thefuture reimagined

SICOM GENERAL INSURANCE
A member of the SICOM Group

ANNUAL REPORT

2023

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Corporate Profile

Our Mission, Shared Values and Objectives

Mission

- Dedicated to providing the best in insurance and financial services,with focus on competitive quality products and excellent levels of customer care

Shared Values

- Our Customers: The focus of all our actions
- Our Employees and Agents: The source of our success
- Our Products and services: Competitive and first-class security
- Commitment to innovation and teamwork
- Assisting the development of the community and promoting sustainability

Objectives

- Provide excellent customer service
- Respond to new customer needs
- Maximise profits and returns to stakeholders
- Highly effective staff and agents
- Increase market share
- Identify diversification opportunities

Corporate Profile

Locate Us

SICOM Offices

Port Louis (Head Office)
SICOM Building 1, Sir Célicourt Antelme Street,
Port Louis, 11302, Mauritius
203 8400 | email@sicom.mu

Trianon Branch
1st Floor, La City, Trianon
460 1177 | sicomtrianon@sicom.mu

Rose Belle Branch
Plaisance Family Shopping Village, Rose Belle
660 1746 | sicomrosebelle@sicom.mu

Curepipe Branch
Rue Chateauneuf, Curepipe
203 8540 / 203 8541 | sicom.curepipe@sicom.mu

Flacq Branch
La Source Commercial Centre, Flacq
203 8550 / 203 8551 | sicom.flacq@sicom.mu

Tamarin Counter
Coeur de Ville, Tamarin
sicom.tamarin@sicom.mu

Flacq Counter*
Flacq District Council Building, Central Flacq
203 8590 / 203 8591

*For Motor Insurance only

PostAssurance Hubs

Grand Baie
Grand Baie Post Office
Super U Grand Baie, La Salette Road, Grand Baie
268 0496 | sicom.grandbayhub@sicom.mu

Rodrigues
Port Mathurin Post Office
Port Mathurin, Rodrigues
831 2098 | sicomrod@yahoo.com

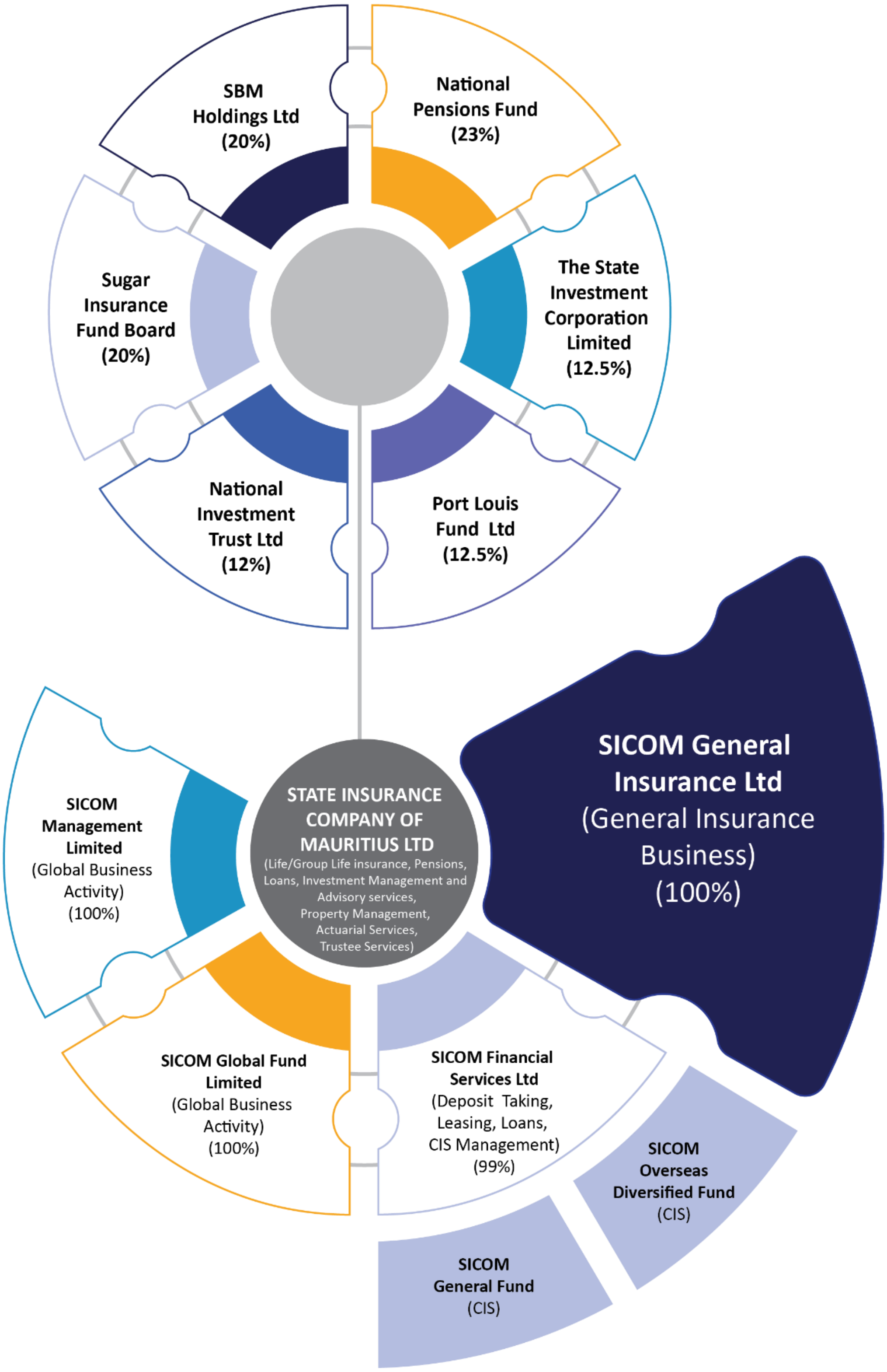
Corporate Profile

Corporate Information

Registered Office	**SICOM General Insurance Ltd** SICOM Building Sir Célicourt Antelme Street, Port Louis, Mauritius Telephone: (230) 203 8400 Fax: (230) 213 1821 Email Address: sicomgin@sicom.mu Website: www.sicom.mu
Auditor	**Deloitte** 7th-8th Floor, Standard Chartered Tower 19-21 bank Street, Cybercity, Ebène, 72201 Mauritius
Consulting Actuary	**QED Actuaries & Consultants (Mauritius) Ltd** The Pod Vivea Business Park Moka Mauritius
Main Bankers	Absa Bank (Mauritius) Limited AfrAsia Bank Limited MauBank Ltd Mauritius Commercial Bank Ltd SBI (Mauritius) Ltd SBM Bank (Mauritius) Ltd

Corporate Profile

Our Group Structure & Shareholding



Corporate Profile

Our Offerings

Directors' Report

The Board of Directors of SICOM General Insurance Ltd (the "Company" or "SGIN") is pleased to present the thirteenth Annual Report together with the Audited Financial Statements of the Company for the year ended 30 June 2023.

Global Insurance Industry

The global insurance industry is facing significant challenges due to the economic consequences of geopolitical conflicts, rising inflation, interest rate pressures, climate change and reduction in reinsurance capacity which is resulting in an increase in reinsurance costs. In order to develop further, insurers must implement agile technology strategies and improve operational efficiency to meet the ever-changing customer expectations.

Mauritius Insurance Industry

Mauritius general insurance industry in 2022[1] was a very intricate year whereby the Gross Written Premium (GWP) increased by 20.1 % to reach Rs 14.2 billion compared to Rs 11.8 billion in 2021. However, the Mauritian insurance industry was severely hit by the global challenges in addition to the significant increases in claims costs mainly due to monopolistic market condition for motor spare parts, depreciation of the Mauritian Rupee against major foreign currencies and disruption in supply chain. The Mauritian general insurance industry underwriting profit for year 2022 stood at Rs 115.1 million compared to Rs 476.1 million in year 2021; a drop of 75.8 %. The industry has also been impacted by a massive rise in the number of road accidents from 28,660 in the year 2021 to reach 35,513 in 2022, representing an increase of 24%.

SGIN's Strategy

SGIN has always focused on growing profitably through (a) robust and prudent underwriting practices, (b) profitable and diversified portfolio of products and solutions, (c) focus on high quality and efficient customer service and (d) claims experience through use of technology. The Company endeavours and continues to maintain a healthy mix of business across various distribution channels and product lines. This helps the Company tide over business cycles that may impact one line of business or distribution.

