Managing Director of the Company and the Secretary.

Board Focus areas

Seven Board Meetings were held during the year under review. Board Meetings were organized both in-person and by videoconference to give the opportunity to all Directors to attend and participate. The key areas discussed at Board Meetings held during the year are set out below:

FINANCIAL & STRATEGY

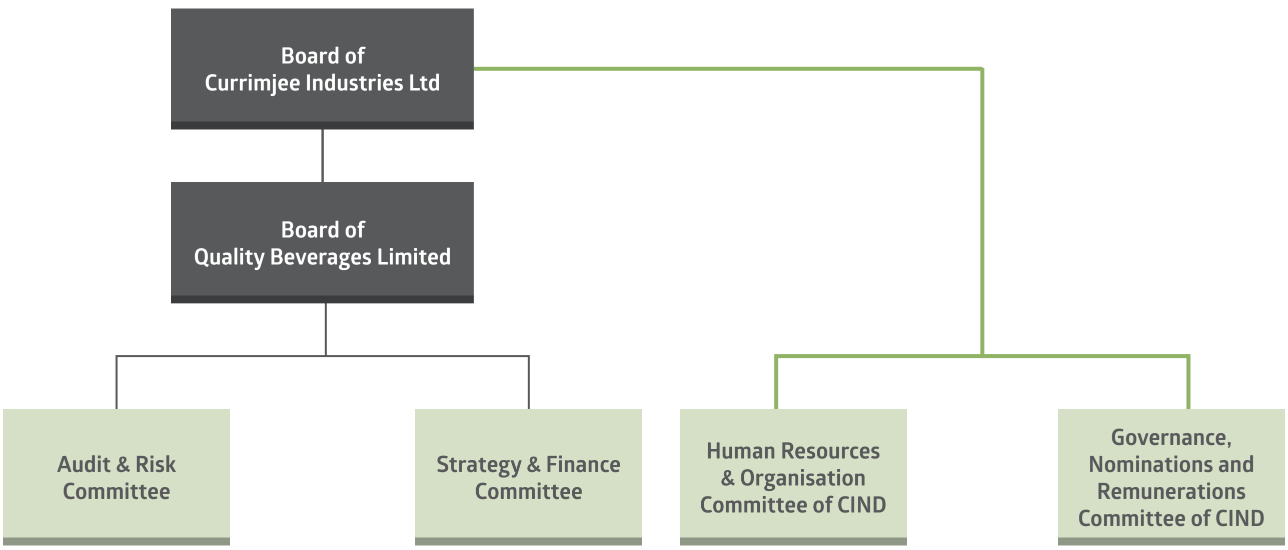
- Review & approval of the Annual Report for the year ended 31 December 2021.
- Quarterly review of the performance of the Company and the Group against budget, inluding operational and financial highlights.
- Approval of the Annual Operating Plan (AOP) for the year 2023.
- Review of the Company's operational issues.
- Safety and Quality
- Review of bank operational matters.
- Approval of banking facilities.
- Review of bank convenants.
- Approval of the Company's strategic objectives for the year 2023.
- Review of Dividend Policy.
- Review of strategic direction and common initiatives with Soap & Allied Industries Limited.

GOVERNANCE

- Re-election of the Board Chairman, in accordance with the provisions of the Companies Act 2001.
- Review of composition of the Board and Board Committees.
- Receive the reports & recommendations from the Board's Committees.
- Approval of Corporate Governance Report for the financial year 2021.
- Approval of Board Assessment and Individual Director Questionnaire for the year 2021.
- Review of fees for the Chairman and one Non-Executive Director.

Board Committees

The Board has established the Board Committees listed below to assist it in the execution of its duties:



CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 02: The Structure of the Board and its Committees (cont'd)

Human Resources and Governance, Nominations and Remunerations Committees

The Human Resources and Organisation Committee ("HROC") and the Governance, Nominations and Remunerations Committee ("GNR Committee") of the Company are set up at the level of the holding company, Currimjee Industries Limited ('CIND'), mandated to recommend the Board of the Company on matters related to Human Resources, Governance, Nominations and Remunerations of Directors respectively.

Board Committees operate within defined terms of reference outlining their objectives, composition, functioning, responsibilities and reporting requirements. These Terms of Reference, are reviewed annually and are available as part of the Board Charter for consultation on the Company's website https://www.quality.mu/.

During the year under review, the Terms of Reference of the Audit & Risk Committee was revised and approved by the Board. Further details on the Committees are set out below:

Audit & Risk Committee	
Composition	Mr. Ziyad A R Bundhun – Chairman (appointed as Chairman on 22 March 2022) Mr. Ashraf M Currimjee Mr. Yvan V A Legris
Main Terms of Reference	– Monitor the integrity of the financial statements and annual report and reviewing significant financial reporting issues and judgements therein; – Review the Company's internal controls related to financial reporting and disclosure controls and procedures and monitoring the effectiveness of the internal audit function; – Compliance with the Financial conditions of any loan covenants; – Make recommendations to the Board in relation to the appointment, and removal of the Internal Auditor; – Review the internal audit recommendations and monitoring their implementation; – Make recommendations to the Board in relation to the appointment, re-appointment and removal of the External Auditor; – Agree with the External Auditor on the terms of their engagement, the scope of the audit and their fees (whether for audit or non-audit services); – Assess annually the independence and objectivity of the External Auditor, their expertise and resources and the effectiveness of the audit process; – Meet regularly with the External Auditor, including meeting(s) as appropriate at the Audit planning stage before the Audit and once after the Audit at the reporting stage. – Advise the Board on the overall risk appetite, tolerance and strategy, ensuring that an overall risk management framework is in place and reviewing policies related to risk management; – Approve Related Party Transactions, as per the Related Party Transactions Policy.
Focus areas for year 2022	– Review of Audited Financial Statements for financial year 2021 and Quarterly Financial Statements. – Review of External Auditors' client service report & letter of representation. – Review of internal audit plan and review implementation of audit recommendations. – Review of Enterprise Risk Management Reports. – Appointment of External Auditors and approval of their engagement letter – Approval of External Auditor's client service plan. – Review compliance with bank covenants. – Review of the Committee's Terms of Reference

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 02: The Structure of the Board and its Committees (cont'd)

Strategy & Finance Committee	
Composition	Mrs Anne Claire Moulin - Chairman Mr. Azim F Currimjee Mr. Raffi Currimjee Mr. Rajvardhan Singh Bhullar Mr. Ziyad A R Bundhun
Main Terms of Reference	– Ensure an effective strategic planning process is in place. – Review and propose the strategic objectives and options to the Board and monitoring effectiveness of strategies. – Approve and monitor large investments within limits of authority. – Develop and recommend long-term financial objectives for the Company.
Focus areas for year 2022	– Review of strategies for the year 2022. – Forecast for the year 2022. – Strategic review for the year 2023.

Attendance at Board Meetings and Board Committees

The table below gives the records of attendance at the Company's Board and Committee meetings for the year under review:

Directors	Category of Director	Board Meeting	Audit and Risk Committee	Strategy & Finance Committee
Number of meetings held during Year 2022		7	5	5
Mr. Saleem Karimjee[2]	Chairman and Non-Executive	7	N/A	2
Mr. Azim F Currimjee	Executive	7	N/A	5
Mr. Raffi Currimjee	Executive	6	N/A	4
Mr. Ashraf M Currimjee[2]	Non-Executive	6	4	2
Mr. Rajvardhan Singh Bhullar	Non-Executive	6	N/A	4
Mrs. Anne-Claire Moulin[1]	Non-Executive	7	3	5
Mr. Ziyad A R Bundhun	Independent	7	5	5
Mr. Yvan V A Legris	Independent	7	5	N/A
Mr. Inigo de Prado	N/A	N/A	N/A	5

1. Mrs Anne-Claire resigned as Member of the Audit & Risk Committee during the year 2022.
2. Messrs Saleem Karimjee and Ashraf M Currimjee resigned as Members of the Strategy & Finance Committee during the year 2022.

Principle 03: Director Appointment Procedures

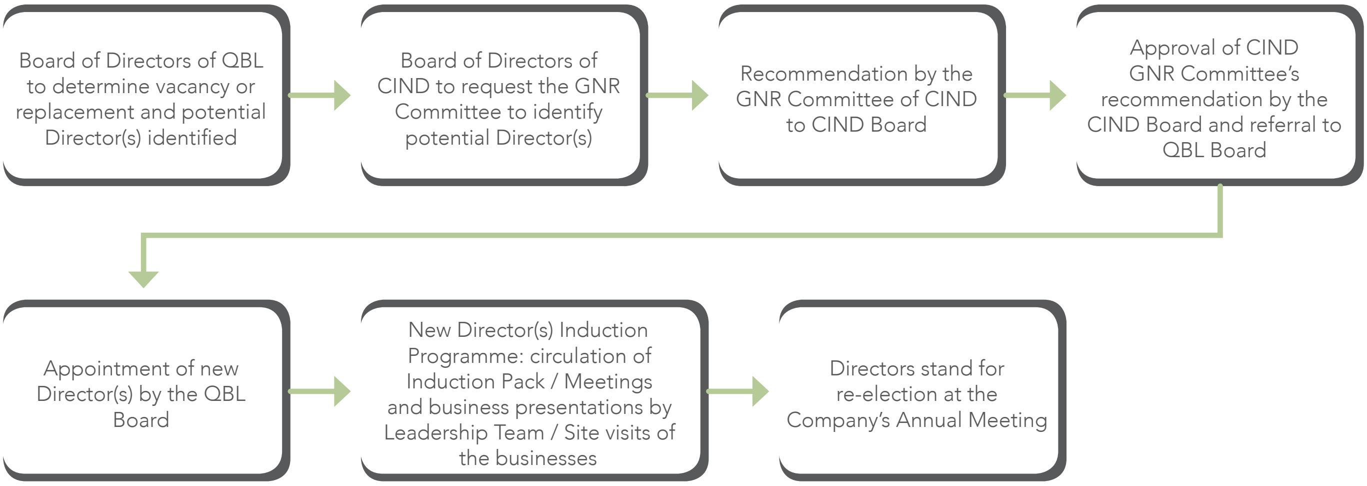
There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence 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.

Director's Appointment and Re-election, Induction and Orientation

The appointment, replacement and removal of Non-Executive and Independent Directors on the Board of the Company shall be approved by the Board of CIND, on the recommendation of its GNR Committee. The proposals from the Board of Directors of CIND are then recommended to the Company's Board for approval. The detailed process for appointment of Directors is as follows:

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 03: Director Appointment Procedures (cont'd)



Professional Development of Directors

The Board values ongoing professional development and recognizes the importance of all Directors receiving regular training to be able to serve effectively on, and contribute to, the Board and Board Committees.

The Company provides regular updates to the Directors to best develop their knowledge and capabilities. Directors are kept abreast of major developments in the business, competitive and regulatory environments regularly at Board Meetings.

Directors are further encouraged to undergo continual professional development to ensure that they can fulfil their obligations and to continually improve the performance of the Board. They are given the opportunity to attend training workshops organised by external facilitators. A professional training on the Director's duties and Board Governance was organised by Currimjee Jeewanjee and Company Limited in Year 2022 and facilitated by Dentons Training and Consultancy (Mauritius) Ltd which was attended by 6 Directors and 2 members of the Leadership Team.

Succession Planning

The Board is responsible for the succession planning of Directors, Managing Director and the Leadership Team.

The succession planning of the Directors is addressed at the level of the CIND GNR Committee and thereafter at the Board of CIND whereas the succession planning of the Executive Directors is addressed at the level of the GNR Committee of Currimjee Limited ('CL') and the CL Board in collaboration with the CIND GNR.

As part of their mandate, the HROC of CIND reviews the succession planning for the Chief Executive Officer and Leadership team.

The dynamics of the interactions between the Company's Board and the holding companies Boards and Committees, provides assurance that the best candidates with the requisite skills, experience and diversity are identified, considering the Company's current and future needs, are appointed for the key positions.

Principle 4 - Director 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. Each Director must be able to allocate sufficient time to discharge his or her duties effectively. Conflicts of interest should be disclosed and managed. The Board is responsible for the governance of the organisation's information strategy, 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.

Principle 4 - Director Duties, Remuneration and Performance (cont'd)

The Directors are aware of their fiduciary duties as laid out in the Companies Act. The Induction Pack for newly appointed Directors contain inter-alia the following documents to help the Director better understand the Company and the governance system in place for the effective discharge of his/ her duties:

- Board Charter;
- Governance Framework;
- Related Party Transaction Policy; and
- Information on the Company's Strategy and Financials.

Conflict of Interest and Related Party Transaction Policy

The Board Charter contains provisions to manage any potential conflict of interest and each Director is required to disclose any actual or potential conflicts of interests and recuse himself from participating in any discussion or decision on transactions in which he/she has an interest. All such disclosures of interest have been duly recorded in the minutes of Board meetings.

The Related Party Transaction Policy outlines the approval process, disclosure and reporting requirements for related party transaction(s) and ensures transparency in the conduct of such transaction(s) in the best interest of the Company and its Shareholders. The Audit & Risk Committee is assigned the responsibility to monitor and report related party transactions outside the normal course of business to the Board. The Board ensures that all related party transactions are carried out at arm's length. Transactions with related parties are disclosed in the financial statements.

The Company Secretary also maintains an interest register, which is available to Shareholders, upon written request to the Company Secretary.

Information

The Chairman, with the assistance of the Managing Director, the Chief Executive Officer, the Leadership Team and the Secretary, ensures that Directors are provided with relevant Board papers in a timely manner so that they can participate effectively in Board deliberations and decisions.

The Directors also have access to the Company's Leadership Team as and when required with the approval of the Chairman and the Managing Director.

Information Technology and Information Security Governance

Based on the business needs for the financial year, all expenditures and significant investments on information technology are included in the annual operating budget of the Company and approved by the Board. Additionally, there is an information security policy in place at the Company aiming at helping to safeguard the organization's information assets while ensuring minimal disruption to the Company's core and supporting business processes. To regulate the use, accessibility, and security of information technology, the necessary policies have been put in place.

An IT security audit was carried out by an external consultant between September and October 2022 and included a full scanning of the IT systems and a review of the IT policies in place. A user awareness training was also conducted thereafter in November 2022.

Board, Board Committee & Individual Director evaluation

The Board is evaluated on an annual basis. The exercise is carried out internally through the circulation of a questionnaire. The results and appropriate action plans are presented at the Board. The Board evaluation questionnaire for the year 2022 will be submitted to the Board for approval and will be used to assess the performance of the Board for year 2022.

The evaluation of the Individual Directors is carried out annually and will be conducted for the year 2022.

The evaluation of the Audit & Risk Committee and Strategy & Finance Committee will be conducted for year 2022. The feedback will be shared with the respective Committees for formulation of improvement actions as may be required.

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 4 - Director Duties, Remuneration and Performance (cont'd)

Remuneration Policy

Remuneration and benefits received by Directors during the financial year under review from the Company were as follows:

Name of Director	Category of Director	From the Group		From the Company	
		Year 2022 Rs	Year 2021 Rs	Year 2022 Rs	Year 2021 Rs
Mr. Saleem Karimjee	Chairman and Non-Executive	540,000	145,000	540,000	145,000
Mr Azim F Currimjee	Executive	12,225,835	11,642,240	12,192,935	11,642,240
Mr Raffi Currimjee	Executive	7,127,840	7,090,992	7,099,640	7,090,992
Mr Ashraf M Currimjee	Non-Executive	9,375	-	2,325	-
Mr. Teddy Bhullar	Non-Executive	185,000	145,000	185,000	145,000
Mrs. Anne Claire Moulin	Non-Executive	614,625	494,525	614,625	494,525
Mr. Ziyad A R Bundhun	Independent	224,167	-	224,167	-
Mr. Yvan V A Legris	Independent	182,500	-	182,500	-

The variable remuneration includes the Variable Performance Pay (VPP) which is paid directly to the Executive Directors. The Company does not have any other long-term incentive Scheme.

None of the Directors were paid any remuneration in the form of share options.

Executive Directors' Service Contracts

Messrs Azim F Currimjee and Raffi Currimjee have service contracts with the Company and their remuneration is reviewed on a yearly basis.

Directors' & Officers' Liability Insurance

A liability insurance cover for Directors and Officers has been subscribed by the Company. The policy provides cover for the risks arising out of acts or omissions of the Directors and Officers of the Company in the performance of their duties, to the extent permitted by law.

Directors' interests in Shares

The Directors' indirect interests in the stated capital of the Company at 31 December 2022 were as follows:

	Interests in the Company's Shares	
	Percentage Number of Shares	
	Direct	Indirect*
Mr. Saleem Karimjee	-	-
Mr. Azim F Currimjee	0.15	5.85
Mr. Raffi Currimjee	0.23	3.39
Mr. Ashraf M Currimjee	0.11	5.25
Mr. Rajvardhan Singh Bhullar	-	-
Mrs. Anne-Claire Moulin	-	-
Mr. Ziyad A R Bundhun	-	-
Mr. Yvan V A Legris	-	-

* Indirect interest includes shares held in the Company through the ultimate holding company and the Directors' associates.

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

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.

Risk Governance

The Board has the responsibility for the successful execution of its strategy, promotes operational effectiveness and ensures regulatory compliance. The board has put in place a system for the on-going assessment of risks to reduce them to an acceptable level, considering the objectives of the Company.

Senior Management assumes responsibility for identifying and monitoring the risks as appropriate to their position in the organisation.

The process of reviewing and documenting the accounting and financial internal control system in place is being followed with the objective to limit the risk of not achieving the business objectives of the Company and provide reasonable assurance that the financial statements are free from material misstatement.

The Group is exposed to a variety of risks and the key risks are listed below:

Pandemic Risks and Business Continuity

The Company places strong emphasis on sanitary protocols and other safety & health measures to ensure the overall safety of its employees. The unprecedented disruption caused by the global COVID-19 pandemic required the Company to put additional measures to help mitigate the risk of business disruption.

The Company has a business continuity plan in place. It is reviewed on a regular basis to cater for the constant changes in the operating environment. In addition, continuous assessment of the Company's medium and long-term growth objectives are also reviewed on a regular basis to ensure the sustainability of the Company over time and to help meet its long-term objectives.

Market risks

Market risk is the risk of loss due to factors affecting an entire market or class of asset. The risk of exchange rates going up or down may have a great impact on the Company's performance. Additionally, the Company is highly exposed to market risks with respect to commodity price fluctuations related to purchases of sugar, preforms oils and fats which have a significant impact on the cost of finished products. Moreover, the Company imports and distributes other finished goods as part of its portfolio and is exposed to the fluctuation in the rates of foreign currencies and to the depreciation of the Mauritian Rupee against major currencies. Any increase or decrease in exchange rates has a significant negative impact on the operating cost of the Company.

With the evolution of the market, Management constantly assesses and mitigates the impact of foreign exchange fluctuations by using financial instruments to reduce its exposure. The supply risk is managed through pricing agreements with our suppliers to help establish more stable pricing and visibility on the inputs that are used in our manufacturing and our distribution business.

With regards to consumers, purchasing power has been affected by high inflation rate forcing them to be selective in their choices favoring basic commodities and essentials. In order to mitigate that risk, we have introduced value packs targeting affordability and reviewed our core soft drinks with lower sugar content. Moreover, QBL has been diversifying its product portfolio to accommodate healthier range like Ceres Juice and Cereals. As part of our sustainability program, the Company has been constantly encouraging consumers to develop healthy active lifestyle, for instance, through The National natation scolaire program for primary school students, athletics, tennis and trail among others.

Credit risks and Liquidity risks

Credit risk is the possibility of a loss resulting from customers ultimately failing to pay their debts due to bankruptcy or because of dispute. The Company is exposed to Credit and Liquidity risks related to significant number of customers in the food and beverage industry with whom the Company operates.   To help mitigate these risks, the Company has an internal team for debt collections and a strong focus is put on debt collection. Additionally, the Company has a credit risk insurance policy to reduce the exposure to bad debt by 90% of the insured debtors.

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 5 - Risk Governance and Internal Control (cont'd)

Risk Governance (cont'd)

Credit risks and Liquidity risks (cont'd)

Management has put strong emphasis on working capital and stringent cashflow management control measures are in place to help reduce potential liquidity risks. There is a close assessment and monitoring of the evolution of market conditions and new strategies to improve sales efficiencies are in place and reviewed regularly. In addition, stringent cost controls measures are in place, and dynamic reforecasts are done on a monthly basis. Finally, regular discussions are held with the Company's main banking partners to review and improve the terms and tenor of our facilities to meet our operational requirements.