[1] Source: https://www.fscmauritius.org/en/statistics/statistics/insurance-and-pensions

Directors’ Report

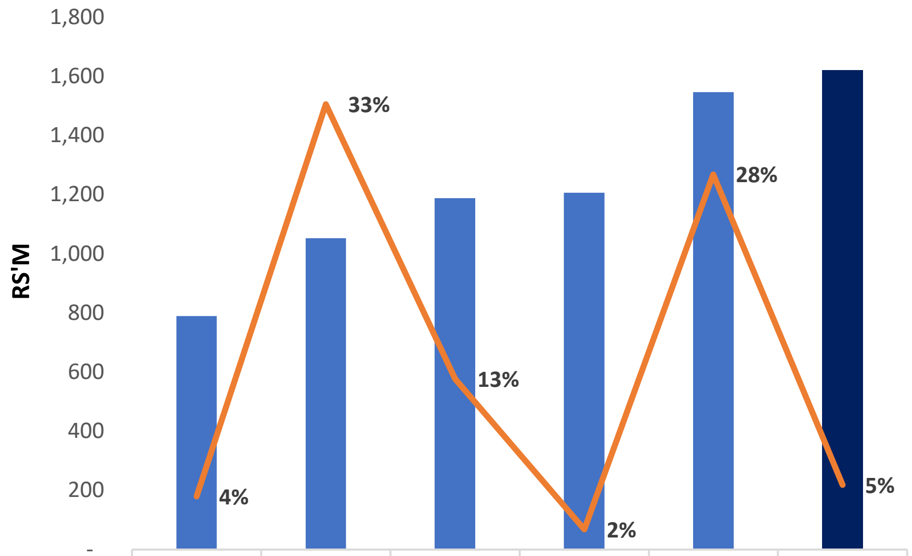
SGIN’s Strategy (Continued)

We are focused on enabling customers, existing and new, to better manage risks with simpler processes and creating value for all our stakeholders. We are investing in emerging technologies, particularly in digital underwriting, customer engagement and claims management for reshaping customer experiences.

The Company maintains a very effective multilayer reinsurance program which seeks to optimise the retention of risk at each policy level as well as at the level of lines of business. The reinsurers chosen are most highly rated.

The main achievements for 2022/2023 include:

- Growth of GWP from Rs 1.55 billion in FY 2021-2022 to Rs 1.62 billion in 2022-2023; a growth of 5 %.



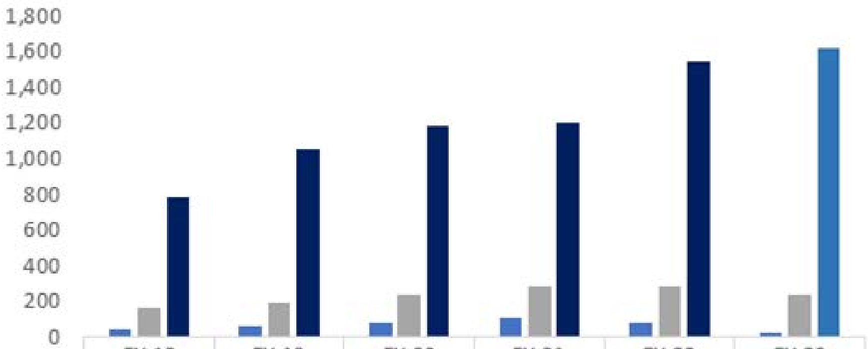
	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
GWP (Rs'Mn)	789	1,053	1,188	1,206	1,546	1,621
YoY Growth (%)	4%	33%	13%	2%	28%	5%

- Launching of Mobile Application and Portals for Health Insurance
- Introduction of Artificial Intelligence/Cognitive Technology for claims processing
- Customer Service Training provided to all employees

Directors’ Report

Financial Performance

Total Assets increased from Rs 2.48 billion to Rs 2.61 billion, which represents a year-on-year increase of 5%. The Company’s GWP increased by 5 % in the financial year 2022-2023 to reach Rs 1.62 billion compared to Rs 1.55 billion for the previous year. However, despite the growth in GWP, the underwriting results for the Company were affected by the general increase in incurred claims. Inspite of the very challenging times, the Company achieved a Profit Before Tax of Rs 30.0 million.



	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
PBT (Rs'000)	39,396	59,710	80,847	110,026	83,073	29,908
Underwriting Surplus (Rs'000)	162,117	191,897	236,002	283,237	281,235	237,854
GWP (Rs'000)	789,020	1,053,354	1,187,591	1,206,419	1,546,424	1,621,718

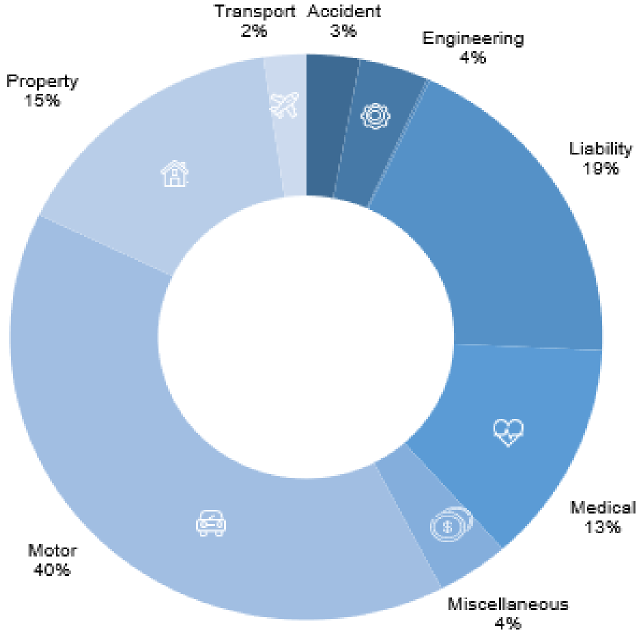
Solvency

In addition, the solvency ratio of the Company stood at 173% (2022: 213%), which is higher than the required minimum solvency ratio of 150% as per the Insurance Act 2005.

Directors' Report

Product Mix

The product mix is well balanced which shields the Company from adverse factors affecting any specific insurance class.



Outlook

As we move ahead into the new year, we do so with renewed vigour and optimism. We shall be investing in data analytics to improve underwriting performance, customer experience, enhance efficiency and decision making throughout the underwriting process.

We shall continue investing in emerging technologies, particularly in digital underwriting, customer engagement and claims management to achieve this. With diversification across high growth and emerging markets, we are focussed on enhancing our multichannel distribution capabilities and embedding technology to enhance the experience and delivery of our products and services. As the insurance landscape changes rapidly, we are confident in our ability to adapt and thrive.

Appreciation and Acknowledgement

We would like to thank our fellow Board members for their continuous contribution and support during the past year.

Value Creation Model

Our purpose

Our Vision

Our Values

SIX CAPITALS

- FINANCIAL
- HUMAN
- MANUFACTURED
- INTELLECTUAL
- SOCIAL
- NATURAL

- Strong financial stability
- A diversified investment portfolio
- Rated by CareEdge Ratings at Group Level

- Employer of Choice (Certification by Great Place to Work) at Group Levelent
- A human capital strategy focused on well-being and inclusivity
- Learning and development while recognising ability and merit are now enhanced through the newly established PMS system

- Property valued at MUR 2bn
- 6 branches
- Digital Experience Platform
- IT infrastructure worth MUR xxx m

- Unique industry (insurance and investment) expertise and knowledge
- Talent management and development
- Digital platform encompassing process optimisation
- Branding and marketing strategies
- Collaborative partnerships
- Data analytics and insights
- Robust governance and enterprise risk management framework