Health and Safety risks

Health and Safety risk management encompasses the assessment and mitigation of health and safety risks, the risks associated with identified hazards and the development and implementation of effective and appropriate measures and policies. Health and safety risk management is therefore a key component of the Company's safety management process. The primary aim of health and safety risk management is to ensure workforce well-being and business continuity.

The Company's safety program, processes, procedures, and practices have been established to comply with all existing regulations, safety standards and ultimately to aim being best in class. The emphasis of the safety programs focuses on prevention of injury and reduction and early detection of diseases involving our employees.

In the present complex economic environment, management recognises that investing in health and safety is critical for a comprehensive and robust health and safety program that will have considerable and measurable benefits for the organization.

The Company encourages healthy habits in the workplace. This includes reviewing and updating hygiene, cleaning and ventilation practices, and ensuring that they are being followed. A full time Health & Safety Officer,who reports to the Human Capital Manager, continuously assesses the risks of potential safety hazards in all aspects of the operations, ensures compliance and the effective implementation of corrective measures where required.

Regulatory and Compliance risks

The Company is exposed to regulatory and compliance risks in the food and beverage industry. The Company ensures that it is compliant with all statutory and regulatory regulations through continuous Food safety systems audits certified ISO 22000 and FSSC 22000 and adheres to stringent controls to maintain quality standards. In addition, The Company is inspected every year by AIBI, an internationally recognized specialized audit organization and all audits are unannounced for the beverage industry. On the food industry's side, the Company is inspected every year by SGS, the world's leading inspection, verification, testing and certification company.

The Company has a robust system in place and continues to work with our principles to adhere to current specifications and requirements and stay ahead of new regulations and certifications. Our process flow is continually reviewed to ensure that all hazards and associated food safety risks are identified, reduced to an acceptable level or eliminated.

Following a potential issue in relation to the microbiological content in Vital "Eau de Source", the Company took immediate preventive measures by recalling all stock from the trade and inviting the Ministry of Health for factory inspections and take samples of our product for laboratory tests. The Ministry of Health confirmed that all factory equipment, operating procedures were satisfactory and further confirmed that Vital "Eau de Source" was safe for public consumption. Moreover, as an abundance of caution, the Company engaged with an external laboratory which further confirmed that the Vital "Eau de Source" is in conformity with the Food Act. To substantiate our procedures, recurrent daily lab tests and external lab tests are continued to be performed as per the Company high quality standards.

Our commitment to the environment starts with an efficient waste management system in all our operating sites. 90% of the waste generated in our factory sites is sorted and recycled using certified local recyclers. Additionally, we have improved our footprint through the re-engineering of our primary packaging, preforms and closures have been significantly light weighed In the recent years, the growing environmental awareness at social and legislative levels promoted introduction of the global Circular Economy Model and, as such we are working towards integrating Recycled PET(rPet) preforms in our packaging.The packaging of our margarine and spread brands is biodegradable and approximately 40% of our ingredients are resourced from sustainable resources. Finally, the Company has made a massive investment in a new returnable glass line which allows us to offer more glass packages to the consumer, thus reducing our requirements for PET packaging. We also have the option of using paper labels on our glass bottles.

We have implemented a Post-Consumer PET Collection system through the Bottlers Association to collect and recycle PET bottles that have been sold in the market trade. Today, we have reached a collection rate of slightly over 50% and 40% of the bottles collected are transformed into flakes and exported to South Africa to manufacture Recycled PET.

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 5 - Risk Governance and Internal Control (cont'd)

Risk Governance (cont'd)

Technology risks

The Company depends significantly on its IT infrastructure and even more so as work from home has permeated our workplace culture. This trend carries extra hazards due to remote access to network. To safeguard our network and data, the Company made significant investments in new tools and put strict control measures in place. Management is aware that the human factor remains the primary weak link in system defenses. Therefore, the Company has organised a user awareness campaign to help employees recognise threats and maintain the necessary level of awareness and knowledge. Phishing simulations were also conducted to assess whether security awareness session was well understood by users. Penetration tests were also carried out by specialized service providers.

The Company has improved its backup plan by replicating the ERP Systems to a second location and guaranteeing backup media availability in the case of a disaster, ransomware attack, or other problem at the primary data center. To ensure that no unauthorized changes are made to the systems, logging systems were put up to record all superuser activity and internal threats are assessed on a monthly basis.

Every year, The IT manager, who reports to the Chief Financial Officer, ensures that the IT policies and procedures are evaluated and updated to mitigate vulnerability in actual controls and maintain compliance with industry standards. An impact and risk assessment was made possible by the establishment of a change management policy and method for each request for a change in the systems. A ticketing system was set up to improve incident management while ensuring that tickets are resolved effectively and promptly. In addition to protecting the security and integrity of company data, management continues to place a high priority on advancing efficiency, innovation, and productivity through digitalization.

Human Capital risks

The Company's success and growth are highly dependent on the competences and the commitment of its employees. As such, the company has adopted an approach that places emphasis on the staff wellbeing, performance enhancement, employee engagement and work-life balance in line with the values of the Company. The Company continues to promote its Human Capital development to attract and retain talent, develop and nurture our people's potential. This helps to mitigate the issues of scarcity of specialized and qualified labour. As a critical element of the business continuity plans, the human resource strategy continues to strengthen the focus on all human capital priorities, supporting the business in responding to a challenging environment of increasing competition, cost pressures, organisational changes, digital transformation, and regulatory compliance.

After the unprecedented disruption caused by the global COVID-19 pandemic, we are committed to provide a safe and sound environment for the wellbeing our employees.

Fraud risks

The Company is exposed to fraud risks mainly due to the large amount of invoices, cash handling and ease of resale of its products.

The Company mitigates this risk by having a team of internal controllers who perform daily checks and report on areas of weaknesses and non-compliance to procedures on a weekly basis. Any non-compliance to procedures is taken seriously by management and remedial actions taken to help to mitigate those risks.

In addition, the Company is subject to internal control audits by Deloitte, an internationally recognized accounting firm. Any deviation from procedures identified is fully investigated, disciplinary actions taken when necessary and any departures are reported to the Audit & Risk Committee. Moreover, each head of department reviews access rights on a monthly basis and ensures segregation of duties of employees to avoid any fraudulent transaction.

The Company continues to invest on automation and digitalisation of processes with the aim of eliminating manual intervention and manipulation and hence reduce risks.

Financial risks

The financial risk factors are highlighted in note 26 to the Financial Statements.

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 5 - Risk Governance and Internal Control (cont'd)

Internal Control

The Board is responsible for monitoring the system of internal control and should satisfy itself that the system is functioning effectively. Management is responsible for the design, implementation and monitoring of the internal control system. Appropriate processes, procedures and policies incorporating relevant internal controls, have been designed and implemented, to provide reasonable assurance that the control objectives are attained.

The Board acknowledges that a system of internal control can only provide reasonable but not absolute assurance against the occurrence of misstatements, human error, losses, fraud and other irregularities.

Whilst retaining the overall responsibilities, the Board has delegated the authority to the Audit & Risk Committee for monitoring and reviewing the effectiveness of the Company's internal control and compliance systems. The Board also relies on the internal audit function to report on any weaknesses in the internal control systems and make recommendations to Management and to the Audit & Risk Committee for appropriate actions.

Whistleblowing policy

The Company has a whistleblowing policy, which has been communicated to all employees and Directors. The Company encourages its Directors, employees and anyone associated who have concerns about any aspect of malpractices encountered within the Company to come forward and voice those concerns within the defined process without fear of reprisals.

The whistleblowing policy ensures that the whistleblower's identity is treated with confidentiality. However, under certain circumstances and depending on the case, the employee may need to come forward as a witness to assist in the investigation.

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 Board recognizes that Environmental, Social and Good Corporate Governance ("ESG") is an evaluation of the Company's collective conscientiousness for social and environmental factors and has continued to integrate ESG into the Company's strategies.

Health and Safety

The Company is committed to ensuring that all employees and others working on its premises are adequately informed, trained and work in a safe and comfortable working environment in an effort to reduce occupational hazards that may cause personal injury or work-related illness. We also believe that Health and Safety is a collective responsibility throughout all levels within the organization, covering every single individual as we all have an important part to play in maintaining what is a non-negotiable and on-going focus on Health and Safety.

Quality Beverages Limited is compliant to the Health & Safety Legislation and other requirements and believes in the principles of safety awareness, safe work practices and make safety the concern of all personnel.

Our objective is to provide a safe and comfortable working environment and reduce occupational hazards to ensure the physical and mental wellbeing of all our employees by:

1. Identify and controlling all potential hazards arising from our work activities through hazard identification and risk assessment and minimise the risk of accident at work.
2. Ensuring that health and safety is a condition in the planning of all operations.
3. Following all Laws, Regulations and Standards applicable to Occupational Health and Safety.
4. Communicating our Occupational Health and Safety Policy to all persons working in our Company to make them aware and promote their ownership towards health and safety.
5. Providing suitable and adequate training to ensure that our employees work in the safest possible manner.

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 6 - Reporting with Integrity (cont'd)

Environment & Sustainability Initiatives

The Company has set up a committee who is responsible to deliver more sustainable food and beverage solutions for our consumers as we strive to become a better company and set an example for our collaborators and partners. As we design our end to end processes, we ensure that sustainability is integrated in our thinking process and is one of our key focus areas. We have aligned our objectives with the United Nations Sustainable goals aiming to bring positive changes for the planet and people.

In 2022, we have continued to work on reducing our carbon footprint. One of the key actions was the implementation of 16 automatic e-forklifts which eliminated the consumption of gas, thus reducing the tail pipe emission to zero.

In our endeavour to maintain a more balanced portfolio, we ensure that all our new products are of reduced sugar. In 2022, we introduced Fiesta Sparky, a new carbonated soft with low sugar formulation drink, targeting families. Today 64% of our beverage portfolio are sugar reduced and 25% of our ingredients for food products are from sustainable sources.

We are working closely with our partner PepsiCo International to introduce recycled plastic (RPET) in our plastic bottles with the aim to adopt a circular economy for our packaging

We continue to manage our waste responsibly by encouraging recycling, reducing or reusing it. For example, 150,000 preforms, 12,000 water jars, 300kg of paper waste have been recycled in 2022. Additionally, 1,500 plastic pails, 10,000 sugar bags, 800 drums, 40kg of plastic bags and 35 gallons have been distributed for reuse.

We are also able to do rain water harvesting and this collected water is being used for cleaning of vehicles and washing of trucks . We recognize that our activities have an impact on our environment, and we continue to diligently work towards reducing our carbon footprint.

Corporate Social Responsibility ('CSR')

As part of the Currimjee Group of companies, Quality Beverages Limited channels a significant part of its CSR contributions to the Currimjee Foundation, the vehicle through which the CSR projects of the Currimjee Group are managed and monitored. The funds are utilized primarily towards poverty alleviations together with support to education, sports, health, and environment. Details of the projects undertaken by the Currimjee Foundation can be viewed on the website: https://www.currimjee.com.

We want to inspire a generation to adopt healthy lifestyle and, by 2030, we aim to touch at least 50,000 consumers creating healthier and happier families. In 2022, we engaged with 18,000 persons with an investment of Rs 6.6m, though our partners namely Mauritius Sports Council, Mauritius Athletic Association and the Mauritius Tennis Federation, Faucon Supporting Club among others to encourage sports and active lifestyle. We have also been very active with JCI Curepipe and Foodwise in diverse social activations around the island. More than 6,000 meals and 21 tons of food have been donated in 2022 together with clothing and even blood donation. Through APSA, we have been educating 250 families from vulnerable income groups on nutritious cooking.

Donations

The Company did not make any political, non-political or charitable donations during the year under review (Year 2021: Nil).

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 auditors.

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 7 – Audit (cont'd)

Internal Audit

The Board has outsourced the provision of internal audit services to Deloitte since year 2021.

As part of their delivery of internal audit services, the Internal Auditor:

a. Reviews the risk assessment results of prior years to establish the Company's risk profile, which will enable a three-year risk based internal audit plan (IA plan) to be formulated and agreed upon by the Audit and Risk Committee.
b. Conducts internal audits as per the agreed IA plan and report on the audit outcomes to the Audit and Risk Committee.
c. Conducts internal audits using its qualified and competent staff, up to date technology and leading class risk-based methodology in line with IIA standards.
d. Performs data analytics enabled internal audits to provide greater coverage over entire populations of data and internal controls, and thereby provide greater insights into areas under review.

The Internal Auditor's methodology aims ultimately to position the internal audit reviews to proactively drive strategic value to the organization, by providing:

a. Key insights that enable the business to focus on the risks that matter and which aim to improve the quality and effect of work delivered.
b. Robust mechanism to identify performance improvement opportunities (including robustness and efficiency of operations, quality of information for better decision making, optimizing use of available resources such as technology).
c. Strategic insights that improve business performance.
d. Prioritization of recommendations to facilitate implementation and sense of achievement.

The deliverables for the above workstream are (1) the Internal Auditor's recommendations for additional risks that apply to the Company in scope that are not captured in the existing risk registers of the business units; (2) list of top inherent risks ranked in terms of significance; and (3) an internal audit plan for 3 years that targets the higher risk areas that lend themselves to internal audits.

Additionally, the Internal Auditor reviews the design and operating effectiveness of the Company's controls in operation for the areas identified as part of the internal audit plan and submit as deliverable an internal audit report to the Audit & Risk Committee for each internal audit visit, including their observations and agreed upon management actions to remediate control gaps.

The Internal Auditor reports independently to the Chairman of the Audit & Risk Committee on all internal audit matters and is responsible for providing assurance to the Audit & Risk Committee regarding the implementation, operation and effectiveness of the Company's internal control systems. In this respect, reliance is placed on the work undertaken by the Internal Auditor in line with the approved internal audit plan. The plan ensures that all significant areas of the Company's activities are duly covered in turn over a predetermined timeframe.

The Internal Auditor has unrestricted access to the Company's records, the Chairman of the Company, the Chairman of the Audit & Risk Committee, the Executive Directors, the Chief Executive Office, the Leadership Team and employees, for the effective performance of their duties.

Following completion of internal audit engagements, salient internal audit observations are reported to Management in a closing meeting, followed by the issue of the internal audit reports. These reports are then presented at Audit & Risk Committee meetings, to communicate significant audit findings as well as Management's proposed action plans. Regular follow-up audits are also undertaken to monitor progress on the implementation of internal audit recommendations by Management, which are then reported back to the Audit & Risk Committee. The appointed Internal Auditor works closely with and shares their internal audit findings with the external auditors.

During the year 2022, the Internal Auditor's main audit assignments for the Company consisted of Risk Management Framework, controls over production and IT General Controls, Inventory Management and controls over Financial Reporting and Fraud Risk Management and Procurement to Pay & Direct Costs.

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 7 – Audit (cont'd)

External Audit

The re-appointment of PricewaterhouseCoopers for the financial year 2022 was approved by the Shareholders in September 2022.

The Audit & Risk Committee has reviewed and reported to the Board on the clarity and accuracy of the Group's financial statements. While conducting their reviews, the Committee considered the following:

- the accounting policies and practices applied;
- material accounting judgements and assumptions made by management or significant issues or audit risks identified by the external Auditor; and
- compliance with relevant accounting standards and other regulatory financial reporting requirements, including the Code of Corporate Governance.

All significant issues raised by the external auditors during the audit are reviewed and monitored at the level of the Audit & Risk Committee until they are fully addressed.

The external auditors are free to meet the Audit & Risk Committee without the presence of management should they wish to do so. No such meeting was required during the year under review. Nonetheless, the Chairman of the Audit & Risk Committee regularly consults the External Audit Partner. The Board is regularly informed of all material issues discussed at the Audit & Risk Committee.

The fees paid to the External Auditors for audit and other services are disclosed in the Report from the Board of Directors. The fees paid by the Company for non-audit services relate to fees paid for tax and advisory services.

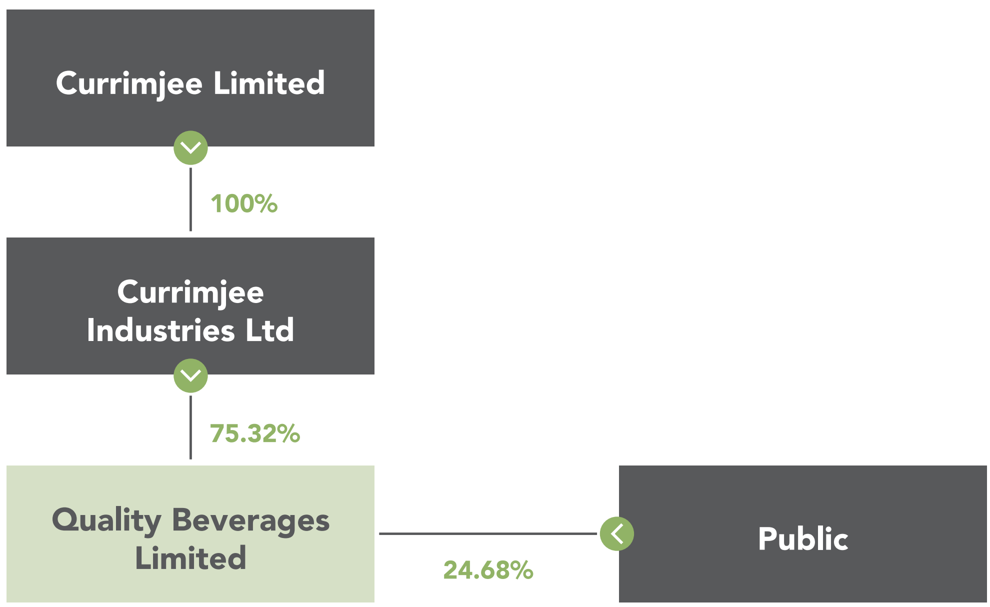
The Board ensures that provision of non-audit services by the External Audit firm are delivered by a team of officers that is completely independent from the external audit team, to ensure that the Auditor's objectivity and independence are safeguarded.

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.

Ownership Structure

As at 31 December 2022, the Company has issued 36,768,812 Ordinary Shares of Rs 10 each and the shareholding structure of the Company is set out below:



CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 8 - Relations with Shareholders and Other Key Stakeholders (cont'd)

Company's Key Stakeholders

The Company is committed to respond to the needs and expectations of its key stakeholders and considers their interests in its dealings with them. The Board ensures that information is delivered in an open, transparent, meaningful and regular manner to the stakeholders. It engages with its key Stakeholders through existing communications platforms (Annual Report, Shareholders meetings and Social Media. Regular presentations are also made to the Company's bankers.

Substantial Shareholding

With the exception of Currimjee Industries Limited, no other shareholder directly holds more than 5% of the share capital of the Company.

Shareholders' Agreement

There was no such agreement with any of its Shareholders for the year under review.

Share Registry and Transfer Office

The Share Registry is managed by the Company Secretary. The Company had 1,137 registered Shareholders as at 31 December 2022.

Shareholding Profile

The share ownership and the category of shareholders as at 31 December 2022 are set out below:

Number of Shareholders	Size of Shareholding	Number of Shares Owned	% of Total Issued Shares
466	1-500	100,642	0.274
172	501-1,000	132,954	0.362
312	1,001-5,000	748,889	2.037
66	5,001-10,000	471,408	1.282
95	10,001-50,000	2,164,991	5.888
11	50,001-100,000	836,462	2.275
3	100,001-250,000	434,112	1.181
8	250,001-500,000	2,458,312	6.686
4	Over 500,000	29,421,042	80.016
1,137	**Total**	**36,768,812**	**100%**

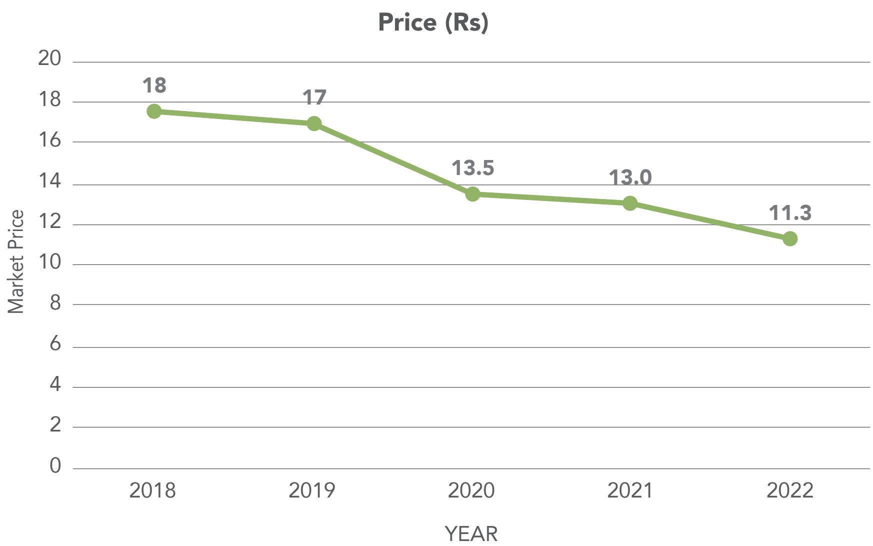
CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 8 - Relations with Shareholders and Other Key Stakeholders (cont'd)

Number of Shareholders	Category of Shareholders	Number of Shares Owned	% of Total Issued Shares
1,097	Individual	6,184,091	16.819
1	Insurance & Assurance Cos	348,108	0.947
3	Pension & Providence Funds	1,081,737	2.942
1	Investment & Trust Cos	300	0.001
35	Other Corporate Bodies	29,154,576	79.292
1,129	**Total**	**36,768,812**	**100%**

Share Price Information

The share of the Company has a nominal value of Rs 10 and the Company share price evolution over the last 5 years is as follows:



Calendar of Events

The calendar of key events is set out below:

Financial Year end
31 December 2022

March 2023
Abridged Audited Financial Statements for the year ended 31 December 2022

May 2023
Abridged Unaudited Financial Statements for the Period Ended 31 March 2023

June 2023
Annual Meeting of Shareholders

August 2023
Abridged Unaudited Financial Statements for the Period Ended 30 June 2023

November 2023
Abridged Unaudited Financial Statements for the Period Ended 30 September 2023

CORPORATE GOVERNANCE REPORT 2022 (cont'd)

Principle 8 - Relations with Shareholders and Other Key Stakeholders (cont'd)

Employee Share Scheme

There is no Employee Share Scheme in place.

Dividend Policy

The Dividend Policy of the Company is set as a percentage of Profit After Tax. The Board has adopted a prudent and conservative approach to cash flow management. And therefore to further build and preserve the Company's cash reserves, the Board has decided not to declare a dividend for FY 2022.

Approved by the Board of Directors and signed on its behalf on 30th March 2023.

Mr Saleem Karimjee
Chairman

Mr Azim F Currimjee
Managing Director

STATEMENT OF COMPLIANCE

(Section 75 (3) of the Financial Reporting Act)

Name of Public Interest Entity ("PIE"): QUALITY BEVERAGES LIMITED

Reporting Period: 01 January 2022 to 31 December 2022

We, the Directors of **QUALITY BEVERAGES LIMITED**, confirm to the best of our knowledge that the Company has complied with all of its obligations and requirements under the Code of Corporate Governance 2016 in all material respects.

Principle 1: Governance Structure

Profile of Directors
The Board has decided to disclose other directorship in only public and listed companies. Details of other directorships are available at the Company's registry.

SIGNED BY:

Mr Saleem Karimjee
Chairman

Mr Azim F Currimjee
Managing Director

Date: 30th March 2023


CRUNCH
CRUNCH
pepsi
Lay's
Classic
FIZZ
CRUNCH
WOOHOO!
#fizzcrunch
#pepsilays

CURRIMJEE SECRETARIES LIMITED
38, Royal Street, Port Louis

SECRETARY'S CERTIFICATE

Quality Beverages Limited ('the Company')
UNDER SECTION 166(d) OF THE COMPANIES ACT 2001 OF MAURITIUS

We certify that in terms of the compliance report as submitted and approved by the Board, the Company has filed with the Registrar of Companies, for the year ended 31 December 2022, all such returns as are required of the Company under the Companies Act 2001 of Mauritius.

Currimjee Secretaries Limited - The Secretary
per Mr. Ramanuj Nathoo

Date: 30th March 2023

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF QUALITY BEVERAGES LIMITED

pwc

Report on the Audit of the Consolidated and Separate Financial Statements

Our Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of QUALITY BEVERAGES LIMITED (the "Company") and its subsidiaries (together the "Group") and of the Company standing alone as at 31 December 2022, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in compliance with the Mauritian Companies Act 2001.

What we have audited

QUALITY BEVERAGES LIMITED's accompanying consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the separate statement of changes in equity for the year then ended
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT (cont'd)
TO THE SHAREHOLDERS OF QUALITY BEVERAGES LIMITED

pwc

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter- Group and Company	How our audit addressed the key audit matter
Accounting treatment for retirement benefit obligations See note 3(n) of the financial statements with respect to the accounting policies for retirement benefit obligations. At 31 December 2022, the Group and the Company had a retirement benefit liability of Rs 159,209,000 and Rs 157,330,000 respectively. A retirement benefit asset of Rs 34,191,000 and Rs 34,032,000 has also been recognised for the Group and Company respectively. Retirement benefit assets and liabilities have been disclosed separately in the financial statements since these relate to different schemes and employees. The retirement benefit liability and asset, as disclosed in note 10, requires a valuation of the retirement benefit obligations. The valuation, which is carried out by an external actuary engaged by management, is dependent on market conditions and key assumptions such as discount rates, salary increases, inflation and life expectancy. The setting of these assumptions is complex and requires the exercise of significant management judgement which makes this a key audit matter.	We performed the following procedures with the assistance of our internal actuarial experts: - Obtained the retirement benefit obligations valuation reports to understand the methodology used to calculate retirement benefit obligations. - Assessed the competence, capabilities and objectivity of the external actuary and verified their respective qualifications. - Agreed the assumptions for discount rate and inflation rates used by the actuary to independent benchmarks such as external bonds. We compared the assumptions on salary increases and life expectancy to national and industry averages. - Tested the data used in the valuation of the plan assets and pension obligations, to assess whether the basis of the valuation is appropriate. - We evaluated whether disclosures in the financial statements relating to retirement benefit obligations were in accordance with International Financial Reporting Standards.

Other Information

The Directors are responsible for the other information. The other information comprises the corporate information, the report from the board of directors, the corporate governance report, the statement of compliance and the certificate from the company secretary but does not include the consolidated and separate financial statements and our auditor's report thereon which we have obtained prior to the date of this auditor's report, and the financial highlights and chairman's statement, which are expected to be made available to us after that date.

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 identified above 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 on the other information, 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.

When we read the financial highlights and the chairman's statement which have not been made available to us prior to the date of this auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITOR'S REPORT (cont'd)
TO THE SHAREHOLDERS OF QUALITY BEVERAGES LIMITED

pwc

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (cont'd)
TO THE SHAREHOLDERS OF QUALITY BEVERAGES LIMITED

pwc

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

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

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

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

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

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

(a) we have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as auditor and tax advisor;

(b) we have obtained all the information and explanations we have required; and

(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Mauritian Financial Reporting Act 2004

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

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

PricewaterhouseCoopers

Robert Coutet, licensed by FRC

30th March 2023

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2022

		THE GROUP		THE COMPANY	
	Note	**2022**	2021	**2022**	2021
		Rs	Rs	**Rs**	Rs
ASSETS					
Non-current assets					
Property, plant and equipment	5	1,131,594,950	1,084,284,912	1,124,670,483	1,077,078,763
Right-of-use assets	6	12,340,164	41,885,043	6,640,131	33,757,737
Intangible assets	7	4,584,599	5,567,185	3,933,381	4,915,967
Investment property	8	6,700,000	5,600,000	6,700,000	5,600,000
Investments	9	194,933	194,933	12,166,972	12,166,972
Deferred tax assets	16(d)	2,319,457	2,315,046	-	-
Retirement benefit asset	10(a)	34,191,000	11,115,000	34,032,000	10,894,000
Retirement benefit obligations allocated to related parties	10(b)(ii)	-	-	9,975,808	9,975,808
		1,191,925,103	1,150,962,119	1,198,118,775	1,154,389,247
Current assets					
Inventories	11	445,114,507	290,722,143	441,763,195	287,744,843
Trade and other receivables	12	316,263,339	256,801,291	306,881,013	249,704,522
Cash in hand and at bank	23	19,569,976	49,780,165	16,244,972	26,697,716
		780,947,822	597,303,599	764,889,180	564,147,081
TOTAL ASSETS		1,972,872,925	1,748,265,718	1,963,007,955	1,718,536,328
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	13	361,385,294	361,385,294	361,385,294	361,385,294
Revaluation and other reserves		151,506,496	100,190,378	150,337,305	99,021,187
Retained earnings		190,758,257	95,497,354	184,892,991	93,800,087
Total equity		703,650,047	557,073,026	696,615,590	554,206,568
Non-current liabilities					
Loans	14	278,464,133	306,150,640	278,464,133	306,150,640
Retirement benefit obligations	10(b)	159,209,000	200,731,000	157,330,000	198,383,000
Lease liabilities	15	2,468,860	6,141,637	1,958,383	5,774,000
Deferred tax liabilities	16(d)	77,829,670	56,533,620	77,172,466	56,212,577
Other payables	17	135,893	352,937	135,893	352,937
		518,107,556	569,909,834	515,060,875	566,873,154
Current liabilities					
Loans	14	189,635,888	268,097,095	239,635,888	276,597,095
Lease liabilities	15	3,566,399	8,932,286	2,896,109	5,219,682
Income tax liabilities	16(a)	669,528	245,177	-	45,581
Trade and other payables	17	463,840,914	322,608,418	422,085,904	294,194,366
Derivative financial instruments		2,450,000	-	2,450,000	-
Bank overdrafts	23	90,952,593	21,399,882	84,263,589	21,399,882
		751,115,322	621,282,858	751,331,490	597,456,606
TOTAL LIABILITIES		1,269,222,878	1,191,192,692	1,266,392,365	1,164,329,760
TOTAL EQUITY AND LIABILITIES		1,972,872,925	1,748,265,718	1,963,007,955	1,718,536,328

Approved by the Board of Directors and authorised for issue on 30 March 2023

Saleem Karimjee
Chairman

Azim F Currimjee
Managing Director

The notes set out on pages 51 to 107 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

AT 31 DECEMBER 2022

	Note	THE GROUP		THE COMPANY	
		2022	2021	**2022**	2021
		Rs	Rs	**Rs**	Rs
Revenue from contracts with customers	18	2,045,630,899	1,490,784,932	1,725,555,889	1,250,570,163
Cost of sales		(1,464,979,260)	(1,047,331,224)	(1,170,267,706)	(830,056,533)
Gross profit		580,651,639	443,453,708	555,288,183	420,513,630
Other income	19	4,946,300	9,556,970	8,234,598	12,117,040
Selling, distribution and marketing expenses		(258,012,944)	(207,100,097)	(250,371,486)	(200,339,170)
Administrative expenses		(231,682,648)	(222,349,822)	(221,981,740)	(212,317,872)
Finance costs	20	(27,016,215)	(18,552,707)	(27,411,344)	(18,217,328)
Profit before taxation		68,886,132	5,008,052	63,758,211	1,756,300
Taxation	16(b)	(16,077,931)	(376,307)	(14,761,939)	(381,607)
Profit for the year		52,808,201	4,631,745	48,996,272	1,374,693
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Gain on revaluation of land and buildings		56,023,120	-	56,023,120	-
Deferred tax on revaluation of buildings		(1,397,930)	-	(1,397,930)	-
Fair value gain on investment in equity instruments designated as at FVTOCI (Note 9(iii))		-	(738,030)	-	(738,030)
Remeasurement of retirement benefit liabilities (Note 10(b)(i) and(ii))		21,720,000	92,607,000	21,247,000	91,378,000
Deferred tax on remeasurement of retirement benefit liabilities		(3,692,400)	(15,743,190)	(3,611,990)	(15,534,260)
Remeasurement of retirement benefit assets (Note 10(a))		25,441,000	99,852,000	25,485,000	99,879,000
Deferred tax on remeasurement of retirement benefit assets		(4,324,970)	(16,974,840)	(4,332,450)	(16,979,430)
Other comprehensive income for the year		93,768,820	159,002,940	93,412,750	158,005,280
Total comprehensive income for the year		146,577,021	163,634,685	142,409,022	159,379,973
Basic and diluted earnings per share	22	1.44	0.13		

The notes set out on pages 51 to 107 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

THE GROUP

		Revaluation and other reserves				
	Stated capital	Amalgamation reserve	Properties revaluation reserve	Investment revaluation reserve	Retained earnings	Total
	Rs	Rs	Rs	Rs	Rs	Rs
At 01 January 2021	361,385,294	(244,597,300)	348,074,861	759,963	(72,184,477)	393,438,341
Profit for the year	-	-	-	-	4,631,745	4,631,745
Other comprehensive income for the year	-	-	-	(738,030)	159,740,970	159,002,940
Total comprehensive income for the year	-	-	-	(738,030)	164,372,715	163,634,685
Revaluation surplus realised on depreciation	-	-	(3,309,116)	-	3,309,116	-
At 31 December 2021	361,385,294	(244,597,300)	344,765,745	21,933	95,497,354	557,073,026
At 01 January 2022	361,385,294	(244,597,300)	344,765,745	21,933	95,497,354	557,073,026
Profit for the year	-	-	-	-	52,808,201	52,808,201
Other comprehensive income for the year	-	-	54,625,190	-	39,143,630	93,768,820
Total comprehensive income for the year	-	-	54,625,190	-	91,951,831	146,577,021
Revaluation surplus realised on depreciation	-	-	(3,309,072)	-	3,309,072	-
At 31 December 2022	361,385,294	(244,597,300)	396,081,863	21,933	190,758,257	703,650,047

The notes set out on pages 51 to 107 form an integral part of these financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

THE COMPANY

		Revaluation and other reserves				
	Share capital	Amalgamation reserve	Properties revaluation reserve	Investment revaluation reserve	Retained earnings	Total
	Rs	Rs	Rs	Rs	Rs	Rs
At 01 January 2021	361,385,294	(244,597,300)	346,905,670	759,963	(69,627,032)	394,826,595
Profit for the year	-	-	-	-	1,374,693	1,374,693
Other comprehensive income for the year	-	-	-	(738,030)	158,743,310	158,005,280
Total comprehensive income for the year	-	-	-	(738,030)	160,118,003	159,379,973
Revaluation surplus realised on depreciation	-	-	(3,309,116)	-	3,309,116	-
At 31 December 2021	361,385,294	(244,597,300)	343,596,554	21,933	93,800,087	554,206,568
At 01 January 2022	361,385,294	(244,597,300)	343,596,554	21,933	93,800,087	554,206,568
Profit for the year	-	-	-	-	48,996,272	48,996,272
Other comprehensive income for the year	-	-	54,625,190	-	38,787,560	93,412,750
Total comprehensive income for the year	-	-	54,625,190	-	87,783,832	142,409,022
Revaluation surplus realised on depreciation	-	-	(3,309,072)	-	3,309,072	-
At 31 December 2022	361,385,294	(244,597,300)	394,912,672	21,933	184,892,991	696,615,590

The notes set out on pages 51 to 107 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	THE GROUP 2022 Rs	THE GROUP 2021 Rs	THE COMPANY 2022 Rs	THE COMPANY 2021 Rs
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		68,886,132	5,008,052	63,758,211	1,756,300
Adjustments for:					
Depreciation of property, plant and equipment		91,403,565	74,376,030	89,338,838	72,245,234
Depreciation of right-of-use assets		14,007,430	16,743,366	10,580,191	11,813,980
Amortisation of intangible assets		2,276,086	1,856,133	2,276,086	1,856,133
Assets written off		482,883	-	482,883	-
Right-of-use assets written off		328,881	-	328,877	-
Loss/(profit) on disposal of property, plant and equipment		(1,360,161)	(225,160)	(1,360,161)	(225,160)
Loss on disposal of right-of-use asset		1,637,895	(74,461)	1,637,893	(74,461)
Fair value gain on investment property		(1,100,000)	-	(1,100,000)	-
Unrealised exchange difference		5,754,552	(111,364)	5,754,552	(86,664)
Retirement benefit obligations		1,115,000	21,664,000	681,000	21,198,000
Retirement benefit asset		7,219,000	12,928,000	7,168,000	12,869,000
Provision for doubtful debts		81,965	(927,180)	(363,863)	(623,431)
Provision for slow moving stocks		2,373,131	(5,220,566)	3,944,386	(5,288,474)
Interest expense		27,016,215	18,552,707	27,411,344	18,217,328
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		220,122,574	144,569,557	210,538,237	133,657,785
Increase in inventories		(156,765,495)	(52,565,669)	(157,962,738)	(53,619,404)
Increase in trade and other receivables		(59,556,416)	(16,868,042)	(56,825,031)	(19,703,298)
Increase in trade and other payables		139,993,462	44,057,961	126,652,504	38,947,042
		(76,328,449)	(25,375,750)	(88,135,265)	(34,375,660)
CASH GENERATED FROM OPERATIONS		143,794,125	119,193,807	122,402,972	99,282,125
Interest paid		(27,016,215)	(18,552,707)	(27,411,344)	(18,217,328)
Tax (paid)/refund		(3,777,246)	2,403,461	(3,190,003)	2,416,652
Retirement benefit contribution		(4,854,000)	(8,439,000)	(4,821,000)	(8,386,000)
Retirement benefits paid		(20,917,000)	(23,004,000)	(20,487,000)	(22,964,000)
NET CASH GENERATED FROM OPERATING ACTIVITIES		87,229,664	71,601,561	66,493,625	52,131,449
CASH FLOWS FROM INV ESTING ACTIVITIES					
Purchase of property, plant and equipment		(68,645,885)	(156,372,438)	(66,862,838)	(156,372,441)
Purchase of intangible assets		(1,293,500)	(1,277,118)	(1,293,500)	(1,277,118)
Proceeds from sale of property, plant and equipment		1,403,324	998,526	1,403,324	998,526
NET CASH USED IN INVESTING ACTIVITIES		(68,536,061)	(156,651,030)	(66,753,014)	(156,651,033)
CASH FLOWS FROM FINANCING ACTIVITIES					
Additional loans		691,484,910	674,929,869	741,484,910	684,929,869
Repayment of loans		(797,547,271)	(518,815,318)	(806,047,271)	(518,815,318)
Repayment of lease liabilities		(10,038,638)	(12,853,898)	(6,139,190)	(6,056,364)
NET CASH GENERATED FROM FINANCING ACTIVITIES		(116,100,999)	143,260,653	(70,701,551)	160,058,187
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(97,407,396)	58,211,184	(70,960,940)	55,538,603
Effects of currency translation		(2,355,504)	850,009	(2,355,511)	775,577
CASH AND CASH EQUIVALENTS AT 01 JANUARY	23	28,380,283	(30,680,910)	5,297,834	(51,016,346)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	23	(71,382,617)	28,380,283	(68,018,617)	5,297,834

The notes set out on pages 51 to 107 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

Quality Beverages Limited (the "Company") is a public company incorporated in Mauritius. The Company is domiciled in Mauritius and has its registered office at 38, Royal Street, Port Louis and principal place of business at Belle Rose. It is listed on the Development and Enterprise Market (DEM) of the Stock Exchange of Mauritius. The Company's main activities are the bottling and distribution of beverages, manufacturing and distribution of margarine and related products as well as distribution of consumer goods.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

Changes in accounting policy and disclosures

(i) New standards, amendments to existing standards and interpretation issued and effective for the first time for the financial year beginning on 01 January 2022.

In the current year, the Group and the Company have assessed all of the new standards, interpretations by the International Accounting Standards Board ("IASB") that are relevant to their operations and effective for accounting periods beginning 01 January 2022. There are no new standards, amendments to existing standards and interpretations which are effective for the annual periods beginning on 01 January 2022 and which are relevant or have a material impact on the Company's financial statements.

(ii) New standards, amendments and interpretations effective after 01 January 2022 and have not been early adopted by the Group and the Company.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for annual periods beginning after 01 January 2022 and have not been early adopted by the Group and the Company. These standards, amendments or interpretations are not expected to have a material impact on the Group and the Company in the current or future reporting periods and on foreseeable future transactions.