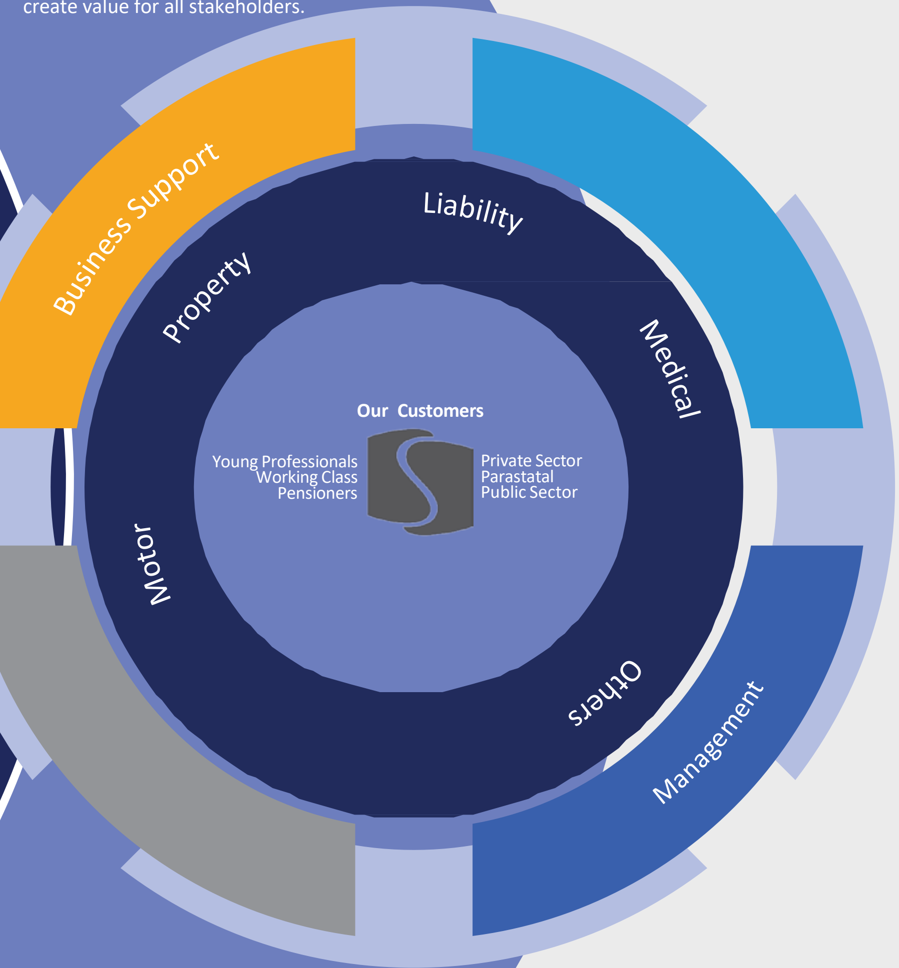
- Training on sustainability at Group Level
- Affiliation to local and international frameworks to contribute to UN SDGs and create paths towards net-zero emissions (SigneNatir, UN Global Compact, UN Principles of Responsible Investment) at Group Level
- ESG-related projects at Group Level
- Green building initiatives such as inverter air conditioners and LED lights
- Other social and environmental projects such as Renal OPD at Victoria Hospital, road embellishment and FORENA Project

SIX CAPITALS → **OUR AMBITIONS** → **OUR RESOURCES** →

BUSINESS ACTIVITIES AND OUTPUT

SICOM Group has transformed into a well integrated large Financial Services Group where business, support functions and management collaborate in harmony to create value for all stakeholders.

Value Creation Model (continued)



- Profit Before Tax (Rs 30.0M), Return to profitability and Market Growth
- More visible as a strong brand and increased business opportunities

- Engaged and satisfied workforce
- Improved organisational culture
- Work-life balance
- Improved technical, soft and digital skills of employees to embrace the future of work
- Innovation and creativity
- Better leaders and higher skilled employees + add statistics such as training

- Better reach to customers over the island
- Seamless service across our distribution channels
- Reduced number of customer complaints
- Productivity and costs savings

- Leveraging expertise to expand business locally and in Africa
- Cross-selling opportunities among different business lines
- Enhanced customer experience and business opportunities
- Incorporating business intelligence in decision-making
- Proactive Governance and Risk Management

- A sustainable corporate culture and ESG awareness among employees
- Group strategy aligned to leading ESG practices
- Youth Empowerment by supporting NGOs involved in empowering vulnerable children and youths such as Ecole Des Métiers, ANFEN, Safire to support economic and social stability
- Reduced carbon footprint towards achieving a net zero objective by 2040
- Recognition as a responsible corporate citizen

OUR BUSINESS ACTIVITIES → **OUTPUT**

Corporate Governance Report

1. Introduction

SICOM General Insurance Ltd (the Company or SGIN) is a wholly-owned subsidiary of the State Insurance Company of Mauritius Ltd (the "Holding Company" or "SICOM") and forms part of the SICOM Group of entities (the "SICOM Group" or the "Group"). SGIN started its operations in July 2010 in conformity with the Insurance Act 2005, taking over the General Insurance business which had until then been transacted under SICOM. The Company is a Public Interest Entity as defined by the Financial Reporting Act 2004.

The Report outlines the framework and principles of the Company's governance structure as well as the processes and procedures that are in place to ensure effective oversight and accountability with increasing emphasis on transparency, accountability and social responsibility, and fostering these values. Stakeholders are provided with valuable information on how the Company is managed, policies and procedures are established and objectives and goals are being met while ensuring compliance with regulatory requirements.

2. Corporate Governance

Aligned with the objectives of its Holding Company, SGIN is committed to creating long-term stakeholder value by maintaining high standards of corporate governance and through unwavering commitment in applying and implementing the eight (8) principles set out in the National Code of Corporate Governance for Mauritius (2016) (the "Code") as explained in appropriate sections of the Report.

SGIN enjoys a solid reputation as a well-managed, well-structured, reputable and trusted insurance company holding a General Insurance Business Licence and provides a variety of insurance services for both individuals and corporates, including Motor insurance, Home insurance, Travel insurance, Medical insurance, Directors and Officers Liability, Cyber Insurance, the protection of corporate assets and other products for corporate risk management.

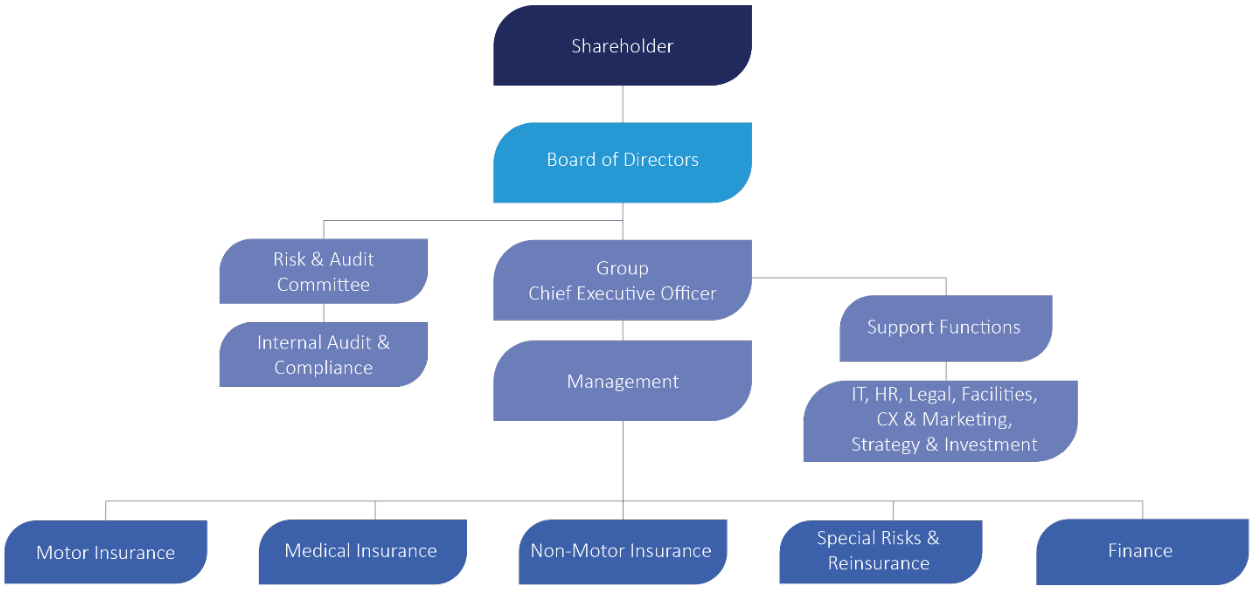
3. SGIN's Governance Framework

SGIN has gained experience and adopted corporate practices in line with SICOM's governance framework over the years.

Corporate Governance Report

3.1. Corporate Governance Infrastructure

This sub-section of the Report explains how SGIN has developed an efficient and compliant governance infrastructure which continues to evolve to ensure that the Board and Management co-exist in a harmonious manner for the progress of the organisation.



Support Functions are provided by SGIN's Holding Company, SICOM. Service-Level Agreements are in place and are reviewed as required.

3.1.1. SGIN's Board Policies

SGIN's main governance documents, which are summarised below, as well as other corporate governance information, are available for consultation on the Group's corporate website (www.sicom.mu). These documents are reviewed on a regular basis. They not only evidence SGIN's compliance with applicable local laws, but also demonstrate the intent to go beyond the adherence to recommendations, best practices and trends in corporate governance, both at a national and international level. During this financial year, SGIN has updated some of its policies, including the adoption of a Code of Ethics for employees and the appointment of an Ethics Officer at the level of the Holding Company.

Corporate Governance Report

3.1. Corporate Governance Infrastructure (continued)

3.1.1. SGIN's Board Policies (continued)

Summary of the Main Governance Documents

Board Charter	The Company's Board Charter sets out the objectives, roles and responsibilities and composition of the Board. The Board Charter is reviewed as and when required.
Code of Ethics for Directors and Code of Ethics and Business Conduct for Employees	The Group's Code of Ethics for Directors and Code of Ethics and Business Conduct for Employees provide the overarching philosophy regarding its corporate values and standards of behaviour.
Corporate Governance Policy for the Group	The Corporate Governance Policy establishes, along with the Company's Charters and other policies, a framework of good governance practices for the Group.
Remuneration Policy for Directors and Senior Executives	The Remuneration Policy for Directors and Senior Executives provides a structured basis for determining the remuneration of Board members and Senior Executives of the Group.

The Company also has in place the following governance documents:

- ✓ Risk and Audit Committee Charter;
- ✓ Position Statements of the Chairperson of the Board, Chairperson of the Risk and Audit Committee, Group Chief Executive Officer (the "Group CEO") and Company Secretary;
- ✓ Director's Orientation and Induction Process;
- ✓ Group's Conflict of Interest and Related Party Transactions Policy;
- ✓ Group's Anti-Harassment and Non-Discriminatory Policy;
- ✓ Group's Whistleblowing Policy; and
- ✓ Group's Equal Opportunity Policy.

3.1. Corporate Governance Infrastructure (continued)

3.1.2. Our Governance Structure

SGIN's Corporate Governance structure has been established in accordance with the provisions of the National Code of Corporate Governance and international practices.

A committed and unitary Board is collectively and ultimately responsible for the oversight, long-term success, reputation and governance of the Company. Though there is delegation of authority in certain areas and clear lines of responsibility, the Board retains ultimate control over the affairs of SGIN.

The Board works towards the achievement of the Company's strategy by providing effective leadership and strategic guidance. Robust risk management and sound internal controls help ensure adherence of the Company to relevant legal and regulatory requirements.

A Risk and Audit Committee has also been set up in accordance with the recommendations of the Code to assist the Board in the discharge of its duties and responsibilities. In fulfilling the role of providing oversight and guidance, the Chairperson of the Risk and Audit Committee escalates all significant matters affecting the affairs and reputation of the Company to the Board.

- **The Chairperson**

The Chairperson of the Board is a Non-Executive Director and is seconded in this pivotal role by Executive, Non-Executive and Independent Non-Executive Directors. She leads the Board and is responsible for ensuring its proper functioning and effective contribution from each Director. She is the spokesperson for the Board.

- **The Group CEO**

The day-to-day operations are entrusted to management under the responsibility of the Group CEO. The Group CEO has the overall responsibility of managing the operations of the Group and implementing the strategies and policies as decided by the Board. Members of Senior Management have clearly defined job descriptions and report to the Group CEO.

The profiles of the Directors are available on pages 19 to 25.

3.1. Corporate Governance Infrastructure (continued)

3.1.2. Our Governance Structure (continued)

- **Company Secretary**

The Company Secretary is responsible for the co-ordination of all Board related businesses, including Board agendas, Board papers, minutes and statutory filings. Appointment and removal of the Company Secretary is subject to Board approval.

DTOS Ltd ("DTOS") acts as the Company Secretary to the Board and the Risk and Audit Committee.

DTOS is a leading corporate service provider, operating in the Mauritian International Financial Centre for the last 30 years. Founded in 1993 and licensed by the Financial Services Commission ("FSC"), this leading corporate service provider offers a comprehensive range of professional services, including corporate secretarial, administration and accounting services.

DTOS has a substantial and diversified client base that includes Fortune 500 multinational Companies, private equity firms, global banking institutions, financial powerhouses, institutional investors, family offices and High-Net-Worth individuals who enjoy a high degree of confidentiality established through Mauritian laws. Headquartered in the Republic of Mauritius with operational offices in the UAE, Kenya and soon in Rwanda, as well as representative offices in China, India and France, this leading regional expert, provides tailor-made solutions to clients in Mauritius and abroad.

The position statements of the Chairperson, Group CEO and Company Secretary are available on the Group's website.

Corporate Governance Report

3.1. Corporate Governance Infrastructure (continued)

3.1.3. SGIN's Board Members

3.1.3.1. Directors in Office

The Directors who held office during this reporting year were:

Independent

1. Yasheel Kumar Aukhojee (Dr)
2. Anandjaye Chummun
3. Chandrek Dussoye
4. Vinod Kumar Koonjoo
5. José Moonien
6. Dharmanand Ramkallawon

Non-Executive

1. Karuna G. Bhoojedhur-Obeegadoo (Chairperson)
2. Chandradeo Dabeea

Executive

1. Nandita Ramdewar (Group CEO)
2. Surendranath Ancharaz

Corporate Governance Report

Profiles of Directors

Karuna G. BHOOJEDHUR-OBEEGADOO

Chairperson

Committee Assignment: Risk and Audit Committee (Member)

Qualifications

- *Fellow of the Institute of Actuaries, UK*
- *BSc (Hons) in Actuarial Science, London School of Economics and Political Science*
- *Fellow of the Mauritius Institute of Directors*

Background

Karuna Bhoojedhur-Obeegadoo was appointed Chairperson of the State Insurance Company of Mauritius Ltd in December 2021 after serving on the Board since 2010. Previously Group Chief Executive Officer of the SICOM Group of Companies until September 2017, she also worked with M&G Reinsurance Company in London (now Swiss Re) and acted as Actuarial Adviser and member of the National Pensions Fund's Investment Committee.

Mrs Bhoojedhur-Obeegadoo is currently a member of the Boards of companies within SICOM Group. She also sits on the Board, Audit Committee and Remuneration, Corporate Governance, Ethics and Sustainability Committee of MCB Group Ltd as well as on the Board of MCB Equity Fund Ltd.

Her past directorships include State Bank of Mauritius Ltd, National Mutual Fund Ltd, First Republic Fund Ltd, Cyber Properties Investment Ltd, Mauritius Housing Company Ltd, National Housing Development Company Ltd, China Index Fund Ltd and China Actis Ltd. She was also a Founding Member of the National Committee on Corporate Governance and Board of Investment.

Profiles of Directors (continued)

Nandita RAMDEWAR

Group CEO & Executive Director

Qualifications

- *Fellow of the Association of Chartered Certified Accountants*
- *Masters in Business Administration – specialisation in Finance, Manchester Business School*
- *Fellow of the Mauritius Institute of Directors*
- *Member of the International Fiscal Association (Mauritius)*

Background

Nandita Ramdewar took up the position of Group CEO in May 2021 after acting as Officer-in-Charge since August 2019. She was appointed to the SICOM General Insurance Ltd Board in December 2020.

She worked for a leading audit firm prior to joining the Group as Manager (Finance) in 1992. She has since held senior management roles in various business units and has served as Company Secretary, Chief Finance Officer and Deputy Group CEO. During her career, she has gained broad experience in insurance, strategy, finance, investments, financial services, corporate matters and other fields.

Mrs Ramdewar currently serves on the Boards of Directors of State Insurance Company of Mauritius Ltd, SICOM Financial Services Ltd, SICOM Global Fund Limited, SICOM Management Limited and National Housing Development Co. Ltd. She is also a past Chairperson of the Private Secondary Schools Authority and has been a Director of the Stock Exchange of Mauritius Ltd and Central Depository and Settlement Co. Ltd.