3. ACCOUNTING POLICIES

The principal accounting policies adopted by the Group and the Company are as follows:-

(a) <u>Basis of preparation</u>

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and complied with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

The consolidated and separate financial statements have been prepared on a historical cost basis as modified by the revaluation of land and buildings and investment property and the fair value of certain investments and the plan assets for retirement beneift obligations. The consolidated and separate financial statements are presented in Mauritian rupees.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES (CONT'D)

(b) Going concern

Directors and management have made an assessment of the Group's and the Company's ability to continue as a going concern and is satisfied that the Group and the Company have the resources to continue in business for the foreseeable future. Furthermore, Directors and management are not aware of any material uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern. Hence, the financial statements continue to be prepared on the going concern basis.

The Group and the Company made a profit of Rs 52,814,298 (2021: Rs 4,631,745) and Rs 49,002,369 (2021: Rs 1,374,693) respectively for the year ended 31 December 2022 and the total assets exceeded the total liabilities by Rs 703,656,144 (2021: Rs 557,073,026) and Rs 696,621,687 (2021: Rs 554,206,568) respectively. Also, the Group's and the Company's current assets exceeded the current liabilities by Rs 29,832,500 and Rs 13,557,691 respectively at 31 December 2022.

There has been a breach of financial covenants by the Company for a specific bank. However, the loans have already been classified as current liability. Hence, there is no impact on the net current asset position of the Company.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company, i.e. its subsidiaries (collectively referred to as the "Group"). Control is achieved where the Company has power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Subsidiaries are consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if the results in the non-controlling interests have a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments, when applicable, or the cost on initial recognition of an investment in an associate or jointly controlled entity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES (CONT'D)

(d) Investment in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company 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.

The investment in subsidiary is shown at cost less impairment. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to profit or loss. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(e) Revenue recognition

The Company recognises revenue from sale of manufactured consumer goods locally and overseas. The subsidiaries recognise revenue from advertising services and sale of liquefied petroleum products.

Revenue is recognised when control of the products has been transferred, being when the products and services are delivered and accepted by the customers. The customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.

For exports, revenue is recognised when control of the goods has been transferred to the customers. In majority of the cases, this condition is met when the goods are loaded on the ship and customer receives the bill of lading (delivery). In certain cases, revenue is recognised when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods. The customer has primary responsibility when selling the goods and bears all the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods and services are delivered, as this represents the point in time at which the right to consideration becomes unconditional, because only passage of time is required before payment is due.

The goods are often sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the selling price net of the estimate volume discounts. The estimate for volume discount is based on the most likely amount method.

There is no right of return policy on the sale of goods after delivery has been made.

The Company has trade agreements with some of its customers where cash payments are made to them in order to have their products prominently displayed (slotting fees) and for co-operative advertising (advertising by the customers of the company's products). The consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity.

Other income

- Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.
- Dividend income is recognised when the right to receive payment is established.

(f) Property, plant and equipment (PPE)

Land and buildings are stated at their revalued amounts being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES (CONT'D)

(f) Property, plant and equipment (PPE) (cont'd)

Depreciation on revalued buildings is charged to profit or loss. A transfer is made from the revaluation reserve to retained earnings as the asset is used. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

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

Freehold land is not depreciated. On other items of fixed assets, depreciation is calculated to write off the cost or revalued amount of tangible assets over the expected useful lives of such assets, using the straight line method.

The annual depreciation rates used are as follows:

Buildings and improvements	-	2% - 33.3% p.a.
Building on leasehold property	-	2% p.a.
Plant and machinery	-	5% - 50% p.a.
Selling equipment	-	6.67% - 50% p.a.
Containers, bottles and crates	-	6.67% - 50% p.a.
Motor vehicles	-	10% - 50% p.a.
Computer equipment	-	10% - 50% p.a.
Furniture and equipment	-	10% - 50% p.a.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

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

(g) Intangible assets

Software costs

Expenditure incurred on the development of new computer software programmes is recognised as an asset and is amortised at 25% p.a on a straight line basis over their estimated useful lives. Assets in progress are not amortised.

Cost associated with maintaining computer software programmes are recognised as an expense as incurred.

Brand

Intangible assets with indefinite useful lives that are acquired separately are recognised at cost less accumulated impairment losses.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES (CONT'D)

(g) Intangible assets (cont'd)

Goodwill

Goodwill is measured as the excess of the sum of consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units 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 its carrying amount, 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 related amount of goodwill is included in the determination of the profit or loss on disposal.

(h) Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on a valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee every three years. A desktop review by the external independent valuer is performed annually to determine any material change in the fair values.

Investment property is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control) or when it is permanently withdrawn from use and no future economic benefit is expected from its 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. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

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 change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(i) Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). For the purpose of the consolidated and separate financial statements, the results and financial position of each entity are expressed in Mauritian rupee ("Rs"), which is the functional currency of the Company, and the presentation currency for the consolidated and separate financial statements.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES (CONT'D)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Cost is based on the invoiced value of materials plus in the case of finished goods, a proportion of labour and factory overheads, based on a normal level of production. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(k) Taxation

The tax expense for the period comprises current and deferred income tax and Corporate Social Responsibility tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Net deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount 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 that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of accounts receivables or payables in the statement of financial position.

(l) Cash and cash equivalents

In the consolidated and separate statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown under current liabilities.

3. ACCOUNTING POLICIES (CONT'D)

(m) Leases

The Group and the Company have applied the requirements of "IFRS 16 – Leases" and recognise assets and liabilities arising from lease at initial measurement on present value basis, discounted using the lessee's incremental borrowing rate.

(i) Measurement of lease liabilities

The lease liabilities have been recognised as follows:

- fixed payments (including in-substance fixed payments), less any lease incentive receivables;
- applying a single rate to a portfolio of lease with reasonably similar characteristics;
- accounting for new operating leases with a remaining lease term of less than 12 months as at 01 January 2020 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use assets at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities varies between 6.35% to 8.30% per annum.

(ii) Measurement of right-of-use assets

The right-of-use assets were measured at the amount equal to the lease liability upon adoption of IFRS16 or upon recognition of new leases, adjusted by the amount of any prepaid or accrued lease payments relating to that lease. The depreciation rate on ROU assets is computed on a straight line basis over the duration of the leases varying between 4 to 15 years. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. In instances where lease agreements contain lease and non-lease components, they are generally accounted for separately. For certain instances where it is impractical to separate the lease from the non-lease component, the Company and the Group will account for them as a single lease component.

Right of use assets are generally depreciated over the shorter of the assets useful life and the lease terms on a staight line basis. If the Group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life.

The disclosures for IFRS 16 are set in notes 6 and 15 of the financial statements.

(n) Retirement benefits

(i) Defined benefit plan

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES (CONT'D)

(n) Retirement benefits (cont'd)

(i) Defined benefit plan (cont'd)

The Group and the Company present the first two components of defined benefit costs in profit or loss within administrative expenses as part of staff costs. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligations/asset recognised in the statement of financial position represents the actual deficit or surplus in the defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(ii) Other retirement benefits

The present value of retirement gratuities is recognised in the statement of financial position as a non-current liability. The recognition and presentation of the components of the retirement gratuities are similar to the defined benefit plan (as above).

The present value of the unfunded obligation is recognised in the statement of financial position as a non-current liability based on the valuation carried out by a firm of actuaries annually. If there is a contractual agreement or stated policy for charging the net defined benefit cost for the plan as a whole measured in accordance with IAS 19 to related companies, each related company recognises in its individual financial statements, the net defined benefit cost so charged. The recognition and presentation of the components of the retirement benefit obligations are similar to the defined benefit plan (as above).

(iii) State plan

Contributions to the National Pension Scheme are expensed to the statement of profit or loss in the period in which they fall due.

Following changes brought by the Finance (Miscellaneous Provisions) Act 2020, the Contribution Sociale Généralisée (CSG), has been introduced and is applicable as from the month of September 2020. Contributions paid to the Mauritius Revenue Authority are expensed to profit or loss in the period in which they fall due.

Prior to the implementation of the Portable Retirement Gratuity Fund (PRGF), the pension contribution benefits for some employees are unfunded. Moreover, employees who resign as from 2020, are eligible for a portable gratuity benefit based on service with the employer as from 01 January 2020 and remuneration at exit (same benefit formulas as for retirement/death gratuity). It is assumed that employees not covered under any pension scheme will join the PRGF (based on the eligibility criteria described in Workers Rights Act 2019). PRGF is also expensed to the Statement of profit and loss and other comprehensive income in the period in which they fall due.

(o) Provision

Provisions are recognised when the Group and the Company have a present obligation as a result of a past event, and it is probable that the Group and the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

(p) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of 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. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is higher of an asset's net selling price and value in use, that is the present value of estimated future cash flows expected to arise from continuing to use the asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES (CONT'D)

(p) Impairment of non-financial assets (cont'd)

An impairment loss is recognised as an expense in profit or loss immediately, unless the asset is carried at revalued amount in which case the impairment loss is recognised against the fair value reserve for the asset to the extent that the impairment loss does not exceed the amount held in the fair value reserve for that same asset. Any excess is recognised immediately in profit or loss.

(q) Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Group and the Company have become party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

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

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the entity may make the following irrevocable election/designation at initial recognition of a financial asset:

- the entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (ii) below); and
- the entity may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The Group and the Company classify their financial assets such as Trade and other receivables and Cash in bank and at hand at amortised cost while their investment in equity instruments that are not held for trading are classified as financial assets at fair value through other comprehensive income.

3. ACCOUNTING POLICIES (CONT'D)

(q) Financial instruments (cont'd)

Financial assets (cont'd)

(i) Amortised cost and effective interest method

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

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

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

(ii) Equity instruments designated as at FVTOCI

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

A financial asset is held for trading if:

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

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

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

The Group and the Company have designated their investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investment revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES (CONT'D)

(q) Financial instruments (cont'd)

Financial assets (cont'd)

Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI and for 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 and the Company apply the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL until they are derecognised due to short-term nature of the receivables and have been assessed to have credit risk other than low.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Definition of default

The Group and the Company consider a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity.

(ii) Write off policy

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures. Any recoveries made are recognised in profit or loss.

(iii) Recognition of expected credit losses

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES (CONT'D)

(q) Financial instruments (cont'd)

Financial assets (cont'd)

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group and the Company have elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

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

Debt instrument

(i) *Borrowings*

Interest bearing loans and bank overdrafts are initially recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis and are added to the carrying amount of the instalment to the extent that they are not settled in the period in which they arise. Borrowings are subsequently measured at amortised cost.

(ii) *Accounts payable*

Accounts payable are stated at their amortised cost using the effective interest method.

(iii) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Group and the Company classify their financial liabilities such as trade and other payables, loans, lease liabilities and bank overdrafts at amortised cost while derivative financial instruments are measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES (CONT'D)

(q) Financial instruments (cont'd)

Financial assets (cont'd)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(r) Grants

Grants received by the Company on the acquisition of the KHS blowing plant have been amortised and recognised in profit or loss over a period of 15 years, consistent with the useful life of the asset.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal annual amounts over the expected useful life of the related asset.

(s) Derivative financial instruments

The Group and the Company enter into foreign exchange forward contracts to manage its exposure to foreign exchange risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured at fair value at each reporting date. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in profit or loss.

(t) Comparative figures

Comparative figures have been restated or reclassified, where necessary, to conform with the current year's presentation.

(u) Trade receivables

Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company and the Group hold the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Company's and the Group's impairment policies and the calculation of the loss allowance are provided in note 12.

(v) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan or other borrowing facilities are recognised as transaction costs of the loan or borrowing facilities to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group and the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES (CONT'D)

(w) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Other payables relate to monthly payment made to an ex-employee of the Company as a result of an agreement signed between the ex-employee and the Company upon early retirement.

(x) Stated Capital

Ordinary shares are classified as 'stated capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity. Incremental costs directly attributable to the issue of the new shares or options are shown in equity as deduction, net of tax, from proceeds.

(y) Offsetting of financial instruments

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

(z) Segmental reporting

The Group and the Company presents segmental information using business segments as its primary reporting format and geographical segments as its secondary reporting format. This is based on the internal management and financial reporting systems and reflects the risks and earnings structure of the Group. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements.

(aa) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

Judgements

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Business combination under common control - accounting policy choice

In the absence of an IFRS standard that specifically applies to business combination under common control, management has used judgement in developing and applying accounting policies for both its separate and consolidated financial statements. Management considers the pooling of interests method to be the most appropriate accounting policy as it results in information that is most relevant to the amalgamation on the basis that there is no change in control. The information provided is also reliable in that the financial statements represent faithfully the financial position, financial performance and cash flows of the entity as well as reflect the economic substance of the transaction both at Group and Company levels. The Company has applied the same accounting policies for such transaction consistently.

Key sources of estimation uncertainty

The key 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.

(i) Property valuation

Land and buildings, investment property and the building component of owner-occupied leasehold properties are valued every three years by independent valuers. In arriving at the fair value of the properties, which is determined on an open market value basis, the independent valuers have to make assumptions that are mainly based on market conditions existing at the reporting date. Should these assumptions and estimates change, or not be met, the valuation as adopted in the financial statements will be affected.

(ii) Property, plant and equipment and depreciation

Management determines the estimated useful lives and related depreciation charges for the property, plant and equipment. Management will revise the depreciation charge where useful lives are different to previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(iii) Pension obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include a selection of discount rate.

The Group and the Company determine the appropriate discount rate at the end of each year. The Nelson Siegel model has been used to derive a yield curve and to extrapolate the discount rates at the corresponding duration for this year's exercise for the Group and the Company. Other key assumptions for pension obligations are based in part on current market conditions.

These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Group's and the Company's financial statements within the next year. Further information on the carrying amounts of the Group's and the Company's retirement benefit obligations and the sensitivity of those amounts to changes in discount rate are provided in note 10.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

(iv) Recoverability of deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Recoverability of deferred tax assets have been assessed for each subsidiary based on the forecasted taxable profit to be generated during the next financial period and in the case of another subsidiary, the tax loss recognised has been limited to future taxable profits to be generated over the next five financial years.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(v) Determining the lease term and incremental borrowing rate

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination, including: whether there are significant penalties to terminate (or not extend); whether any leasehold improvements are expected to have a significant remaining value; historical lease durations; the importance of the underlying asset to the Group's operations; and the costs and business disruption required to replace the leased asset. The lease term is reassessed if a significant event or a significant change in circumstance occurs which affects the assessment of reasonable certainty.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

(vi) Calculation of loss allowance

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and coverage by credit insurance).

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

(vi) Calculation of loss allowance (cont'd)

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the entity would expect to receive, taking into account cash flows from credit enhancements.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Freehold land and buildings	Building on leasehold property	Plant and machinery	Selling equipment	Containers bottles and crates	Motor vehicles	Computer equipment	Furniture and equipment	Assets in progress	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST OR VALUATION										
At 01 January 2021	489,425,271	10,200,000	585,288,297	224,931,226	173,855,497	72,410,965	34,454,495	45,851,688	217,054,034	1,853,471,473
Transfer	34,781,697	-	171,987,765	6,991,709	-	-	-	-	(213,761,171)	-
Transfer from right-of-use assets (Note 6)	-	-	-	215,212	-	-	-	-	-	215,212
Additions	56,208,753	-	69,803,034	5,924,041	23,432,448	-	605,225	3,841,047	1,239,940	161,054,488
Disposals	-	-	(90,000)	-	-	(10,467,662)	-	-	-	(10,557,662)
Write offs	-	-	(36,529,422)	-	-	-	(10,095,996)	(2,100,433)	-	(48,725,851)
At 31 December 2021	580,415,721	10,200,000	790,459,674	238,062,188	197,287,945	61,943,303	24,963,724	47,592,302	4,532,803	1,955,457,660
Transfer	-	-	-	884,922	-	-	-	-	(884,922)	-
Transfer from right-of-use assets (Note 6)	-	-	12,325,107	45,624,604	17,163,099	16,829,210	893,142	1,756,306	-	94,591,468
Additions	6,844,371	-	24,911,600	14,278,564	12,753,033	3,567,463	1,650,623	1,193,105	3,447,128	68,645,887
Revaluation	27,051,410	1,600,000	-	-	-	-	-	-	-	28,651,410
Disposals	-	-	(1,920,078)	-	-	(660,790)	-	-	-	(2,580,868)
Write offs	-	-	(17,992,192)	-	-	-	-	(160,492)	-	(18,152,684)
At 31 December 2022	614,311,502	11,800,000	807,784,111	298,850,278	227,204,077	81,679,186	27,507,489	50,381,221	7,095,009	2,126,612,873
DEPRECIATION										
At 01 January 2021	7,549,743	210,661	403,935,651	181,688,234	139,830,279	64,632,697	27,336,491	30,114,197	-	855,297,953
Transfer from right-of-use assets (Note 6)	-	-	-	215,212	-	-	-	-	-	215,212
Charge for the year	7,392,640	210,661	35,735,582	12,458,235	10,704,805	1,325,881	2,627,883	3,920,343	-	74,376,030
Write offs	-	-	(36,529,422)	-	-	-	(10,095,996)	(2,100,433)	-	(48,725,851)
Disposals	-	-	(14,250)	-	-	(9,976,346)	-	-	-	(9,990,596)
At 31 December 2021	14,942,383	421,322	403,127,561	194,361,681	150,535,084	55,982,232	19,868,378	31,934,107	-	871,172,748
Transfer	404,691	-	-	(404,691)	-	-	-	-	-	-
Transfer from right-of-use assets (Note 6)	-	-	11,232,387	41,187,719	11,350,808	13,804,718	893,142	1,552,051	-	80,020,825
Charge for the year	11,329,181	274,132	47,161,392	12,587,948	12,743,664	1,208,110	2,132,613	3,966,525	-	91,403,565
Revaluation	(26,676,255)	(695,454)	-	-	-	-	-	-	-	(27,371,709)
Write offs	-	-	(17,509,309)	-	-	-	-	(160,492)	-	(17,669,801)
Disposals	-	-	(1,876,915)	-	-	(660,790)	-	-	-	(2,537,705)
At 31 December 2022	-	-	442,135,116	247,732,657	174,629,556	70,334,270	22,894,133	37,292,191	-	995,017,923
NET BOOK VALUE										
At 31 December 2022	614,311,502	11,800,000	365,648,995	51,117,621	52,574,521	11,344,916	4,613,356	13,089,030	7,095,009	1,131,594,950
At 31 December 2021	565,473,338	9,778,678	387,332,113	43,700,507	46,752,861	5,961,071	5,095,346	15,658,195	4,532,803	1,084,284,912

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

THE COMPANY	Freehold land and buildings	Building on leasehold property	Plant and machinery	Selling equipment	Containers bottles and crates	Motor vehicles	Computer equipment	Furniture and equipment	Assets in progress	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST OR VALUATION										
At 01 January 2021	489,425,271	10,200,000	579,210,742	227,319,391	173,889,247	63,913,356	25,659,815	28,725,779	217,054,034	1,815,397,635
Transfer	34,781,697	-	171,987,765	6,991,709	-	-	-	-	(213,761,171)	-
Transfer from/(to) right-of-use assets (Note 6)	-	-	-	215,212	-	-	-	-	-	215,212
Additions	56,208,753	-	69,803,034	5,924,041	23,432,448	-	605,225	3,841,046	1,239,940	161,054,487
Disposals	-	-	(90,000)	-	-	(10,467,662)	-	-	-	(10,557,662)
Write off	-	-	(36,529,422)	-	-	-	(9,844,391)	-	-	(46,373,813)
At 31 December 2021	580,415,721	10,200,000	784,382,119	240,450,353	197,321,695	53,445,694	16,420,649	32,566,825	4,532,803	1,919,735,859
Transfer	-	-	-	884,922	-	-	-	-	(884,922)	-
Transfer from right-of-use assets (Note 6)	-	-	12,325,109	45,624,604	17,163,099	16,829,210	893,142	1,756,306	-	94,591,470
Additions	6,844,371	-	24,911,600	14,376,109	12,753,033	1,686,870	1,650,623	1,193,105	3,447,128	66,862,839
Revaluation	27,051,410	1,600,000	-	-	-	-	-	-	-	28,651,410
Disposals	-	-	(1,920,078)	-	-	(660,790)	-	-	-	(2,580,868)
Write off	-	-	(17,992,192)	-	-	-	-	(160,492)	-	(18,152,684)
At 31 December 2022	614,311,502	11,800,000	801,706,558	301,335,988	227,237,827	71,300,984	18,964,414	35,355,744	7,095,009	2,089,108,026
DEPRECIATION										
At 01 January 2021	7,549,743	210,661	397,858,089	183,936,267	139,864,028	57,823,718	19,189,290	20,129,262	-	826,561,058
Transfer from/(to) right-of-use assets (Note 6)	-	-	-	215,212	-	-	-	-	-	215,212
Charge for the year	7,392,640	210,661	35,735,582	12,552,879	10,704,805	1,147,246	2,219,699	2,281,722	-	72,245,234
Disposals	-	-	(14,250)	-	-	(9,976,345)	-	-	-	(9,990,595)
Write off	-	-	(36,529,422)	-	-	-	(9,844,391)	-	-	(46,373,813)
At 31 December 2021	14,942,383	421,322	397,049,999	196,704,358	150,568,833	48,994,619	11,564,598	22,410,984	-	842,657,096
Transfer	404,691	-	-	(404,691)	-	-	-	-	-	-
Transfer from right-of-use assets (Note 6)	-	-	11,232,387	41,187,719	11,350,808	13,804,718	893,142	1,552,051	-	80,020,825
Charge for the year	11,329,181	274,133	47,161,392	12,632,041	12,743,664	792,976	1,936,482	2,468,969	-	89,338,838
Revaluation	(26,676,255)	(695,455)	-	-	-	-	-	-	-	(27,371,710)
Disposals	-	-	(1,876,915)	-	-	(660,790)	-		-	(2,537,705)
Write off	-	-	(17,509,309)	-	-	-	-	(160,492)	-	(17,669,801)
At 31 December 2022	-	-	436,057,554	250,119,427	174,663,305	62,931,523	14,394,222	26,271,512	-	964,437,543
NET BOOK VALUE										
At 31 December 2022	614,311,502	11,800,000	365,649,004	51,216,561	52,574,522	8,369,461	4,570,192	9,084,232	7,095,009	1,124,670,483
At 31 December 2021	565,473,338	9,778,678	387,332,120	43,745,995	46,752,862	4,451,075	4,856,051	10,155,841	4,532,803	1,077,078,763

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

(a) Bank borrowings are secured on all the assets of the Group and the Company. There is no restriction on title or use of the property, plant and equipment (PPE) pledged as security for bank borrowings. The banks/financial instituitions shall rank first in the settlement of the outstanding borrowings out of the proceeds to be received from the disposal.