Corporate Governance Report

Profiles of Directors (continued)

Surendranath (Kiran) ANCHARAZ
Executive Director

Qualifications

- *Executive MBA, IIELM, India*
- *Degree in Economics, Delhi University, India*

Background
With an extensive track record spanning over two decades in the insurance sector, Kiran Ancharaz embarked on his journey with SICOM General Insurance Ltd in 2019. His comprehensive expertise encompasses General Insurance products, Underwriting, Claims, Marketing and more. He uses his proficiency across diverse distribution channels to drive top-line growth and profitability strategies.

At present, Mr Ancharaz holds a pivotal role encompassing the management of SICOM General Insurance Ltd's entire General Insurance Business operations.

Yasheel Kumar AUKHOJEE (Dr)
Independent Director

Qualifications
- *Doctor of Medicine (MD), Nizhny Novgorod State, Medical Academy*

Background
Dr Yasheel Kumar Aukhojee has a decade of experience in the public and private healthcare sectors. After acquiring his medical degree, he returned to Mauritius and joined the public health system. Additionally, he holds qualifications as a ship doctor under STCW Standards of Training, Certification, and Watchkeeping (STCW) endorsement, further broadening his expertise. His professional journey includes valuable stints at Sir Seewoosagur Ramgoolam National (SSRN) and Dr A.G. Jeetoo Hospitals, where he honed his skills and commitment to healthcare accessibility.

Corporate Governance Report

Profiles of Directors (continued)

Yasheel Kumar AUKHOJEE (Dr) (continued)

Dr Aukhojee transformed healthcare delivery by establishing Médecin à Domicile. This pioneering doctor-at-home service has redefined accessibility of medical care and has become a leader in both the residential and corporate segments. His dedication extends beyond medicine to supporting social causes at the grassroots level, enhancing the well-being of citizens, particularly the elderly.

Anandjaye CHUMMUN
Independent Director

Background

Anandjaye Chummun debuted his career in 1979 within the Valuation Division of the Ministry of Finance. His political involvement in 2010 opened doors to new horizons, leading him to assume the position of Advisor to the Minister of Social Security. Additionally, he has chaired the SICOM Foundation, contributing to the organisation's philanthropic initiatives.

Throughout his professional trajectory, Mr Chummun's community commitment shines brightly. He has played pivotal roles, including being the delegate of the Valuation Office Staff Association to the Government Servants' Association. His leadership extends to sports, where he served as the President of the Chamouny Progressive Football Club and Secretary of Savanne Regional Mauritius Football Association. Presently, he holds the position of Vice Chairperson for the Film Classification Board.

Chandradeo (Sanjeev) DABEEA
Non-Executive Director

Qualifications

- *BA (Hons) Business Accounting, University of Lincolnshire & Humberside (UK)*
- *MBA (Financial Management), University of Lincolnshire & Humberside (UK)*
- *Fellow of the Association of Chartered Certified Accountants*

Profiles of Directors (continued)

Chandradeo (Sanjeev) DABEEA (continued)

Background

Sanjeev Dabeea has over 25 years of experience in the field of accounting/finance, auditing and procurement. He started his career in an accounting and auditing firm and has occupied management and Head of Department positions with various private, parastatal and public interest entities. He has been Head of Commercial Department of the State Trading Corporation since August 2020 after serving as Manager/Head of Accounting and Finance of Airports of Mauritius Co. Ltd from June 2009 to August 2020.

Mr Dabeea is registered as a Professional Accountant with the Mauritius Institute of Professional Accountants since January 2007; he is also a member of the Mauritius Institute of Directors since 2010 and of the Institute of Internal Auditors since 2019. He is a past Director of State Property Development Company Limited.

Chandrek (Nitin) DUSSOYE
Independent Director
Committee Assignment: Risk and Audit Committee (Chairperson)

Qualifications

- *BSc (Hons) Business Management, University of Mauritius*
- *Affiliate of Association of Chartered Certified Accountants*

Background

Nitin Dussoye's presence in the financial sector since 2000 resonates with expertise as a Business and Financial Consultant, and a seasoned Financial Analyst. His expertise extends to private equity financing, contributing to a comprehensive financial acumen.

Presently, Mr Dussoye serves as Senior Investment Executive at the State Investment Corporation (SIC) Limited, a role that encapsulates strategic portfolio and investment management. A dynamic professional, he has actively contributed to the realisation of a number of live projects within a fast-paced investment landscape. His experiences span diverse economic sectors, offering a holistic understanding of market dynamics. He also holds directorial roles within the SIC Group and has other key attributions in the implementation of some strategic projects led by the public sector.

Profiles of Directors (continued)

Vinod Kumar KOONJOO
Independent Director
Committee Assignment: Risk and Audit Committee (Member)

Qualifications

- *BSc (Hons) Chemistry, Delhi University, India*

Background

Vinod Kumar Koonjoo multifaceted professional journey has led him through the private and parastatal sectors. Commencing as an educator in 1982, he embarked on diverse roles, including at the Mauritius Institute of Training and Development, where he introduced the pioneering National Dual System of Apprenticeship Training, which has been a cornerstone of the training sector since 1994. From 2002, he championed local handicraft products in Europe through the National Handicraft Promotion Agency.

Mr Koonjoo applied his entrepreneurial spirit to establish a unit for Chemtech Ltd (Medical and Signage products) in Madagascar from 2008 to 2011. In subsequent chapters, he spearheaded marketing and sales of industrial chemicals in East Africa as the Regional Sales Manager for the Harel Mallac Group. His tenure as the CSR Executive at Mont Choisy Group from 2015 to 2020 reflects his dedication to community advancement. Since 2020, he has shared his insights as an Advisor to multiple property development companies.

José MOONIEN
Independent Director
Committee Assignment: Risk and Audit Committee (Member)

Qualifications

- *Bachelor’s Degree in Mathematics, University of Mumbai, India*

Background

José Moonien’s career is marked by contributions across diverse sectors. A former Chairperson of the D’Epinay Village Council and member of the Pamplemousses District Council, he also served as Currency Officer at the State Bank of Mauritius.

Profiles of Directors (continued)

José MOONIEN (continued)

Beyond his financial roles, Mr Moonien's has over two decades of experience as an educator specialising in Mathematics and Additional Maths at the secondary level. His active membership of the Regional Health Advisory Board reaffirms his dedication to the health needs of his area. Furthermore, he is a Director of JKB MOONIEN COMPANY LTD.

Dharmanand RAMKALLAWON

Independent Director

Background

Dharmanand Ramkallawon has served in a number of different roles in various ministries. Commencing his journey in 1991, he spent 16 years in the public service before transitioning in 2007 to the Local Government Service, where he currently occupies the position of Library Clerk at the District Council of Savanne.

Mr Ramkallawon has also acted as a representative of the Association of District Councils, and he is a former Board Member of the National Library.

3.1.4. Other Directorships Held by Members of the Board

DIRECTORS	OTHER DIRECTORSHIPS AND TYPES OF DIRECTORSHIPS	ADDITIONAL CHAIR	Additional Committee Responsibilities
K.G. Bhoojedhur-Obeegadoo	▪ State Insurance Company of Mauritius Ltd, Non-Executive ▪ SICOM Financial Services Ltd, Non-Executive ▪ SICOM Management Limited, Non-Executive ▪ SICOM Global Fund Limited, Non-Executive ▪ MCB Group Limited, Independent ▪ Mauritius Commercial Bank Equity Fund Ltd, Non-Executive	▪ State Insurance Company of Mauritius Ltd ▪ SICOM Management Limited ▪ SICOM Global Fund Limited	▪ **State Insurance Company of Mauritius Ltd** – Corporate Governance, Sustainability and Nomination Committee (Chairperson), Strategy and Investment Committee (Chairperson), Human Resource Committee (Member), Risk Committee (Member) ▪ **SICOM Financial Services Ltd** – Investment Committee (Chairperson) ▪ **MCB Group Ltd** – Audit Committee (Member), Remuneration, Corporate Governance, Ethics and Sustainability Committee (Member)

Corporate Governance Report

3.1.4. Other Directorships Held by Members of the Board (continued)

DIRECTORS	OTHER DIRECTORSHIPS AND TYPES OF DIRECTORSHIPS	ADDITIONAL CHAIR	Additional Committee Responsibilities
N. Ramdewar	▪ State Insurance Company of Mauritius Ltd, Executive ▪ SICOM Financial Services Ltd, Executive ▪ SICOM Management Limited, Executive ▪ SICOM Global Fund Limited, Executive ▪ National Housing Development Co. Ltd, Non-Executive		▪ **State Insurance Company of Mauritius Ltd** – Human Resource Committee (Member), Strategy and Investment Committee (Member) ▪ **SICOM Financial Services Ltd** – Risk Management Committee (Member) ▪ **National Housing Development Co. Ltd** – Risk and Audit Committee (Chairperson, Corporate Governance Committee (Member)
Y.K. Aukhojee (Dr)	▪ Médecin à Domicile Ltd		
A. Chummun	▪ Cads Farm Ltd, Non-Executive		
C. Dabeea	▪ State Insurance Company of Mauritius Ltd, Independent		
C. Dussoye	▪ Morning Light Co. Ltd, Non-Executive ▪ Mauritius Cargo Community Services Ltd, Alternate Director – Non-Executive ▪ Capital Asset Management Ltd, Executive ▪ Beach Casino Ltd, Non-Executive (Chairperson) ▪ Sun Casino Ltd, Non-Executive (Chairperson) ▪ Guibies Holdings Ltd, Non-Executive ▪ Guibies Property Ltd, Non-Executive ▪ Prime Real Estate Ltd, Non-Executive ▪ Compagnie Mauricienne d'Hippodrome Ltée, Non-Executive ▪ Terragen Ltd, Non-Executive ▪ Terragen Management Ltd, Non-Executive ▪ Cargo Handling Corporation Ltd, Non-Executive ▪ SIC Management Services Ltd, Non-Executive ▪ Yihai Investment ltd, Non-Executive	▪ Beach Casino Ltd ▪ Sun Casino Ltd	▪ **Capital Asset Management Ltd** – Risk and Audit Committee (Member) ▪ **Cargo Handling Corporation** – Audit Committee (Member) ▪ **SIC Management Services Ltd** –Audit Committee (Member) ▪ **Morning Light Ltd** – Audit Committee (Member) ▪ **Mauritius Cargo Community Services Ltd** – Audit Committee (Member)
V.K. Koonjoo	▪ SAAV Blue Ltd		
J. Moonien	▪ JKB Moonien Company Ltd, Non-Executive		

3.1.5. The Structure of the Board and its Committees

The other Directors do not hold external directorships

- **Board Size and Composition**

The Board of Directors is a unitary Board composed of ten (10) Directors with eight (8) men and two (2) women representatives. There is a judicious mix of Executive, Non-Executive and Independent Directors. The Board is composed of two (2) Executive Directors, two (2) Non-Executive Directors and six (6) Independent Directors, who are all of Mauritian nationality. There are no alternate directors on the Board of the Company.

The Board is broad-based and consists of individuals from different backgrounds with the right balance of skills, experience and diversity. The Company complies with the statutory number of Directors and has a Board Charter that is reviewed by the Board as and when required. Collectively, the Board is well-structured and of sufficient size to discharge of its duties, in regard to the activities and size of the Company. Overall, the Board is of opinion that the current number of Directors with their mix of knowledge, skills and experience is adequate to effectively discharge of its duties.

The functions and responsibilities of the Chairperson and Group CEO are separate. The Chairperson is a Non-Executive Director and leads the Board with responsibility of ensuring its proper functioning and effective contribution from each Director. The Chairperson discusses and sets the agenda with the Group CEO and Company Secretary. The Group CEO has the overall responsibility of managing the operations of the Group and implementing the strategies and policies as decided by the Board.

The Independent and Non-Executive Directors do not have any involvement in the operations of the Company, which could materially affect their ability to exercise independent judgement. Moreover, none of the appointed Independent Directors were employed by the Company during the past three years.

- **Board Meetings**

In accordance with best governance practices, the Board ensures that regular Board and Committee meetings are held.

3.1.5. The Structure of the Board and its Committees (continued)

Board Meetings are set in advance according to the terms of the Company's Board Charter. The Company held four (4) Board meetings during the reporting year. Additional meetings can be convened to consider urgent matters.

Over and above meetings, some decisions are also taken by circularisation of written resolutions.

- **Board Meetings Process**

Start of the Financial Year	Following consultation with the Group CEO and Chairperson, a tentative calendar is prepared for Board Meetings for the forthcoming financial
Prior to Meetings	Together with the Group CEO and Chairperson, the Company Secretary prepares the agendas. Final agendas are circulated ahead of all meetings to the Directors by the Company Secretary, together with the Board Pack.
Board Meetings	Over and above the co-ordination of all Board meetings, the Company Secretary also prepares and keeps minutes of all meetings.

- **Information Provided to Directors**

The Chairperson, assisted by the Company Secretary, ensures that the Directors are provided with the necessary information, and sufficiently in advance – at least five (5) working days if possible – in order to effectively carry out their responsibilities and adequately prepare for the meetings.

The Company has a process in place whereby Board and Committee papers are shared via a secured online portal.

Directors, in the performance of their duties, may seek, at the Company's expense, outside legal, financial or other professional advice on any matters within their terms of reference. They also have access to members of the Management team for any clarifications on Board matters.

3.2. Board Oversight

3.2.1. The Board of Directors

SGIN's Board has a strategic oversight on the activities of the organisation. Key priorities identified for the next reporting year 2023/2024 are:

- Business Growth and Development
- Customer Focus
- Enhanced Operational Excellence
- Employee Engagement and Development
- ESG matters

The members of the Board and their attendance at Board meetings during the reporting period 2022-2023 were as follows:

Directors	Classification	Board
Number of Meetings Held		4
Directors' attendance during their period of Directorship		
K.G. Bhoojedhur-Obeegadoo (Chairperson)	Non-Executive Director	4 of 4
N. Ramdewar	Executive Director	4 of 4
S. Ancharaz	Executive Director	4 of 4
Y.K. Aukhojee (Dr)	Independent Director	4 of 4
A. Chummun	Independent Director	3 of 4
C. Dabeea	Non-Executive Director	3 of 4
C. Dussoye	Independent Director	4 of 4
V.K. Koonjoo	Independent Director	4 of 4
J. Moonien	Independent Director	4 of 4
D. Ramkallawon	Independent Director	4 of 4

3.2. Board Oversight (continued)

3.2.1. The Board of Directors (continued)

During the reporting year, the Board of SGIN examined, discussed and resolved on the matters which were the focus areas requiring increased Board oversight:

- Corporate Governance matters
- Reappointment of External Auditors
- Approval of Annual Reports, including financial statements
- Approval of annual budgets
- Review of reports from the Risk and Audit Committee
- Overview of business and financial performance of the Company
- Actuarial Valuation Reports
- Compliance matters

3.2.2. Board Committee

In accordance with the recommendations of the Code, a Risk and Audit Committee has been set up to assist the Board in the effective performance of its duties. The Committee comprises members with a wealth of knowledge and experience in fields relevant to the operations of the Company, including insurance, pensions, actuarial, finance and business administration.

The Risk and Audit Committee has its own Charter, approved by the Board, which is published on the website and reviewed as and when required. The responsibilities of the Chairperson of the Board and of the Risk and Audit Committee have been clearly defined in their respective position statements.

Attendance at Committee Meetings

The Directors who served on the Risk and Audit Committee and their attendance at meetings during the financial year 2022/2023 are provided in the following table:

Directors	RAC
	No. of meetings held: 4
C. Dussoye (Chairperson)	4 of 4
K.G. Bhoojedhur-Obeegadoo	4 of 4
V.K. Koonjoo	4 of 4
J. Moonien	4 of 4

3.2. Board Oversight (continued)

3.2.2. Board Committee (continued)

3.2.2.1. Risk and Audit Committee

The Risk and Audit Committee assists the Board in fulfilling its oversight responsibilities related to corporate, accounting, financial reporting practices, quality and integrity of financial reports, compliance, internal controls, risk management and business ethics.

The Risk and Audit Committee consists of one (1) Non-Executive Director and three (3) Independent Directors. During the financial year 2022/2023, the Committee met four (4) times.

The members of the Committee are/were:

Member	Category
C. Dussoye (Chairperson)	Independent Director
K.G. Bhoojedhur-Obeegadoo	Non-Executive Director
V.K. Koonjoo	Independent Director
J. Moonien	Independent Director

- **Key Focus Areas**

During this period, the Risk and Audit Committee discussed and considered the following key areas:
- Review of Annual Report, including the Financial Statements - Recommend the payment of dividends to the Board - Recommend reappointment of External Auditor - Audit Plan for the External Auditor - Internal Audit Plan and Reports - Compliance Plan, MLRO and Compliance Reports - Review Risk Reports and Risk Management Frameworks

3.3. Active Monitoring

This section explains how Board Members are provided with the necessary tools and training so that they can lead the organisation efficiently.