(b) Borrowing costs capitalised during the year for the Group and Company is Rs Nil (2021: Rs 4,682,046).

(c) The Company's land and buildings were revalued by Elevante Investments Limited, Chartered Valuation Surveyors at 31 December 2022 in accordance with the RICS Valuation Standards. The land and buildings have been valued on the basis of its market value, being the estimated amount for which the property could be exchanged between knowledgeable willing parties in an arm's length transaction. In arriving at the market value, the valuer has used the sales comparison approach for the land and the depreciated replacement cost approach for the buildings. The depreciated replacement cost approach estimates the value by computing the current cost of replacing a property and subtracting any depreciation resulting from one or more of the following factors: physical deterioration, functional obsolescence and external (or economic) obsolescence. The revaluation surplus was credited to revaluation reserves.

The significant unobservable input used in valuation of land pertains to recent market sale price price per sqm metre ("sqm") taking into account the differences in location and individual factors such as frontage and size between the comparables and the freehold land. A significant increase in the market sale price used would result in a significant increase in fair value, and vice versa.

The significant unobservable input used in valuation of buildings pertains to depreciation rate taking into account the differences into structures, type of construction, functionality, maintenance and physical state of each components of the building. A significant increase in the depreciation rate used would result in a significant decrease in fair value, and vice versa.

(d) Details of the Group's and the Company's land and buildings and information about the fair value hierarchy as at 31 December are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Level 3	**Rs**	Rs	**Rs**	Rs
Land and buildings	626,111,502	575,252,016	626,111,502	575,252,016

(e) If land and buildings were stated at historical cost basis, their carrying amounts at 31 December would be as follows:

	THE GROUP AND THE COMPANY		
2022	Freehold land	Buildings	Total
	Rs	Rs	Rs
Cost	616,316	223,078,224	223,694,540
Accumulated depreciation	-	(66,959,651)	(66,959,651)
Net book value	616,316	156,118,573	156,734,889

	THE GROUP AND THE COMPANY		
2021	Freehold land	Buildings	Total
	Rs	Rs	Rs
Cost	616,316	216,233,853	216,850,169
Accumulated depreciation	-	(59,766,211)	(59,766,211)
Net book value	616,316	156,467,642	157,083,958

(f) Assets which are no longer in use have been written off during the year ended 31 December 2022 and 2021.

6. RIGHT-OF-USE ASSETS

THE GROUP

	Land	Plant and Machinery	Selling equipment	Containers, bottles and crates	Motor Vehicles	Furniture and equipment	Computer equipment	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST								
At 01 January 2021	8,081,057	13,816,241	45,839,816	17,163,099	62,022,221	1,756,306	893,142	149,571,882
Transfer to property, plant and equipment (Note 5)	-	-	(215,212)	-	-	-	-	(215,212)
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(599,270)	-	-	(599,270)
At 31 December 2021	8,081,057	13,816,241	45,624,604	17,163,099	61,422,951	1,756,306	893,142	148,757,400
Transfer to property, plant and equipment (Note 5)	-	(12,325,107)	(45,624,604)	(17,163,099)	(16,829,210)	(1,756,306)	(893,142)	(94,591,468)
Additions	999,970	-	-	-	-	-	-	999,970
Write offs	(647,810)	(1,491,134)	-	-	(419,662)	-	-	(2,558,606)
Disposals	-	-	-	-	(3,726,800)	-	-	(3,726,800)
At 31 December 2022	8,433,217	-	-	-	40,447,279	-	-	48,880,496
ACCUMULATED DEPRECIATION								
At 01 January 2021	3,508,514	9,403,727	35,354,723	7,917,766	32,439,617	1,304,588	882,700	90,811,635
Charge for the year	1,995,196	1,450,747	3,233,932	1,716,521	8,212,796	123,732	10,442	16,743,366
Transfer from/to property,plant and equipment	-	-	(215,212)	-	-	-	-	(215,212)
Disposals	-	-	-	-	(467,432)	-	-	(467,432)
At 31 December 2021	5,503,710	10,854,474	38,373,443	9,634,287	40,184,981	1,428,320	893,142	106,872,357
Transfers	-	94,315	(94,315)	-	-	-	-	-
Transfer to property, plant and equipment (Note 5)	-	(11,232,387)	(41,187,719)	(11,350,808)	(13,804,718)	(1,552,051)	(893,142)	(80,020,825)
Charge for the year	1,526,964	1,445,851	2,908,591	1,716,521	6,285,772	123,731	-	14,007,430
Write offs	(647,810)	(1,162,253)			(419,662)			(2,229,725)
Disposals	-	-	-	-	(2,088,905)	-	-	(2,088,905)
At 31 December 2022	6,382,864	-	-	-	30,157,468	-	-	36,540,332
CARRYING AMOUNT								
At 31 December 2022	2,050,353	-	-	-	10,289,811	-	-	12,340,164
At 31 December 2021	2,577,347	2,961,767	7,251,161	7,528,812	21,237,970	327,986	-	41,885,043

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

THE COMPANY

	Land	Plant and Machinery	Selling equipment	Containers, bottles and crates	Motor Vehicles	Furniture and equipment	Computer equipment	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST								
At 01 January 2021	2,671,268	13,816,241	45,839,816	17,163,099	41,435,800	1,756,306	893,142	123,575,672
Transfer from/(to) property, plant and equipment (Note 5)	-	-	(215,212)	-	-	-	-	(215,212)
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(599,270)	-	-	(599,270)
At 31 December 2021	2,671,268	13,816,241	45,624,604	17,163,099	40,836,530	1,756,306	893,142	122,761,190
Transfer to property, plant and equipment (Note 5)	-	(12,325,107)	(45,624,604)	(17,163,099)	(16,829,210)	(1,756,306)	(893,142)	(94,591,468)
Write offs	(647,810)	(1,491,134)	-	-	(419,662)	-	-	(2,558,606)
Disposals	-	-	-	-	(3,726,800)	-	-	(3,726,800)
At 31 December 2022	2,023,458	-	-	-	19,860,858	-	-	21,884,316
ACCUMULATED DEPRECIATION								
At 01 January 2021	748,984	9,403,728	35,354,723	7,917,766	22,259,628	1,304,585	882,703	77,872,117
Transfer from/(to) property, plant and equipment (Note 5)	-	-	(215,212)	-	-	-	-	(215,212)
Charge for the year	404,691	1,450,747	3,233,932	1,716,521	4,873,918	123,732	10,439	11,813,980
Disposals	-	-	-	-	(467,432)	-	-	(467,432)
At 31 December 2021	1,153,675	10,854,475	38,373,443	9,634,287	26,666,114	1,428,317	893,142	89,003,453
Transfers	-	94,315	(94,315)	-	-	-	-	-
Transfer to property, plant and equipment (Note 5)	-	(11,232,387)	(41,187,719)	(11,350,808)	(13,804,718)	(1,552,051)	(893,142)	(80,020,825)
Charge for the year	404,691	1,445,850	2,908,591	1,716,521	3,980,804	123,734	-	10,580,191
Write offs	(647,810)	(1,162,253)	-	-	(419,666)	-	-	(2,229,729)
Disposals	-	-	-	-	(2,088,905)	-	-	(2,088,905)
At 31 December 2022	910,556	-	-	-	14,333,629	-	-	15,244,185
CARRYING AMOUNT								
At 31 December 2022	1,112,902	-	-	-	5,527,229	-	-	6,640,131
At 31 December 2021	1,517,593	2,961,766	7,251,161	7,528,812	14,170,416	327,989	-	33,757,737

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

The Company leases several assets including land, equipment and motor vehicles. The lease term is 5 years.

The Group and the Company have option to purchase certain motor vehicles for a nominal amount at the end of the lease term. The Group's and the Company's obligations are secured by the lessors' title to the leased assets for such leases.

The maturity analysis of the lease liabilities is presented in Note 15.

Amounts recognised in profit and loss

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Depreciation expense on right-of-use assets	14,007,430	16,743,366	10,580,191	11,813,980
Interest expense on lease liabilities (note 20)	620,057	1,363,152	500,982	882,058
Expense relating to short-term leases	3,399,787	3,271,130	1,692,156	1,574,100

At 31 December 2021 and 2022, the Group and the Company do not have any commitment for short-term leases.

There are no variable lease payment in the lease contracts of the Group and the Company.

7. INTANGIBLE ASSETS

THE GROUP	Software cost	Asset in progress	Brand	Goodwill	Total
	Rs	Rs	Rs	Rs	Rs
COST					
At 01 January 2021	31,417,946	994,648	650,000	651,218	33,713,812
Transfer	994,648	(994,648)	-	-	-
Additions	1,277,118	-	-	-	1,277,118
At 31 December 2021	33,689,712	-	650,000	651,218	34,990,930
Additions	623,500	670,000	-	-	1,293,500
At 31 December 2022	34,313,212	670,000	650,000	651,218	36,284,430
AMORTISATION					
At 01 January 2021	27,567,612	-	-	-	27,567,612
Charge for the year	1,856,133	-	-	-	1,856,133
At 31 December 2021	29,423,745	-	-	-	29,423,745
Charge for the year	2,276,086	-	-	-	2,276,086
At 31 December 2022	31,699,831	-	-	-	31,699,831
CARRYING AMOUNT					
At 31 December 2022	2,613,381	670,000	650,000	651,218	4,584,599
At 31 December 2021	4,265,967	-	650,000	651,218	5,567,185

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. INTANGIBLE ASSETS (CONT'D)

The Directors expect that economic benefits associated with the brand will flow to the entity for an indefinite period, and hence have determined that the brand has an indefinite useful life. No amortisation has been charged. The Directors consider that the intangible asset is not impaired at the reporting date.

The goodwill arose on acquisition of the non-controlling interest in Central Distributors Company Limited since the Directors believed that the acquisition of the minority shared in Central Distributors Company Limited would bring synergies to the group in terms of production and distribution channels.

Goodwill acquired in a business combination is allocated at acquisition to the cash generating unit (CGU) that are expected to benefit from that business combination.

Goodwill acquired is measured as the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. Goodwill has been assessed as having an indefinite life and in accordance with IAS 36, goodwill has been assessed for impairment based on each cash generating unit.

The goodwill has been allocated wholly to the CGU pertaining to the trading of consumer goods. The Group assesses the recoverable amount of goodwill annually or more frequently if there are indications of any impairment. The Directors are of the opinion that no impairment has occured during the year.

THE COMPANY	Software cost	Asset in progress	Brand	Total
	Rs	Rs	Rs	Rs
COST				
At 01 January 2021	29,398,929	994,648	650,000	31,043,577
Transfer	994,648	(994,648)	-	-
Additions	1,277,118	-	-	1,277,118
At 31 December 2021	31,670,695	-	650,000	32,320,695
Additions	623,500	670,000	-	1,293,500
At 31 December 2022	32,294,195	670,000	650,000	33,614,195
AMORTISATION				
At 01 January 2021	25,548,595	-	-	25,548,595
Charge for the year	1,856,133	-	-	1,856,133
At 31 December 2021	27,404,728	-	-	27,404,728
Charge for the year	2,276,086	-	-	2,276,086
At 31 December 2022	29,680,814	-	-	29,680,814
CARRYING AMOUNT				
At 31 December 2022	2,613,381	670,000	650,000	3,933,381
At 31 December 2021	4,265,967	-	650,000	4,915,967

8. INVESTMENT PROPERTY

THE GROUP AND THE COMPANY

Freehold Land and Buildings at Fair Value	**2022**	2021
	Rs	Rs
At 01 January	5,600,000	5,600,000
Fair value adjustment	1,100,000	-
At 31 December	6,700,000	5,600,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. INVESTMENT PROPERTY (CONT'D)

Investment property was revalued at 31 December 2022 at Rs 6,700,000 on an open market value basis by Elevante Investments Limited, Chartered Valuation Surveyors. The land has been valued using the comparable sales approach taking into account recent transactions while the building element has been valued using depreciated replacement cost. The fair value of the investment property was classified as Level 3 in the fair value hierarchy.

There were no rental income and/or expenses attributable to the investment property.

Bank borrowings are secured on all the assets of the Group and the Company. There is no restriction on title or use of the investment property pledged as security for bank borrowings. However in the event of potential disposal of the pledged assets by the Group or the Company, the latter should inform the banks/financial institutions with whom the borrowings have been contracted. The banks/financial instituitions shall rank first in the settlement of the outstanding borrowings out of the proceeds to be received from the disposal.

9. INVESTMENTS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Investment in subsidiaries (note 9(i))	-	-	4,081,100	4,081,100
Advance towards equity (note 9(ii))	-	-	7,890,939	7,890,939
Equity investment designated at FVTOCI (note 9(iii))	194,933	194,933	194,933	194,933
	194,933	194,933	12,166,972	12,166,972

(i) Investment in subsidiaries

(a) Unquoted investments at cost

	2022	2021
	Rs	Rs
At 01 January and at 31 December	4,081,100	4,081,100

(b) Details of the Company's investment in subsidiaries are as follows:

Name	Country of incorporation	Type of shares	% Holding Direct	Principal activity
Creative Advertising Bureau Ltd	Mauritius	Ordinary	100%	Advertising
Central Distributors Company Limited	Mauritius	Ordinary	100%	Trading in Liquid Petroleum Gas (LPG)

(ii) Advance towards equity

The Company has reclassified an amount of Rs 7,890,939 due by its subsidiary as advance towards equity and the related shares will be subsequently allotted. The Directors believe that the investment is not impaired. The Directors have reviewed the financial position of the subsidiaries at 31 December 2022 and are of the opinion that these investments in subsidiaries, including the advance towards equity, have not suffered any impairment in the current year (2021: Nil).

9. INVESTMENTS (CONT'D)

(iii) Equity investment designated at FVTOCI

THE GROUP AND THE COMPANY

	2022	2021
	Rs	Rs
At 01 January	194,933	932,963
Fair value movement during the year	-	(738,030)
At 31 December	194,933	194,933

The investment in equity shares is not held for trading but rather for strategic purposes. Accordingly, the Directors of the Company have elected to designate the investment as at FVTOCI as they believe that recognising short-term fluctuations in the investment fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The Directors have valued the unquoted investment using the net asset value approach as the underlying investments in the investee companies are listed and measured at fair value. The net asset value was adjusted to account for preferential rights to surplus by certain shareholders. An increase in the share prices of the underlying investments will impact the fair value positively while a decrease in share prices will have a negative impact.

The fair value of the unquoted investment is classified under level 3 of the fair valuation hierarchy.

10. RETIREMENT BENEFIT PLANS

(a) Retirement benefit asset

THE GROUP AND THE COMPANY

Pension plan

The pension plans are final salary defined benefit plans to employees and are wholly funded. The assets of the funded plans are managed and administered independently by Swan Life Ltd.

The plans provide for a pension at retirement and a benefit in death or disablement in service before retirement.

The plans expose the Group and the Company to normal risks associated with defined benefit pension plans such as investment, interest, longevity and salary risks.

Investment risk: The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity risk: The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

There has been no plan amendment, curtailment or settlement during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. RETIREMENT BENEFIT PLANS (CONT'D)

(a) Retirement benefit asset (cont'd)

THE GROUP AND THE COMPANY (CONT'D)

Amounts recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Present value of funded obligation	196,874,000	242,730,000	195,234,000	240,667,000
Fair value of plan assets	(265,253,000)	(254,852,000)	(262,093,000)	(251,561,000)
Effect of asset ceiling	34,188,000	1,007,000	32,827,000	-
Net asset recognised in statements of financial position	(34,191,000)	(11,115,000)	(34,032,000)	(10,894,000)

An effect of the asset ceiling of Rs34,188,000 for the Group (2021: Rs1,007,000) and Rs32,827,000 for the Company (2021: Nil) has been recognised since the present value of future employer normal contributions is less than the surplus in the defined benefit plan.

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
At 01 January	(11,115,000)	-	(10,894,000)	-
Amount recognised in profit and loss	7,219,000	12,928,000	7,168,000	12,869,000
Amount recognised in other comprehensive income	(25,441,000)	(99,852,000)	(25,485,000)	(99,879,000)
Employer contributions	(4,854,000)	(8,439,000)	(4,821,000)	(8,386,000)
Transfer to retirement benefit obligations	-	84,248,000	-	84,502,000
At 31 December	(34,191,000)	(11,115,000)	(34,032,000)	(10,894,000)

Amounts recognised in the statements of comprehensive income:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Current service cost	7,855,000	10,509,000	7,792,000	10,441,000
Net interest on net defined benefit asset	(683,000)	2,419,000	(624,000)	2,428,000
Change in effect of asset ceiling	47,000	-	-	-
Components of amount recognised in profit or loss	7,219,000	12,928,000	7,168,000	12,869,000
Remeasurement of the net defined benefit asset:				
Return of plan assets excluding interest income	(6,266,000)	(25,003,000)	(6,519,000)	(24,715,000)
Liability experience loss/(gain)	(738,000)	(3,200,000)	(768,000)	(3,214,000)
Liability loss/(gain) due to change in financial assumptions	(51,571,000)	(72,656,000)	(51,025,000)	(71,950,000)
Change in effect of asset ceiling	33,134,000	1,007,000	32,827,000	-
Components of amount recognised in other comprehensive income	(25,441,000)	(99,852,000)	(25,485,000)	(99,879,000)
Total	(18,222,000)	(86,924,000)	(18,317,000)	(87,010,000)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. RETIREMENT BENEFIT PLANS (CONT'D)

(a) Retirement benefit asset (cont'd)

Movement in the present value of the defined benefit obligations were as follows:-

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
At 01 January	242,730,000	-	240,667,000	-
Current service cost	7,855,000	10,509,000	7,792,000	10,441,000
Interest cost	11,117,000	9,191,000	11,022,000	9,109,000
Past service cost	-	-	-	-
Benefits paid	(12,519,000)	(11,148,000)	(12,454,000)	(11,079,000)
Liability experience loss/(gain)	(738,000)	(3,200,000)	(768,000)	(3,214,000)
Liability loss/(gain) due to change in financial assumptions	(51,571,000)	(72,656,000)	(51,025,000)	(71,950,000)
	196,874,000	(67,304,000)	195,234,000	(66,693,000)
Transfer to retirement benefit obligations	-	310,034,000	-	307,360,000
At 31 December	196,874,000	242,730,000	195,234,000	240,667,000

Movement in the fair value of the plan assets were as follows:-

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
At 01 January	254,852,000	-	251,561,000	-
Interest income	11,800,000	6,772,000	11,646,000	6,681,000
Employer contributions	4,854,000	8,439,000	4,821,000	8,386,000
Benefits paid	(12,519,000)	(11,148,000)	(12,454,000)	(11,079,000)
Return on plan assets excluding interest income	6,266,000	25,003,000	6,519,000	24,715,000
	265,253,000	29,066,000	262,093,000	28,703,000
Transfer to retirement benefit obligations	-	225,786,000	-	222,858,000
At 31 December	265,253,000	254,852,000	262,093,000	251,561,000

Reconciliation of the effect of the asset ceiling:-

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
At 01 January	1,007,000	-	-	-
Amount recognised in profit & loss	47,000	-	-	-
Amount recognised in OCI	33,134,000	1,007,000	32,827,000	-
At 31 December	34,188,000	1,007,000	32,827,000	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. RETIREMENT BENEFIT PLANS (CONT'D)

(a) Retirement benefit asset (cont'd)

The major categories of plan assets at the reporting date are as follows:-

	THE GROUP				THE COMPANY			
	Allocation of plan assets		Fair value of plan assets		Allocation of plan assets		Fair value of plan assets	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	%	%	**Rs**	Rs	**%**	%	**Rs**	Rs
Equity - overseas quoted	1	1	2,866,410	2,548,520	1	1	2,771,610	2,515,610
Equity - local quoted	46	47	121,488,670	120,220,490	46	47	119,940,270	118,607,900
Equity - local unquoted	0	1	955,470	1,552,330	0	1	923,870	1,552,330
Debt - local quoted	8	9	20,792,480	24,165,050	8	9	20,666,080	24,033,410
Debt - local unquoted	5	2	13,576,480	5,097,040	5	2	13,576,480	5,031,220
Debt - overseas quoted	0	0	-	996,190	0	0	-	963,280
Property - Local	22	22	58,683,470	55,279,120	22	22	57,640,670	54,324,730
Investment funds	2	0	4,349,590		2		4,317,990	-
Cash and others	16	18	42,540,430	44,993,260	16	18	42,256,030	44,532,520
Debt - local unquoted	100	100	265,253,000	254,852,000	100	100	262,093,000	251,561,000
Actual return on plan assets			18,066,000	31,775,000			18,165,000	31,396,000

Future cash flows:

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

The expected employer contributions in the year 2023 amount to Rs 4,442,000 for the Group and Rs 4,408,000 for the Company.

The weighted average duration of the defined benefit plans is 11 and 18 years.

Sensitivity analysis on the defined benefit asset:

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Discount rate				
Increase due to 1% decrease in discount rate	26,734,000	38,955,000	26,479,000	38,550,000
Decrease due to 1% increase in discount rate	21,927,000	31,189,000	21,723,000	30,877,000
Expected salary growth				
Increase due to 1% increase in salary growth	9,862,000	15,149,000	9,837,000	15,116,000
Decrease due to 1% decrease in salary growth	8,754,000	13,276,000	8,730,000	13,244,000

10. RETIREMENT BENEFIT PLANS (CONT'D)

(a) Retirement benefit asset (cont'd)

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

The principal actuarial assumptions used for accounting purposes are:-

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	%	%	**%**	%
Discount rate	6.7	4.7	6.7	4.7
Expected rate of salary increase	2.0/3.0	2.0	2.0/3.0	2.0
Future pension increases	0.0	0.0	0.0	0.0
Rate of inflation	4.1/4.3	2.6	4.3	2.6
Average retirement age (ARA)	65 years	65 years	65 years	65 years
Average life expectancy for:				
- Males at ARA	15.9 years	15.9 years	15.9 years	15.9 years
- Females at ARA	20.0 years	20.0 years	20.0 years	20.0 years
Average life expectancy for:				
- Males retiring in 20 years	15.9 years	15.9 years	15.9 years	15.9 years
- Females retiring in 20 years	20.0 years	20.0 years	20.0 years	20.0 years

The most recent actuarial valuation of the pension plan asset was carried out at 31 December 2022 by AON Solutions Ltd, actuaries and consultants.

(b) Retirement benefit obligations

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Retirement gratuities (Note 10(b)(i))	50,998,000	71,604,000	49,119,000	69,256,000
Unfunded pensions (Note 10(b)(ii))	108,211,000	129,127,000	108,211,000	129,127,000
	159,209,000	200,731,000	157,330,000	198,383,000

The plans expose the Group and the Company to normal risks associated with defined benefit pension plans such as longevity, interest and salary risks.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

Longevity risk: The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability. There has been no plan amendment, curtailment or settlement during the year.

There has been no plan amendment, curtailment or settlement during the year.

10. RETIREMENT BENEFIT PLANS (CONT'D)

(b) Retirement benefit obligations (cont'd)

(i) Retirement gratuities

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Present value of unfunded obligation				
At 01 January	71,604,000	72,821,000	69,256,000	69,670,000
Paid during the year	(16,504,000)	(3,355,000)	(16,074,000)	(3,315,000)
Amount recognised in profit and loss	7,955,000	9,609,000	7,521,000	9,143,000
Amount recognised in other comprehensive income	(12,057,000)	(7,471,000)	(11,584,000)	(6,242,000)
At 31 December	50,998,000	71,604,000	49,119,000	69,256,000

Amounts recognised in the statements of comprehensive income:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Current service cost	5,033,000	7,281,000	4,700,000	6,731,000
Return on plan asets excluding interest income	(156,000)	-	(156,000)	-
Past service cost	-	397,000	-	574,000
	4,877,000	7,678,000	4,544,000	7,305,000
Net interest on defined benefit liability	3,078,000	1,931,000	2,977,000	1,838,000
Components of amount recognised in profit or loss	7,955,000	9,609,000	7,521,000	9,143,000
Remeasurement of the net defined benefit asset:				
Return on plan asets excluding interest income	9,000	-	-	-
Liability experience loss/(gain)	(5,829,000)	8,841,000	(5,661,000)	9,411,000
Liability (gain)/loss due to change in financial assumptions	(6,393,000)	(16,312,000)	(6,079,000)	(15,653,000)
Interest income	156,000	-	156,000	-
Components of amount recognised in other comprehensive income	(12,057,000)	(7,471,000)	(11,584,000)	(6,242,000)
Total	(4,102,000)	2,138,000	(4,063,000)	2,901,000

Movement in the present value of the defined benefit obligations (unfunded) were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
At 01 January	71,604,000	72,821,000	69,256,000	69,670,000
Return on plan asets excluding interest income	9,000	-	-	-
Current service cost	5,033,000	7,281,000	4,700,000	6,731,000
Interest expense	3,078,000	1,931,000	2,977,000	1,838,000
Past service cost	-	397,000	-	574,000
Benefits paid	(16,504,000)	(3,355,000)	(16,074,000)	(3,315,000)
Liability experience loss/(gain)	(5,829,000)	8,841,000	(5,661,000)	9,411,000
Liability (gain)/loss due to change in financial assumptions	(6,393,000)	(16,312,000)	(6,079,000)	(15,653,000)
	50,998,000	71,604,000	49,119,000	69,256,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. RETIREMENT BENEFIT PLANS (CONT'D)

(b) Retirement benefit obligations (cont'd)

(i) Retirement gratuities (cont'd)

Future cash flows:

The funding policy is to pay benefits out of the reporting entity's cash flow as and when due.

Expected employer contributions for the Group and the Company for the year 2023 - Rs 7,268,000 and Rs 6,896,000 respectively.

The weighted average duration of the defined benefit obligation is 11 years for the Company and between 4 to 15 years for the subsidiaries.

Sensitivity analysis on the defined benefit obligations:

The sensitivity analysis below has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Discount rate				
Increase due to 1% decrease in discount rate	6,578,000	8,373,000	6,254,000	7,999,000
Decrease due to 1% increase in discount rate	5,548,000	6,982,000	5,278,000	6,675,000
Salary growth				
Increase due to 1% increase in salary growth	6,641,000	8,181,000	6,317,000	7,812,000
Decrease due to 1% decrease in salary growth	5,683,000	6,957,000	5,408,000	6,648,000

The principal actuarial assumptions used for accounting purposes are:-

THE GROUP AND THE COMPANY

	2022	2021
	%	%
Discount rate	6.6-6.7	4.6-4.7
Future salary increases	3.0	2.0
Rate of inflation	4.0/4.3	2.6
Average retirement age	65	65
Average life expectancy for:		
- Males retiring in 20 years	15.9 years	15.9 years
- Females retiring in 20 years	20.0 years	20.0 years

The most recent actuarial valuation of the retirement gratuities was carried out at 31 December 2022 by AON Solutions Ltd, actuaries and consultants.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. RETIREMENT BENEFIT PLANS (CONT'D)

(b) Retirement benefit obligations (cont'd)

(ii) Unfunded pensions

The Company operates an unfunded defined benefit plan for some of the Directors which provides for a pension at retirement. The net defined cost was previously allocated to other related companies with common Directors/officers in accordance with the contractual agreements with each of these companies. In 2020, following the amalgamation of businesses, only Creative Advertising Bureau Ltd (CAB) has a share of the liability recognised in its financial statements. There were no additional costs charged to CAB for the years 2022 and 2021.

The amount of the defined benefit plan to be recharged to Creative Advertising Bureau Ltd has been agreed between both parties to be Rs 9,975,808.

Amount recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Present value of unfunded obligation				
Liability recognised in the statements of financial position	108,211,000	129,127,000	108,211,000	129,127,000
Allocated to related companies	-	-	(9,975,808)	(9,975,808)
	108,211,000	129,127,000	98,235,192	119,151,192

Movement in liability recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
At 01 January	129,127,000	221,857,000	129,127,000	221,857,000
Amount recognised in profit or loss	(6,840,000)	12,055,000	(6,840,000)	12,055,000
Amount recognised in other comprehensive income	(9,663,000)	(85,136,000)	(9,663,000)	(85,136,000)
Benefits paid	(4,413,000)	(19,649,000)	(4,413,000)	(19,649,000)
At 31 December	108,211,000	129,127,000	108,211,000	129,127,000

Amounts recognised in the statements of comprehensive income:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Current service cost	4,384,000	6,503,000	4,384,000	6,503,000
Past service cost	(16,403,000)	(369,000)	(16,403,000)	(369,000)
Net interest on net defined benefit liability	5,179,000	5,921,000	5,179,000	5,921,000
Components of amount recognised in profit and loss	(6,840,000)	12,055,000	(6,840,000)	12,055,000
Remeasurement of the net defined benefit asset:				
Liability experience loss/(gain)	2,151,000	(70,354,000)	2,151,000	(70,354,000)
Liability loss/(gain) due to change in financial assumptions	(11,814,000)	(14,782,000)	(11,814,000)	(14,782,000)
Components of amount recognised in other comprehensive income	(9,663,000)	(85,136,000)	(9,663,000)	(85,136,000)
Total	(16,503,000)	(73,081,000)	(16,503,000)	(73,081,000)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. RETIREMENT BENEFIT PLANS (CONT'D)

(b) Retirement benefit obligations (cont'd)

(ii) Unfunded pensions (cont'd)

THE GROUP AND THE COMPANY

Movement in the present value of the defined benefit obligations were as follows:

	2022	2021
	Rs	Rs
At 01 January	129,127,000	221,857,000
Current service cost	4,384,000	6,503,000
Interest expense	5,179,000	5,921,000
Past service cost	(16,403,000)	(369,000)
Benefits paid	(4,413,000)	(19,649,000)
Liability experience loss/(gain)	2,151,000	(70,354,000)
Liability loss/(gain) due to change in financial assumptions	(11,814,000)	(14,782,000)
At 31 December	108,211,000	129,127,000

Reconciliation of the liability allocated to related companies:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Balance at 01 January	-	-	9,975,808	9,975,808
Amount recognised in profit or loss	-	-	-	-
Amount recognised in other comprehensive income	-	-	-	-
Benefits paid	-	-	-	-
Balance at 1 January	-	-	9,975,808	9,975,808

Future cash flows:

The funding policy is to pay benefits out of the reporting entity's cash flow as and when due.

Expected employer contributions for the year 2023 - Rs 4,501,000.

The weighted average duration of the defined benefit obligation is 16 years.

Sensitivity analysis on the defined benefit obligations:

The sensitivity analysis below has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged.

	2022	2021
	Rs	Rs
Discount rate		
Increase due to 1% decrease in discount rate	19,259,000	27,299,000
Decrease due to 1% increase in discount rate	15,218,000	17,260,000
Salary growth		
Increase due to 1% increase in salary growth	1,810,000	4,087,000
Decrease due to 1% decrease in salary growth	1,662,000	3,643,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. RETIREMENT BENEFIT PLANS (CONT'D)

(b) Retirement benefit obligations (cont'd)

(ii) Unfunded pensions (cont'd)

The principal actuarial assumptions used for accounting purposes are:-

	2022	2021
	%	%
Discount rate	6.7	4.7
Future salary increases (active Directors)	2.0	2.0
Future pension increases	1.0	1.0
Rate of inflation	4.3	2.6
Medical cost increase	6.7	4.7
Passage benefit increase	4.3	2.5
Car benefit increase	4.3	2.5
Driver's allowance increase	4.3	2.5
Average retirement age	65 years	65 years
Average life expectancy for		
- Male at ARA	15.9 years	15.9 years
- Female at ARA	20 years	20 years

The most recent actuarial valuation of the retirement benefit obligations was carried out at 31 December 2022 by AON Solutions Ltd, actuaries and consultants.

(c) State pension plan

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
National Pension Scheme Contribution expensed	5,724,759	6,721,493	5,459,598	6,448,468

11. INVENTORIES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Raw materials and other consumables	181,174,616	115,771,603	181,142,004	113,781,978
Finished goods	116,944,119	62,753,848	114,067,647	60,232,879
Goods in transit	78,253,750	48,374,088	78,253,750	48,374,088
Provision for slow moving stocks	(5,454,995)	(3,081,824)	(5,454,995)	(1,510,609)
Spare parts	53,619,444	51,703,374	53,400,831	51,665,453
Others inventories	20,577,573	15,201,054	20,353,958	15,201,054
	445,114,507	290,722,143	441,763,195	287,744,843

The cost of inventories recognised as an expense for the year ended 31 December 2022 includes Rs4,911,571 for the Group (2021: Rs 11,053,002) and Rs 4,911,571 for the Company (2021: Rs 10,985,093) in respect of writedowns of inventory to net realisable value.

The Group and the Company have pledged all the inventories to secure banking facilities granted to them.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Trade receivables	303,978,329	238,490,168	293,510,637	232,136,632
Less: Loss allowances	(8,168,632)	(8,086,667)	(6,362,646)	(6,726,509)
	295,809,697	230,403,501	287,147,991	225,410,123
Other receivables	11,943,116	24,352,642	10,019,790	22,449,756
Prepayments and advance payments	8,054,577	1,913,029	7,932,545	1,844,643
Foreign currency forward contract	181,500	-	181,500	-
Amount due by fellow subsidiaries	274,449	132,119	1,599,187	-
	316,263,339	256,801,291	306,881,013	249,704,522
Trade receivables include the following:-				
Amount due by fellow subsidiaries	279,364	279,466	116,850	133,275
Amount due by related companies	1,807,806	749,584	485,894	204,708
Key management personnel	192,372	165,383	192,372	165,383
	2,279,542	1,194,433	795,116	503,366

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. The Group and the Company have pledged the trade receivables to secure banking facilities granted to them.

The average credit period on sales of goods and services is 30 days. Before accepting any new customer, the Group and the Company assess the potential customer's credit quality and define credit limits by customer and these are reviewed on a regular basis. The concentration of credit risk is limited due to the customer base being large and unrelated. Management consider trade receivables to be in default when contractual payments are past due for more than 180 days based on the business environment in which the entities operate taking into taking consideration the market dynamics, customer base and competition.

The Group and the Company measure the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group and the Company have recognised a loss allowance of 100% against receivables over 180 days past due (except where repayment plan has been agreed or debts have been recovered) because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group and the Company have credit insurance coverage on all its trade receivables to the extent of 90% of the trade receivables balance (both local and export debtors) provided that they have not breached any of the eligibility criteria.

Based on past experience, there has been no history of default on export debtors and other receivables. Management has made an assessment on the probability of default of the export debtors and other receivables at reporting date and the ECL calculated thereon is immaterial and has not been accounted for.

12. TRADE AND OTHER RECEIVABLES (CONT'D)

THE GROUP AND THE COMPANY

The Group and the Company have segmented its local trade receivables by customer types between Traditional Trade, HORECA, Modern Trade, Home & Office and bakery. The subsidiaries have different categories of customer base - advertising, LPG and others.

The following tables detail the risk profile of local trade receivables based on the Group's and the Company's provision matrix at 31 December 2022:

	Local trade receivables - past due								
	Not past due	<30	31-60	61-90	91-120	121-150	150-180	>180	Total
Traditional Trade									
Expected credit loss rate	0.12%	8.57%	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%	
Estimated total gross carrying amount at default (Rs)	19,200,461	3,968,758	112,323	-	-	-	-	944,230	24,225,772
Lifetime ECL (Rs)	23,885	340,114	112,323	-	-	-	-	944,230	1,420,552
HORECA									
Expected credit loss rate	0.19%	0.41%	0.05%	0.36%	4.67%	0.51%	0.00%	90.48%	
Estimated total gross carrying amount at default (Rs)	27,790,343	7,979,514	2,059,889	347,085	466,239	625,411	135,054	1,817,971	41,221,506
Lifetime ECL (Rs)	53,981	32,655	1,078	1,264	21,793	3,215	-	1,644,899	1,758,885
Modern Trade									
Expected credit loss rate	0.06%	0.04%	0.04%	0.00%	0.00%	0.00%	0.00%	44.55%	
Estimated total gross carrying amount at default (Rs)	97,445,342	75,048,481	19,392,889	2,965,548	1,375,421	394,720	363,585	2,046,043	199,032,029
Lifetime ECL (Rs)	54,234	33,046	7,849	-	-	-	-	911,510	1,006,639
Home & Office									
Expected credit loss rate	0.77%	21.48%	100.00%	100.00%	0.00%	97.90%	100.00%	100.00%	
Estimated total gross carrying amount at default (Rs)	3,814,364	1,862,176	409,395	212,385	-	71,769	31,667	423,856	6,825,612
Lifetime ECL (Rs)	29,201	399,963	409,395	212,385	-	70,259	31,667	423,856	1,576,726
Bakery									
Expected credit loss rate	0.05%	0.04%	0.00%	1.80%	50.34%	100.00%	0.00%	100.00%	
Estimated total gross carrying amount at default (Rs)	11,466,447	3,734,850	441,178	38,928	770,888	32,350	-	154,980	16,639,621
Lifetime ECL (Rs)	5,534	1,392	-	700	388,082	32,350	-	154,980	583,038
Exports									
Expected credit loss rate	0.03%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	
Estimated total gross carrying amount at default (Rs)	3,184,364	507,169	-	-	-	-	-	13,209	3,704,742
Lifetime ECL (Rs)	1,051	2,546	-	-	-	-	-	13,209	16,806
Customer base - advertising									
Expected credit loss rate	2.36%	2.14%	7.61%	6.98%	31.18%	0.00%	100.00%	100.00%	
Estimated total gross carrying amount at default (Rs)	323,065	895,220	1,853,174	239,089	7,533	-	36,129	753,741	4,107,951
Lifetime ECL (Rs)	7,625	19,193	140,997	16,688	2,349	-	36,129	753,741	976,722
Customer base - LPG									
Expected credit loss rate	2.61%	69.25%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	
Estimated total gross carrying amount at default (Rs)	4,969,750	637,108	-	-	4,009	-	-	-	5,610,867
Lifetime ECL (Rs)	129,570	441,169	-	-	4,009	-	-	-	574,748
		-							
Others									
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	
Estimated total gross carrying amount at default (Rs)	-	-	-	-	-	-	-	254,516	254,516
Lifetime ECL (Rs)	-	-	-	-	-	-	-	254,516	254,516

12. TRADE AND OTHER RECEIVABLES (CONT'D)

THE GROUP AND THE COMPANY

The Group and the Company have segmented its local trade receivables by customer types between Traditional Trade, HORECA, Modern Trade, Home & Office and bakery. The subsidiaries have different categories of customer base - advertising, LPG and others.