3.3.1. Appointment of Directors

As part of its mandate, the Board carefully considers the needs of the organisation and the following factors when appointing new Directors:

a) Skills, knowledge and expertise
b) Previous experience
c) Balance required on the Board, including but not limited to gender and age
d) Independence (where required)
e) Any conflict of interest

Each Director is elected by a separate shareholder's resolution to hold office until the next Annual Meeting at which he/she may be eligible for re-election.

The Board is allowed to appoint any person as a Director to fill a casual vacancy or the Shareholder can make an addition to the existing Board subject to the number thereof not exceeding ten (10).

3.3.2. The Induction Process

The Company has an induction process for newly appointed Directors. The objective of this process is to ensure that the new Directors are able to rapidly acquire sufficient knowledge of the Company and its internal corporate governance processes.

Upon appointment, Non-Executive Directors are given a letter of appointment, and all new Directors participate in an induction and orientation programme to enable them to acquire sufficient knowledge of the Company's business and familiarise themselves with its governance structure. To that end, all new Directors are provided with an induction pack.

3.3. Active Monitoring (continued)

3.3.2. The Induction Process (continued)

Induction Pack
✓ **An overview of the Company**
✓ **Board Charter**
✓ **Charter of the Risk and Audit Committee**
✓ **Company's AML/CFT Compliance Manual**
✓ **The Code of Ethics for Directors**
✓ **The Insurance Act 2005**
✓ **The Financial Services Act 2007**
✓ **Relevant extracts of the Companies Act 2001**
✓ **The National Code of Corporate Governance for Mauritius (2016)**
✓ **The latest Annual Report**

The Group CEO and Company Secretary are always available to provide any additional information that may be required by newly appointed Directors.

For this reporting period, all new Directors were appointed in compliance with the above process.

3.3.3. Directors' Professional Development

Directors are encouraged to remain updated with industry practices, trends and standards. They may also request for any specific training of interest to them for the fulfilment of their duties.

During the financial year 2022-2023, the Directors received trainings and followed informational sessions. The main topics covered were AML/CFT and update on Finance (Miscellaneous Provisions) Act 2022, review of operations, Own Risk and Solvency Assessment (ORSA), cybersecurity, economy and market outlook, and climate change.

The Company has already identified some areas and topics in which the directors have also shown an interest for the next financial year's training programme.

3.3. Active Monitoring (continued)

3.3.4. Succession Planning

The Board ensures the orderly succession of appointment to the Board and to Senior Executive positions in order to maintain an appropriate balance of knowledge, skills and experience on the Board and within the Company. The Corporate Governance, Sustainability and Nomination Committee, established under the Board of SGIN's Holding Company, has been delegated the task by the Board to consider succession planning for Directors and other Senior Executives, taking account of the challenges and opportunities facing the Company as well as future skills and expertise requirements.

As part of the Company's succession plan, the situation at Board and Senior Management levels is regularly assessed and appropriate action is taken to fill gaps where needed.

Given the complexity and scope of such an exercise, which will require an in-depth review and benchmarking of SICOM's current Employer Value Proposition, the services of a specialised consultant or firm may be warranted.

3.3.5. Directors' Duties, Remuneration and Performance

- **Legal Duties**

All Directors are aware of their legal duties and are required to act in good faith and in the best interest of the Company.

- **Interest Register**

In accordance with the Companies Act 2001, an interest register is maintained by the Company Secretary and is updated as and when required. Directors have a duty to disclose any interest that they have, including any related party transaction. At the end of each financial year, Directors are requested to fill in a disclosure of interest form.

The interest register may be made available to the Shareholder of the Company upon request to the Company Secretary.

For this reporting period, no conflict of interest has been reported.

Details on related-party transactions are available on pages 130 to 131 of the Annual Report under Note 27.

3.3. Active Monitoring (continued)

3.3.5. Directors’ Duties, Remuneration and Performance (continued)

- **Information, Information Technology and Information Security Governance**

The Group recognises the paramount importance of ensuring the confidentiality, integrity and availability of information. In response to the escalating cybersecurity threats witnessed globally, we have made continuous investment in technology to enhance our operational resilience. Our commitment to upholding a robust security posture has driven us to actively seek and implement advanced security solutions to effectively counter evolving threats.

We have established comprehensive information policies that encompass various spheres associated with information security, including information systems, logical and physical access administration and information transmission. These policies are regularly updated to reflect current requirements and best practices adopted by the Group. To ensure widespread accessibility, we have made these policies and related procedures readily available to all staff members through our intranet platform.

To further strengthen our security posture, we have undertaken a comprehensive cyber maturity reassessment to review and implement additional controls in order to enhance our security readiness. By doing so, we have significantly improved our ability to detect and mitigate potential security risks, thereby bolstering our overall security resilience.

In parallel, we have recognised the criticality of promoting a culture of cybersecurity awareness among our staff members. To this end, we have hosted dedicated awareness sessions to equip our employees with the necessary knowledge and vigilance to identify and address potential security threats. By fostering a security-conscious environment, we enhance our collective ability to safeguard our information assets effectively.

- **Assessment and Evaluation of Board Members**

The Company is committed to developing its corporate governance by adopting the best practices applicable to the industry. As was the case in previous years, an evaluation of the effectiveness of the Board, its Committee as well as its individual Directors and the Chairperson was conducted during this financial year. The Board assessed its functioning, quality and efficiency of its work and that of its Committee.

3.3. Active Monitoring (continued)

3.3.5 Directors' Duties, Remuneration and Performance (continued)

- **Assessment and Evaluation of Board Members (continued)**

During the assessment, the Directors showed satisfaction as regards the functioning and effectiveness of the Board and its Committee, as well as the role played by the Chairperson and Group CEO. Necessary steps are being taken to tackle the main areas identified for improvement.

The assessment exercise for individual Directors was led by the Company's Chairperson using a comprehensive questionnaire and individual conversation with them.

- **Remuneration**

The Company's underlying remuneration philosophy is to set the appropriate level of remuneration to be able to attract, motivate and retain its personnel and Directors, giving due consideration, as applicable, to laws, guidelines, market rates, views of the Shareholder as well as the Group's strategies and long-term objectives.

The remuneration of the Company's personnel, including Executive Directors, is covered under the Salary Review which is conducted every 3 years by an independent Salary Commissioner, and the remuneration of Non-Executive Directors is approved by the Shareholder at the Annual Meeting.

The Company has a Board-approved Remuneration Policy.

The two Executive Directors did not receive any emoluments from the Company. Non-Executive Directors have not received remuneration in the form of options or bonuses associated with organisational performance. The Company does not have any long-term incentive plans in place. Further details on Directors' remuneration are available on page 132 of the Annual Report under section 221 of the Companies' Act 2001.

3.3. Active Monitoring (continued)

3.3.5. Directors' Duties, Remuneration and Performance (continued)

- **Reporting with Integrity**

SGIN is part of the SICOM Group, which is a reliable and well-diversified financial services company that is committed to facilitating the economic growth of Mauritius. This is achieved by advocating for its customers' interests while also recognising the importance of sustainability in its strategy and operations. The Group invests customers' funds responsibly and focuses on continuous engagement with all stakeholders to attain service excellence.

As a responsible insurer, SICOM Group acknowledges that its success is not only measured by its financial performance but also the good functioning of the economic, social, and environmental systems within which it operates. Therefore, the Group has taken initiatives in areas such as education, forestation and going green to shift to a socially inclusive, low carbon and resource-efficient growth path.

During the financial year 2022-2023, SICOM Group has reinforced its commitment to sustainability by becoming a signatory to the local network SigneNatir and global networks UN Global Compact and UN Principles of Responsible Investment to have a well-defined sustainability pathway. Projects and initiatives undertaken cover the areas of education (UNSDG 4 – Quality education), forestation (UNSDG 13 – Climate Action) and going green (UNSDG 12 – Responsible consumption and production). Additionally, the Group has an enhanced section on how it engages with stakeholders throughout the year, which is available on pages 44 to 46 in this report.