The following tables detail the risk profile of local trade receivables based on the Group's and the Company's provision matrix at 31 December 2021:

	Local trade receivables - past due								
	Not past due	<30	31-60	61-90	91-120	121-150	150-180	>180	Total
Traditional Trade									
Expected credit loss rate	0.52%	0.27%	0.56%	2.21%	8.42%	4.22%	0.55%	57.09%	
Estimated total gross carrying amount at default (Rs)	16,761,128	3,858,220	780,116	740,864	1,101,783	998,441	837,002	2,098,038	27,175,592
Lifetime ECL (Rs)	86,563	10,587	4,368	16,407	92,762	42,089	4,604	1,197,776	1,455,156
HORECA									
Expected credit loss rate	0%	0%	0%	5%	20%	60%	65%	73%	
Estimated total gross carrying amount at default (Rs)	20,202,167	7,088,674	1,310,523	159,338	96,841	79,178	40,722	2,134,138	31,111,581
Lifetime ECL (Rs)	60,997	7,316	3,128	7,667	19,033	47,610	26,593	1,553,840	1,726,184
Modern Trade									
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	40%	
Estimated total gross carrying amount at default (Rs)	86,967,118	51,579,872	3,484,079	1,930,789	746,703	51,886	189,027	1,523,167	146,472,641
Lifetime ECL (Rs)	19,406	-	-	-	-	-	-	605,636	625,042
Home & Office									
Expected credit loss rate	2.00%	3.06%	8.00%	28.00%	49.00%	82.33%	100.00%	100.00%	
Estimated total gross carrying amount at default (Rs)	3,438,720	1,271,708	963,059	694,488	347,499	91,118	31,055	2,087,671	8,925,318
Lifetime ECL (Rs)	68,774	38,911	77,045	194,457	170,274	75,018	31,055	2,087,671	2,743,205
Bakery									
Expected credit loss rate	0.08%	0.02%	0.05%	0.00%	55.45%	8.79%	0.00%	46.47%	
Estimated total gross carrying amount at default (Rs)	9,073,381	2,811,473	132,166	12,630	1,659	31,943	60,274	333,423	12,456,949
Lifetime ECL (Rs)	7,581	702	70	0	920	2,808	-	154,943	167,024
Exports									
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	100.00%	
Estimated total gross carrying amount at default (Rs)	1,870,935	1,236,236	32,891	0	-	69,120	54,624	9,813	3,273,619
Lifetime ECL (Rs)	998	-	-	-	-	-	-	8,900	9,898
Customer base - advertising									
Expected credit loss rate	2.54%	3.80%	8.64%	19.51%	35.66%	0.00%	0.00%	100.00%	
Estimated total gross carrying amount at default (Rs)	1,039,164	236,858	134,397	12,307	19,987	-	-	667,117	2,109,830
Lifetime ECL (Rs)	26,431	9,008	11,616	2,401	7,129	-	-	667,117	723,702
Customer base - LPG									
Expected credit loss rate	4.13%	12.53%	31.26%	44.08%	63.40%	100.00%	100.00%	100.00%	
Estimated total gross carrying amount at default (Rs)	3,379,997	531,818	73,989	28,246	3,123	-	-	-	4,017,173
Lifetime ECL (Rs)	139,725	66,615	23,129	12,450	1,980	-	-	-	243,899
Others									
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	
Estimated total gross carrying amount at default (Rs)	-	-	-	-	-	-	-	392,557	392,557
Lifetime ECL (Rs)	-	-	-	-	-	-	-	392,557	392,557

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. TRADE AND OTHER RECEIVABLES (CONT'D)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

THE GROUP	Total
	%
Balance at 01 January 2021	9,563,859
Increase in loss allowance recognised in profit or loss during the year	(927,180)
Bad debts written off	(550,012)
Balance at 31 December 2021	8,086,667
Balance at 01 January 2022	8,086,667
Increase in loss allowance recognised in profit or loss during the year	1,022,709
Bad debts written off	(940,744)
Balance at 31 December 2022	8,168,632

THE COMPANY	Total
	Rs
Balance at 01 January 2021	7,815,990
Increase in loss allowance recognised in profit or loss during the year	(623,431)
Bad debts written off	(466,050)
Balance at 31 December 2021	6,726,509
Balance at 01 January 2022	6,726,509
Increase in loss allowance recognised in profit or loss during the year	576,881
Bad debts written off	(940,744)
Balance at 31 December 2022	6,362,646

13. STATED CAPITAL

	2022	2021
	Rs	Rs
Issued and fully paid		
At 01 January: 36,768,812 Ordinary shares of Rs10 each	360,705,400	360,705,400
Share premium	679,894	679,894
At 31 December: 36,768,812 Ordinary shares of Rs10 each	361,385,294	361,385,294

Each of the above share confers to its holder the following rights:

- the right to vote on poll for every share held at a meeting of the Company on any resolution;
- the right to an equal share in dividends authorised by the Board; and
- the right to an equal share in the distribution of the surplus assets of the Company, on winding up.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. BORROWINGS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Unsecured loans	-	1,500,000	50,000,000	10,000,000
Import loans	69,692,051	43,221,632	69,692,051	43,221,632
Secured bank loans	398,407,970	529,526,103	398,407,970	529,526,103
	468,100,021	574,247,735	518,100,021	582,747,735
Repayable as follows:				
Repayable within one year	189,635,888	268,097,095	239,635,888	276,597,095
Between two and five years	278,464,133	306,150,640	278,464,133	306,150,640
	468,100,021	574,247,735	518,100,021	582,747,735

Unsecured loans amounting to Rs nil for the Group (2021: Rs 1.5 million) was due to related companies, bore interest at 6.5% p.a. in 2021 and was repayable on demand.

The bank loans and import loans are secured by floating charges on the property, plant and equipment and investment property of the Group and the Company and bear interest at rates which are disclosed in note 26. The current weighted average effective interest rate on the bank loans is 5.2% p.a. (2021: 4.1%).

There has been a breach of financial covenants by the Company for a specific bank. However, the loans have already been classified as current liability. Hence, there is no impact on the net current asset position of the Company.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statement of cash flows from financing activities.

THE GROUP		Financing cash flows		Non-cash changes		
	01 January 2022	Net proceeds/ (Repayments)	Interest capitalised	Exchange difference	Other non cash items	31 December 2022
	Rs	Rs	Rs	Rs	Rs	Rs
2022						
Bank loans (Note 14)	572,747,735	(104,562,361)	-	(85,353)	-	468,100,021
Loans from related parties (Note 14)	1,500,000	(1,500,000)	-	-	-	-
Lease liabilities (Note 15)	15,073,923	(10,038,638)	-	-	999,974	6,035,259
	589,321,658	(116,100,999)	-	(85,353)	999,974	474,135,280

		Financing cash flows		Non-cash changes		
	01 January 2021	Net proceeds/ (Repayments)	Interest capitalised	Exchange difference	Other non cash items	31 December 2021
2021	Rs	Rs	Rs	Rs	Rs	Rs
Bank loans (Note 14)	408,274,698	156,114,551	4,682,046	3,676,440	-	572,747,735
Loans from related parties (Note 14)	1,500,000	-	-	-	-	1,500,000
Lease liabilities (Note 15)	27,927,818	(12,853,898)	-	-	3	15,073,923
	437,702,516	143,260,653	4,682,046	3,676,440	3	589,321,658

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. BORROWINGS (CONT'D)

THE COMPANY

		Financing cash flows		Non-cash changes		
	01 January 2022	Net proceeds/ (Repayments	Interest capitalised	Exchange difference	Other non cash items	31 December 2022
	Rs	Rs	Rs	Rs	Rs	Rs
2022						
Bank loans (Note 14)	572,747,735	(104,562,361)	-	(85,353)	-	468,100,021
Loans from related parties (Note 14)	10,000,000	40,000,000	-	-	-	50,000,000
Lease liabilities (Note 15)	10,993,682	(6,139,190)	-	-	-	4,854,492
	593,741,417	(70,701,551)	-	(85,353)	-	522,954,513

		Financing cash flows		Non-cash changes		
	01 January 2021	Net proceeds/ (Repayments	Interest capitalised	Exchange difference	Other non cash items	31 December 2021
2021	Rs	Rs	Rs	Rs	Rs	Rs
Bank loans (Note 14)	408,274,698	156,114,551	4,682,046	3,676,440	-	572,747,735
Loans from related parties (Note 14)	-	10,000,000	-	-	-	10,000,000
Lease liabilities (Note 15)	17,050,046	(6,056,364)	-	-	-	10,993,682
	425,324,744	160,058,187	4,682,046	3,676,440	-	593,741,417

15. LEASE LIABILITIES

	THE GROUP					
	Land		Selling Equipment		Motor Vehicles	
	2022	2021	**2022**	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs	**Rs**	Rs
At 01 January	2,711,750	4,763,631	209,559	509,910	12,152,614	22,654,277
Interest expenses	122,929	192,705	-	6,165	456,383	1,311,892
Payments	(1,701,093)	(2,244,586)	(209,559)	(306,516)	(8,707,294)	(11,813,555)
New leases	999,970	-	-	-	-	-
At 31 December	2,133,556	2,711,750	-	209,559	3,901,703	12,152,614

	THE COMPANY					
	Land		Selling Equipment		Motor Vehicles	
	2022	2021	**2022**	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs	**Rs**	Rs
At 01 January	1,562,083	1,933,379	209,559	509,910	9,222,039	14,606,757
Interest expenses	66,485	84,704	-	6,165	393,753	938,798
Payments	(456,000)	(456,000)	(209,559)	(306,516)	(5,933,868)	(6,323,516)
At 31 December	1,172,568	1,562,083	-	209,559	3,681,924	9,222,039

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. LEASE LIABILITIES (CONT'D)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Current liabilities	3,566,399	8,932,286	2,896,109	5,219,682
Non-current liabilities	2,468,860	6,141,637	1,958,383	5,774,000
	6,035,259	15,073,923	4,854,492	10,993,682

Disclosure required by IFRS 16

Maturity analysis:	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Year 1	3,792,505	9,541,635	3,077,202	5,735,147
Year 2	1,911,797	4,069,666	1,381,905	3,717,185
Year 3	639,495	1,650,451	639,495	1,650,451
Year 4	-	570,298	-	570,298
	6,343,797	15,832,050	5,098,602	11,673,081

The Group and the Company do not face significant liquidity risk with regards to its lease liabilities. All the lease obligations are denominated in Mauritian Rupees.

Minimum lease payments and present value of minimum lease payments are as follows:

	THE GROUP			
	Minimum lease payments		Present value of minimum lease payments	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Repayable Within one year	3,792,505	9,541,635	3,566,399	8,932,286
After one year but before two years	1,911,797	4,069,666	1,837,763	3,837,783
Between two and five years	639,495	2,220,749	631,097	2,303,854
	2,551,292	**6,290,415**	**2,468,860**	**6,141,637**
	6,343,797	15,832,050	6,035,259	15,073,923
Less: Future finance charges	(308,538)	(758,127)	-	-
	6,035,259	15,073,923	6,035,259	15,073,923

	THE COMPANY			
	Minimum lease payments		Present value of minimum lease payments	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Repayable Within one year	3,077,202	5,735,147	2,896,109	5,219,682
After one year but before two years	1,381,905	3,717,185	1,327,286	3,493,604
Between two and five years	639,495	2,220,749	631,097	2,280,396
	2,021,400	**5,937,934**	**1,958,383**	**5,774,000**
	5,098,602	11,673,081	4,854,492	10,993,682
Less: Future finance charges	(244,110)	(679,399)	-	-
	4,854,492	10,993,682	4,854,492	10,993,682

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. LEASE LIABILITIES (CONT'D)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Interest expense on lease liabilities (note 20)	620,057	1,363,152	500,982	882,058
Expense relating to short-term leases	3,399,787	3,271,130	1,692,156	1,574,100

There are no variable lease payment in the lease contracts of the Group and the Company.

16. TAXATION

(a) Income tax liabilities

THE GROUP AND THE COMPANY

Income tax is calculated at the rate of 15% (2021: 15%) for the Group and the Company on the profit for the year as adjusted for income tax purposes.

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
At 01 January	245,177	(2,452,164)	45,581	(2,422,728)
(Payment)/refund during the year	(3,777,246)	2,403,461	(3,190,003)	2,416,652
Under/(over) provision in income tax in previous year	3,236,295	(5,524)	2,947,410	6,076
CSR paid	5,083	-		-
Under provision CSR in previous year	197,012		197,012	
Tax charge for the year	763,207	299,404	-	45,581
	669,528	245,177	-	45,581
Analysed as follows:				
- Income tax liabilities	669,528	245,177	-	45,581
- Income tax assets	-	-	-	-
	669,528	245,177	-	45,581

(b) Income tax (credit)/expense

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Income tax provision	763,207	253,825	-	-
CSR	5,079	362,215	-	362,215
Under provision CSR in previous year	197,010		197,010	-
Under/(over) provision in income tax in previous year (Note 16(a))	3,236,295	(94,260)	2,947,410	(48,928)
Under/(over) provision in deferred tax in previous years (Note 16(d))	926,172	(249,683)	926,172	-
Deferred tax movement	10,950,168	104,210	10,691,347	68,320
Income tax expense	16,077,931	376,307	14,761,939	381,607

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. TAXATION (CONT'D)

(c) Tax reconciliation

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Profit before tax	68,886,132	5,008,052	63,758,211	1,756,300
Taxed at 17%	11,710,642	851,369	10,838,896	298,571
Effect of:				
Expenses not deductible for tax purposes	96,802	407,377	96,802	370,049
Items not subject to tax	(483,204)	(545,587)	(251,444)	(245,176)
Depreciation on assets not eligible for capital allowances	7,093	7,091	7,093	7,091
Under/(over) provision in income tax in prior year	3,236,295	(94,260)	2,947,410	(48,928)
CSR	115,581	-	197,010	-
Under provision in deferred tax in previous years	1,394,722	(249,683)	926,172	-
Tax charge	16,077,931	376,307	14,761,939	381,607

(d) Deferred tax

Deferred tax is calculated on all temporary differences under the liability method at the rate of 17% (2021: 17%).

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
At 01 January	54,218,574	21,646,016	56,212,577	23,630,567
Movement in profit or loss:				
Under provision in deferred tax in previous year (Note 16(c))	926,172	-	926,172	-
Movement for the year (Note 16(b))	10,950,168	(145,472)	10,691,347	68,320
Movement in other comprehensive income:				
Deferred tax on revaluation of buildings	1,397,930	-	1,397,930	-
Deferred tax on remeasurement of retirement benefit plans	8,017,370	32,718,030	7,944,440	32,513,690
At 31 December	75,510,214	54,218,574	77,172,466	56,212,577
Analysed as follows:				
- Deferred tax liabilities	77,829,670	56,533,620	77,172,466	56,212,577
- Deferred tax assets	(2,319,457)	(2,315,046)	-	-
	75,510,213	54,218,574	77,172,466	56,212,577

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Recoverability of deferred tax assets have been assessed for each subsidiary based on the forecasted taxable profit to be generated during the next financial period and in the case of another subsidiary, the tax loss recognised has been limited to future taxable profits to be generated over the next five financial years. Based on assessment of future taxable profit, the deferred tax asset amounting to Rs2,319,457 (2021: Rs2,315,046) has been recognised in respect of Creative Advertising Bureau Ltd.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. TAXATION (CONT'D)

(d) Deferred tax (cont'd)

Deferred tax liabilities/(assets) arise from the following:

THE GROUP	At 01 January 2021	Charge/(credit) to profit or loss	Charge/(credit) to other comprehensive income	At 31 December 2021	Charge/(credit) to profit or loss	Charge/(credit) to other comprehensive income	At 31 December 2022
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Deferred tax liabilities							
Accelerated capital allowances	43,359,581	13,190,646	-	56,550,227	7,670,894	-	64,221,121
Retirement benefit assets	872,611	(763,300)	16,974,840	17,084,151	(402,050)	4,324,970	21,007,071
Lease liabilities	5,252,229	(1,413,368)	-	3,838,861	(3,887,541)	-	(48,680)
Revaluation of properties	38,900,161	-	-	38,900,161	-	1,397,930	40,298,091
	88,384,582	11,013,978	16,974,840	116,373,400	3,381,303	5,722,900	125,477,603
Deferred tax assets							
Retirement benefit obligations	(65,112,710)	227,970	15,743,190	(49,141,550)	3,366,340	3,692,400	(42,082,810)
Provision for doubtful debts	(1,625,856)	239,726	-	(1,386,130)	(13,934)	-	(1,400,064)
Provision for inventory and others	-	(11,655)		(11,655)			(11,655)
Tax losses	-	(11,615,491)	-	(11,615,491)	5,142,629	-	(6,472,862)
	(66,738,566)	(11,159,450)	15,743,190	(62,154,826)	8,495,035	3,692,400	(49,967,391)
Net deferred tax liabilities	21,646,016	(145,472)	32,718,030	54,218,574	11,876,338	9,415,300	75,510,212

THE COMPANY	At 01 January 2021	Charge/(credit) to profit or loss	Charge/(credit) to other comprehensive income	At 31 December 2021	Charge/(credit) to profit or loss	Charge/(credit) to other comprehensive income	At 31 December 2022
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Deferred tax liabilities							
Accelerated capital allowances	43,417,071	12,961,696	-	56,378,767	7,369,005	-	63,747,772
Retirement benefit assets	104,550	(762,280)	16,979,430	16,321,700	(398,990)	4,332,450	20,255,160
Lease liabilities	4,871,096	(1,001,207)	-	3,869,889	(3,924,002)	-	(54,113)
Revaluation of properties	38,900,161	-	-	38,900,161		1,397,930	40,298,091
	87,292,878	11,198,209	16,979,430	115,470,517	3,046,013	5,730,380	124,246,910
Deferred tax assets							
Retirement benefit obligations	(62,333,593)	300,390	15,534,260	(46,498,943)	3,367,020	3,611,990	(39,519,933)
Provision for doubtful debts	(1,328,718)	185,212	-	(1,143,506)	61,857	-	(1,081,649)
Tax losses	-	(11,615,491)	-	(11,615,491)	5,142,629	-	(6,472,862)
	(63,662,311)	(11,129,889)	15,534,260	(59,257,940)	8,571,506	3,611,990	(47,074,444)
Net deferred tax liabilities	23,630,567	68,320	32,513,690	56,212,577	11,617,519	9,342,370	77,172,466

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

17. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Current				
Trade payables	263,172,932	160,692,411	258,719,274	156,473,854
Deposits refundable	17,328,571	13,678,784	17,328,571	13,678,784
Other payables and accruals	146,749,431	123,763,935	141,538,959	118,386,592
Grants	2,013,266	2,259,788	2,013,266	2,259,788
Amount due to subsidiaries	-	-	2,485,834	3,395,348
Amount due to related companies	34,576,714	22,213,500	-	-
	463,840,914	322,608,418	422,085,904	294,194,366
Trade payables include the following:				
Amount due to fellow subsidiaries (note 24)	75,451	73,568	75,451	73,568
Amount due to fellow subsidiaries	335,307	104,433	332,636	97,342
	410,758	178,001	408,087	170,910

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period on purchases is 45 days. The Group and the Company have financial risk management policies to ensure that all payables are paid within the credit timeframe.

Non current

Other payables amounting to Rs 135,893 (2021: Rs 352,937) relates to a severance allowance payable over 20 years. The current portion is included in other payables and accruals.

18. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group and the Company derive their revenue at a point in time from sale of food and beverages and over time from provision of advertising services in the following divisions. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (See note 27).

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Manufacturing and trading	2,030,939,320	1,481,203,210	1,725,555,889	1,250,570,163
Advertising	14,691,579	9,581,722	-	-
	2,045,630,899	1,490,784,932	1,725,555,889	1,250,570,163
Timing of revenue recognition				
At a point in time	2,030,939,320	1,481,203,210	1,725,555,889	1,250,570,163
Over time	14,691,579	9,581,722	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

19. OTHER INCOME

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Wage assistance scheme grant net of Covid19 levy	-	3,814,480	-	3,738,658
Refund from insurance	29,562	46,500	29,562	46,500
Amortisation of grants	246,522	246,522	246,522	246,522
Lease income from unipoles	-	-	1,417,279	1,406,678
Income from fontaines and vending machines	988,874	1,361,070	988,874	1,361,070
Income from garage segment	255,739	238,515	255,739	238,515
Sundry receipts	2,603,335	2,690,062	2,206,402	1,708,924
Profit on disposal of property, plant and equipment	1,360,161	225,160	1,360,161	225,160
(Loss)/profit on disposal of right-of-use asset	(1,637,893)	74,461	(1,637,893)	74,461
Rent receivable	-	-	290,352	290,352
Dividend	-	860,200	-	860,200
Gain on investment property	1,100,000	-	1,100,000	-
Management fees	-	-	1,977,600	1,920,000
	4,946,300	9,556,970	8,234,598	12,117,040

20. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Interest on:				
- Bank loans	24,999,907	15,039,246	24,999,811	15,039,246
- Bank overdrafts	1,339,710	2,052,809	1,325,667	2,035,476
- Lease liabilities	620,057	1,363,152	500,982	882,058
- Loan from subsidiary	-	-	584,884	260,548
- Amount due to related parties	56,541	97,500	-	-
	27,016,215	18,552,707	27,411,344	18,217,328

21. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Gain on exchange	15,018,052	5,856,233	14,996,961	5,880,933
Cost of inventories recognised as an expense	1,119,136,933	774,137,216	838,740,947	567,831,455
Staff costs	355,458,319	343,902,466	338,624,837	329,392,000
Depreciation of property, plant and equipment (note 5)	91,403,565	74,376,030	89,338,838	72,245,234
Depreciation of right-of-use assets (note 6)	14,007,430	16,743,366	10,580,191	11,813,980
Amortisation of intangible assets (note 7)	2,276,086	1,856,133	2,276,086	1,856,133
Assets written off	482,883	-	482,883	-
Right-of-use assets written off	328,877	-	328,877	-
Impairment losses recognised on trade receivables (note 12)	1,022,709	(927,180)	576,881	(623,431)
Bad debts and VAT recovered	(18,000)	(6,000)	(18,000)	(6,000)
Staff costs are analysed as follows:				
Salaries and allowances	306,157,570	265,054,049	289,834,088	251,068,583
Defined benefit plans	8,334,000	34,417,000	7,849,000	34,067,000
Other employee benefits	40,966,749	44,431,417	40,941,749	44,256,417
	355,458,319	343,902,466	338,624,837	329,392,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

22. EARNINGS PER SHARE

THE GROUP

	2022	2021
	Rs	Rs
Basic and diluted earnings per share	1.44	0.13
The earnings and weighted average number of ordinary shares used in the calculation of earnings per share are as follows:		
Earnings for the year attributable to owners of the Company used in calculation of earnings per share (Rs)	52,808,201	4,631,745
Number of ordinary shares	36,768,812	36,768,812

23. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Cash in hand and at bank	19,569,976	49,780,165	16,244,972	26,697,716
Bank overdrafts	(90,952,593)	(21,399,882)	(84,263,589)	(21,399,882)
	(71,382,617)	28,380,283	(68,018,617)	5,297,834

The bank overdrafts are secured by floating charges over the property, plant and equipment and investment property of the Group and the Company.

24. RELATED PARTY TRANSACTIONS

The Group and the Company are making the following disclosures in respect of related party transactions and balances.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
(i) Sales of goods and services				
Sales of goods:				
- Fellow subsidiaries	1,476,445	1,407,156	556,748	568,651
- Other related parties	1,574,212	1,503,741	1,660,402	1,295,427
- Key management personnel	390,176	390,176	796,184	390,176
	3,440,833	3,301,073	3,013,334	2,254,254
Sales of services:				
- Subsidiaries	-	-	1,977,600	3,091,200
- Fellow subsidiaries	811,282	1,066,518	-	-
- Other related parties	8,066,339	4,380,008	205,290	207,640
	8,877,621	5,446,526	2,182,890	3,298,840

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

24. RELATED PARTY TRANSACTIONS (CONT'D)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
(ii) Purchase of goods and services				
Purchase of goods:				
- Subsidiaries	-	-	3,299,975	3,341,946
- Fellow subsidiaries	1,468,096	319,264	1,359,566	319,264
- Other related parties	287,950,560	215,425,016	-	-
	289,418,656	215,744,280	4,659,541	3,661,210
Purchase of services:				
- Subsidiaries	-	-	17,428,150	13,114,872
- Other related parties	13,239,639	13,078,023	13,131,109	12,987,493
	13,239,639	13,078,023	30,559,259	26,102,365
Purchase of selling equipment:				
- Subsidiaries	-	-	650,300	-
(iii) Interest expense				
- Subsidiaries	-	-	584,884	260,548
- Other related parties	56,541	97,500	-	-
	56,541	97,500	584,884	260,548
(iv) Rental income				
- Subsidiaries	-	-	1,707,631	1,697,030
- Other related parties	754,039	740,249	754,039	740,249
	754,039	740,249	2,461,670	2,437,279
(v) Rental expense				
- Other related party (note 6)	3,399,787	3,271,130	1,692,156	1,574,100
(vi) Outstanding balances				
Receivables from (note 12):				
- Fellow subsidiaries	279,364	279,466	116,850	133,275
- Other related parties	1,807,806	749,584	485,894	204,708
- Key management personnel	192,372	165,383	192,372	165,383
	2,279,542	1,194,433	795,116	503,366
Loans payable:				
- Subsidiaries	-	-	50,000,000	10,000,000
- Other related parties	-	1,500,000	-	-
	-	1,500,000	50,000,000	10,000,000
Payables to (Note 17):				
- Subsidiaries	-	-	2,485,834	3,395,348
- Fellow subsidiaries	75,451	73,568	75,451	73,568
- Other related parties	34,912,021	22,317,933	332,636	97,342
	34,987,472	22,391,501	2,893,921	3,566,258

The amounts due by and to related companies are unsecured, interest free and repayable on demand. The Group and the Company has applied the ECL rate on trade receivables . The terms and conditions with respect to the loans have been disclosed in notes 14 and 24.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

24. RELATED PARTY TRANSACTIONS (CONT'D)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
(vi) Retirement benefit - group plan				
Retirement benefit cost				
Retirement benefit cost allocated to fellow subsidiaries	-	-	-	-
Retirement benefit obligations				
Retirement benefit liability allocated to subsidiary	-	-	9,975,808	9,975,808
	-	-	9,975,808	9,975,808

(vii) Compensation paid to key management personnel

Key management personnel includes the executive and non-executive Directors.The remuneration of key management personnel during the year was as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Short term benefits	19,368,292	17,168,072	19,274,292	17,168,072
Post employment benefits	1,891,737	2,569,686	1,891,737	2,569,686
	21,260,029	19,737,758	21,166,029	19,737,758

The Company has paid post employment benefits of Rs4.4M (2021: Rs18.8M) to previous Directors of the Company during the year under review. They are the founders of the Group but are no longer Directors or form part of the key management personnel.

25. CONTINGENT LIABILITIES

THE GROUP AND THE COMPANY	**2022**	2021
	Rs	Rs
Bank guarantees and performance bonds to third parties	49,194,500	37,075,200
Corporate guarantee to subsidiaries for banking facilities	13,000,000	13,000,000

The Directors consider that no liabilities will arise as the probability for default in respect of the guarantees is remote.

26. FINANCIAL INSTRUMENTS

In its ordinary operations, the Group and the Company are exposed to various risks such as capital risk, foreign currency risks, interest rate risks, credit risks and liquidity risks. The Group and the Company have devised on a central basis a set of specific policies for managing these exposures.

Capital risk management

The Group and the Company manage their capital to ensure that entities in the Group and the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged from 2021.

The capital structure of the Group and the Company consists of debt, which includes the borrowings disclosed in note 14, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued capital, reserves and retained earnings as disclosed in the statements of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

26. FINANCIAL INSTRUMENTS (CONT'D)

Capital risk management (cont'd)

Gearing Ratio

The gearing ratio at the year end was as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Debt (i)	565,087,873	610,721,539	607,218,102	615,141,298
Cash and bank balances	(19,569,976)	(49,780,165)	(16,244,972)	(26,697,716)
Net Debt	545,517,897	560,941,374	590,973,130	588,443,582
Equity (ii)	703,650,047	557,073,026	696,615,590	554,206,568
Net debt to equity ratio	78%	101%	85%	106%

(i) Debt is defined as long and short term loans, leases and bank overdrafts.
(ii) Equity includes all capital and reserves of the Group and the Company.

Significant accounting policies

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

Fair values

Except where stated elsewhere, the carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

With respect to long term loans and leases, the Directors consider the carrying value of these financial liabilities to approximate their fair values. These financial liabilities are categorised under Level 3 in the fair value hierarchy.

Categories of financial instruments

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Financial assets				
Investment designated at FVTOCI	194,933	194,933	194,933	194,933
Foreign currency forward contracts - at FVTPL	181,500	-	181,500	-
At amortised cost:				
Trade and other receivables	305,584,410	240,025,078	296,345,597	233,028,694
Cash and bank balances	19,569,976	49,780,165	16,244,972	26,697,716
	325,530,819	290,000,176	312,967,002	259,921,343
Financial liabilities				
Foreign currency forward contracts - at FVTPL	2,450,000	-	2,450,000	-
At amortised cost:				
Loans	468,100,021	574,247,734	518,100,021	582,747,734
Lease liabilities	6,035,259	15,073,924	4,854,492	10,993,682
Trade and other payables	427,273,732	287,584,639	385,701,427	259,320,135
Bank overdrafts	90,952,593	21,399,881	84,263,589	21,399,881
	994,811,605	898,306,178	995,369,529	874,461,432

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

26. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments (cont'd)

Trade and other receivables exclude prepayments and taxes amounting to Rs 10,497,429 for the Group and Rs 10,353,917 for the Company (2021: Rs 16,776,213 for the Group and Rs 16,675,828 for the Company)

Trade and other payables exclude taxes amounting to Rs 36,567,182 for the Group and Rs 36,384,477 for the Company (2021: Rs 36,384,474 for the Group and Rs34,874,231 for the Company)

Foreign currency risk management

The Group and the Company are exposed to the risk that the exchange rate of the Mauritian rupee relative to the currencies listed below may change in a manner which has a material effect on the reported values of the Group's and the Company's assets and liabilities.

Currency profile

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Financial assets				
Mauritian Rupees	314,459,236	277,940,405	301,895,419	248,209,132
United States Dollars	2,274,746	3,642,908	2,274,746	3,487,042
Euro	2,161,257	8,065,020	2,161,257	7,875,173
South African Rand	6,635,580	351,843	6,635,580	349,996
	325,530,819	290,000,176	312,967,002	259,921,343
Financial liabilities				
Mauritian Rupees	833,524,494	823,494,923	834,082,418	799,650,177
United States dollars	58,841,536	21,873,091	58,841,536	21,873,091
Euro	69,272,015	35,307,052	69,272,015	35,307,052
South African Rand	30,977,891	17,313,357	30,977,891	17,313,357
Great Britain Pounds	2,195,669	317,755	2,195,669	317,755
	994,811,605	898,306,178	995,369,529	874,461,432

Foreign currency sensitivity analysis

The Group and the Company are mainly exposed to the United States Dollar, the Euro, the South African Rand and the Great Britain Pound.

The following table details the Group's and the Company's sensitivity to a 10% appreciation in the Mauritian Rupee against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or a decrease in loss where the Mauritian Rupee strengthens 10% against the relevant currency. For a 10% weakening of the Mauritian against the relevant currency, there would be an equal and opposite impact on the profit/loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

26. FINANCIAL INSTRUMENTS (CONT'D)

Foreign currency sensitivity analysis (cont'd)

Impact of a 10% appreciation of the Mauritian Rupee:-

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
United States Dollar impact				
Profit or loss	5,656,679	1,823,018	5,656,679	1,838,605
Euro impact				
Profit or loss	6,711,076	2,724,203	6,711,076	2,743,188
South African Rand impact				
Profit or loss	2,434,231	1,696,151	2,434,231	1,696,336
GBP				
Profit or loss	219,567	31,776	219,567	31,776

The profit or loss is mainly attributable to the exposure outstanding on foreign exchange denominated receivables, payables and cash balances at year end in the Group and the Company.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. 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 has policies in place to assess the potential customer's credit quality and define credit limits by customer which are reviewed on a regular basis by management. At the level of operations, outstanding debts are continuously monitored and relevant diminution in value is recognised as and when they become apparent. The Group and the Company do not have significant concentration of risk on the trade receivables due to their large number of customers, spread across diverse industries and geographical areas.

The Group and the Company's credit risk are primarily attributable to trade receivables, other receivables, amount due from related companies and cash and cash equivalents. The carrying amount of trade receivables presented in the statement of financial position are net of allowances for doubtful receivables, estimated by management as disclosed in note 12 and represents the Group's and the Company's maximum exposure to credit risk. The other receivables and amount due from related companies are assessed to have credit risk other than low and are recoverable within 12 months. All bank balances are assessed to have low credit risk at reporting date since they are held with reputable banking institutions. The identified impairment loss on these balances was immaterial.

Other price risk

The Group and the Company are exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group and the Company do not actively trade these investments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

26. FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk

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

The interest rate profile of the financial assets and financial liabilities of the Group and the Company as at 31 December were as follows:

Financial liabilities	Currency		Interest rate p.a. 2022	2021
Bank overdrafts	MUR	Fixed	4.60% - 7.25%	4.60% - 7.25%
Bank loans	MUR	Floating	PLR-1%, PLR+0.75%	PLR-1%, PLR+0.75%
Lease liabilities	MUR	Fixed	6.35% - 8.30%	6.35% - 8.30%
Loans due to related companies	MUR	Fixed	-	6.50%

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for the non-derivative 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 is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's and the Company's loss for the year ended 31 December 2022 would increase/decresae by Rs 2,446,803 and Rs 2,413,358 (2021: profit would decrease/increase by Rs 2,754,630 and Rs 2754,630) respectively. This is mainly attributable to the Group's and the Company's exposure to interest rates on its variable rate borrowings.

Liquidity risk management

The Group and the Company manage 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.

The maturity profile of the financial liabilities is summarised as follows:

THE GROUP	On an undiscounted basis					
2022	**At call Rs**	**Less than 1 month Rs**	**1-3 months Rs**	**3 months to 1 year Rs**	**1-5 years Rs**	**Total Rs**
Loans	41,705,003	18,515,461	77,578,300	68,614,754	310,599,625	517,013,143
Lease liabilities	-	454,823	732,388	2,605,294	2,551,292	6,343,797
Trade and other payables	429,587,839	-	-	-	135,893	429,723,732
Bank overdrafts	90,952,593	-	-	-	-	90,952,593
	562,245,435	18,970,284	78,310,688	71,220,048	313,286,810	1,044,033,265

2021	At call Rs	Less than 1 month Rs	1-3 months Rs	3 months to 1 year Rs	1-5 years Rs	Total Rs
Loans	83,205,003	16,509,124	54,152,517	134,594,786	339,774,561	628,235,991
Lease liabilities	-	1,117,255	2,216,837	6,207,543	6,290,415	15,832,050
Trade and other payables	287,231,703	-	-	-	352,937	287,584,640
Bank overdrafts	21,399,881	-	-	-	-	21,399,881
	391,836,587	17,626,379	56,369,354	140,802,329	346,417,913	953,052,562

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

26. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk management (cont'd)

THE COMPANY	On an undiscounted basis					
2022	**At call Rs**	**Less than 1 month Rs**	**1-3 months Rs**	**3 months to 1 year Rs**	**1-5 years Rs**	**Total Rs**
Loans	91,705,003	18,515,461	77,578,300	68,614,754	310,599,625	567,013,143
Lease liabilities	-	370,796	577,082	2,129,325	2,021,399	5,098,602
Trade and other payables	388,015,534	-	-	-	135,893	388,151,427
Bank overdrafts	84,263,589	-	-	-	-	84,263,589
	563,984,126	18,886,257	78,155,382	70,744,079	312,756,917	1,044,526,761
2021	At call Rs	Less than 1 month Rs	1-3 months Rs	3 months to 1 year Rs	1-5 years Rs	Total Rs
Loans	91,705,003	16,509,124	54,152,517	134,594,786	339,774,561	636,735,991
Lease liabilities	-	509,199	1,001,108	4,224,840	5,937,934	11,673,081
Trade and other payables	258,967,198	-	-	-	352,937	259,320,135
Bank overdrafts	21,399,882	-	-	-	-	21,399,882
	372,072,083	17,018,323	55,153,625	138,819,626	346,065,432	929,129,089

Trade and other payables exclude taxes and COVID 19 levy. Refer to 'Categories of financial instruments' for details.

27. SEGMENT INFORMATION

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

Products and services from which reportable segments derive their revenues

The information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is focussed on the operating divisions which are manufacturing and trading and advertising. The principal products and services of each of these divisions are as follows:

Manufacturing and trading - manufacturing and distribution of beverages, margarine related products and trading of food products and other consumables.

Advertising - manufacturing and supply of advertising materials including luminous signs, kiosks and banners. Advertising services include rental of signs and media.

Segment revenue and segment results

	Segment revenue		Segment result	
	2022 Rs	2021 Rs	**2022 Rs**	2021 Rs
Manufacturing and trading	2,034,239,295	1,484,545,155	67,496,641	4,396,819
Advertising	32,770,029	22,696,594	1,389,491	611,233
Total of all segments	2,067,009,324	1,507,241,749	68,886,132	5,008,052
Eliminations	(21,378,425)	(16,456,817)	-	-
	2,045,630,899	1,490,784,932	68,886,132	5,008,052
Profit before tax			68,886,132	5,008,052
Taxation			(16,077,931)	(376,307)
Profit for the year			52,808,201	4,631,745

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

27. SEGMENT INFORMATION (CONT'D)

Other segment information

	2022	2021
	Rs	Rs
Finance costs - Manufacturing and Trading	(26,900,295)	(18,394,035)
Finance costs - Advertising	(115,920)	(158,671)
	(27,016,215)	(18,552,706)

Intersegment sales amounted to Rs 21,282,725 for the year ended 31 December 2022 (2021: Rs 16,456,817).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of investment revenue, finance costs and income taxes. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Segment assets and liabilities

	Assets		Liabilities	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Manufacturing and trading	1,963,335,315	1,739,610,377	1,261,710,095	1,182,245,305
Advertising	9,537,610	8,655,341	7,512,782	8,947,387
Consolidated assets and liabilities	1,972,872,925	1,748,265,718	1,269,222,877	1,191,192,692

Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Manufacturing and trading	106,837,993	92,237,213	69,939,387	162,331,605
Advertising	849,089	738,316	999,970	-
	107,687,082	92,975,529	70,939,357	162,331,605

Revenue from major products and services

	2022	2021
	Rs	Rs
Manufacturing and trading	2,030,939,320	1,481,203,210
Advertising	14,691,579	9,581,722
	2,045,630,899	1,490,784,932

Information about major customers

There are no customers that individually represent more than 10% of the Group revenues.

Geographical segments

The Group's operations are mainly located in Mauritius.

28. DIVIDEND

With respect to the year ended 31 December 2022, there was no proposed dividend (2021: Nil)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

29. CAPITAL COMMITMENTS

THE GROUP AND THE COMPANY	2022 Rs	2021 Rs
Authorised by the Board of Directors but not contracted for:		
Commitments for the acquisition of property, plant and equipment	123,036,936	88,584,000

30. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The Company considers Currimjee Industries Ltd, a company incorporated in Mauritius, as the immediate holding company and Currimjee Limited, a company incorporated in Mauritius, as the ultimate holding company.

quality beverages
since 1955

Quality Beverages Limited

Royal Road, Belle Rose, 72204, Mauritius