The Annual Report of SGIN can be accessed on the Group's website at https://www.sicom.mu/en/about/about-sicom

- **Health and Safety**

SICOM Group places a strong emphasis on health and safety, and continuously strives to enhance a positive safety culture. The Group's business plan includes mandatory safety objectives, which are integrated into the daily routine across all business locations. The Company incorporates industry best practices to effectively control risks and prevent accidents in the workplace.

3.3. Active Monitoring (continued)

3.3.5. Directors' Duties, Remuneration and Performance (continued)

In 2022/2023, SICOM Group has taken several measures to encourage further health and safety implementation. These measures include ongoing enhancement of hygiene measures, regular workplace safety checks, training of first aiders over several sessions during the year and fire drills.

- **Donations**

The Company did not make any political donations during the financial year 2022/2023.

3.4. At the Core: Risk and Culture

3.4.1. Board Opinion

The Board is of the opinion that the Company's risk management processes and systems of internal controls are effective.

3.4.2. Risk Management

Effective risk management is a vital component of sound corporate governance, enabling us to safeguard stakeholders' interests, protect assets and ensure the long-term sustainability of the Company. The Board has ultimate responsibility for risk management and internal control including:

- setting up a risk management framework;
- overseeing its implementation and subsequent monitoring;
- determining the risk culture;
- providing Management with leadership and guidance;
- ensuring that any person responsible for risk management has the appropriate skills, knowledge, independence and authority; and
- defining the roles and responsibilities of Management.

3.4. At the Core: Risk and Culture (continued)

3.4.2. Risk Management (continued)

The Risk and Audit Committee is mandated by the Board to oversee all risk management and internal control issues. The task of maintaining a sound system of risk management has been delegated to Senior Management and the Risk Officer. Internal governance structures include a Risk Management function that complies with legislative requirements as specified by the Insurance (Risk Management) Rules 2016.

The Risk Officer has a duty to report to the Board. Independent reviews are also conducted by the External Auditor and Statutory Actuary on compliance and effectiveness of the risk management framework respectively. The Company has an obligation to report to the Regulator.

The comprehensive Risk Management Report is available on pages 50 to 68.

3.4.3. Internal Controls

The system of internal controls has been designed to prevent, detect and mitigate significant risks faced by the Company. Such a system provides reasonable assurance against material error, omission, misstatement or loss, and manages risks of failure in operational systems.

The Company maintains proper records to ensure effective operation of its business and compliance with laws and regulations.

Management is responsible for managing all of the Company's activities, including implementation of the strategies and policies adopted by the Board, and the operation of the internal control system.

Internal control covers all material processes of the Company. Key areas of effective internal controls are as follows:

a) a clear organisation structure, including the delegation of appropriate responsibilities to the Board Committee, the Group CEO and Senior Management;
b) reports of the Manager – Internal Audit, Statutory Actuary and External Auditor are considered when assessing the effectiveness of internal controls;

3.4. At the Core: Risk and Culture (continued)

3.4.3. Internal Controls (continued)

c) a comprehensive management information and accounting system is in place to provide reliable financial and operational performance data;

d) a Compliance function is in place under the leadership of the Money Laundering Reporting Officer, and relevant policies and procedures have been established to ensure compliance with applicable laws, regulations, codes and guidelines; and

e) Management has put in place appropriate financial and operational controls by way of segregation of duties and financial/monetary limits.

Risks and controls are reviewed and monitored regularly for relevance and effectiveness. The Internal Audit function interacts with the Risk Management function on the main risks in the Risk Register and associated reviews are considered in their Audit Plan to assess the effectiveness of controls to mitigate such risks.

The Board, through the Risk and Audit Committee and Senior Management, is regularly apprised of such assessments. Deficiencies, if any, are promptly considered by Management, and remedial actions taken and/or action plans devised to address the weaknesses. Both the Internal and External Auditors have access to the Risk and Audit Committee.

3.4.4. Audit

- **Directors' Responsibilities**

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in compliance with the requirements of the Companies Act 2001, the Insurance Act 2005 and the Financial Reporting Act 2004, and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

3.4. At the Core: Risk and Culture (continued)

3.4.4. Audit (continued)

- **Internal Audit**

The Internal Audit function has the overall responsibility of providing independent and objective assurance and consulting activity designed to add value and improve the Company's operations. The scope of work of the Internal Audit function is to enable the Company to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its risk management, control, information systems and governance processes.

The Internal Audit function is composed of four (4) members and is headed by the Manager – Internal Audit. It derives its authority from the Board and is responsible for providing assurance to the Board regarding the implementation, operation and effectiveness of internal controls and risk management practices. The Manager – Internal Audit has direct access to the Chairperson of the Risk and Audit Committee and reports directly to the Committee. As and when required, the Risk and Audit Committee meets solely with the Manager – Internal Audit to discuss important issues or matters of concern. The Manager – Internal Audit has unfettered access to all records and to employees and Management of the Company.

The Internal Audit function is adequately staffed and the members have the necessary qualifications, appropriate tools and experience to perform their duties and responsibilities. The team has been reinforced with a new recruitment during the year. The function is also committed to continuous improvement by ensuring training in relevant fields and ongoing professional development for its members. During the financial year ended 30 June 2023, members of the Internal Audit function have had the opportunity to attend several workshops including:

1) AML/CFT risk assessment;
2) transforming the way Internal Audit operates within an organisation; and
3) a cybersecurity workshop.

The profile of the Manager – Internal Audit is available on the Group's website. He is a Fellow Member of the Association of Chartered Certified Accountants.

3.4. At the Core: Risk and Culture (continued)

3.4.4. Audit (continued)

- **Internal Audit (continued)**

The annual Internal Audit Plan, which is approved by the Risk and Audit Committee, is based on the principles of risk management and aims at ensuring that the scope of work is aligned with the degree of risks attributable to the areas to be audited. The internal audit approach and methodology are designed to provide reasonable assurance by focusing on:

- significant business risks, both internal and external, that can impact business processes;
- key controls and measures in place that are aligned with customers' needs and key business objectives;
- continuous improvement of existing processes and information systems to bring performance closer to best practices; and
- regulatory and legal provisions (*e.g.* AML/CFT framework, guidelines from regulators, amendments in Finance Act, etc.).

Ad hoc internal audit inspections are also conducted for the purpose of identifying areas for process improvement.

During the financial year 2022-2023, two (2) planned internal audit reviews were carried out and covered the following areas:

- Monitoring Procedures and Recovery Mechanisms for Premium Arrears
- Claims Assessment, Admittance and Monitoring for Motor and Non-Motor Businesses

In addition, two (2) ad hoc audit inspections were carried out at the Flacq and Trianon Branches respectively.

Subsequent to the findings of these audits, appropriate recommendations were made to the Risk and Audit Committee and Management to address the issues noted. The Risk and Audit Committee regularly monitors the achievements of the Internal Audit function and Management's responsiveness to the recommendations made based on set target dates.

The Risk and Audit Committee monitors and reviews the effectiveness of the Internal Audit function in the context of the Company's overall risk management framework.

3.4. At the Core: Risk and Culture (continued)

3.4.4. Audit (continued)

- **External Audit**

The Board recommended the appointment of Deloitte as the External Auditor of the Group for the financial years 2021-2025 following a tender exercise. Section 200 of the Companies Act 2001 provides for the automatic reappointment of auditors applicable for this financial year. As per the Company's policy, the rotation of External Auditors is done at least every five (5) years.

The roles and responsibilities of the Risk and Audit Committee in the external audit process are set out in the Risk and Audit Committee Charter.

All findings raised during audits by the External Auditor are discussed and submitted to the Risk and Audit Committee and Board as part of their presentation on the year-end audit. The implementation of the recommendations made by the External Auditor in their Management Letter are followed up by the Internal Audit function as per set target dates and status reports are submitted to the Risk and Audit Committee for consideration and to the Board for information.

The provision of non-audit services is subject to a tender process so as to ensure that the nature of the non-audit services, if provided by the External Auditor, does not impair their independence on the external audit exercise.

The External Auditor's fees and fees for other services were as follows:

	Company	
	2023	2022
	Rs '000	Rs '000
Statutory audit	1,401	1,334
Review of tax computation	123	117
Other services*	228	217

***** *Other services for 2022 and 2023 relate mainly to report as per the Insurance (Risk Management) Rules 2016.*

Corporate Governance Report

3.5. Relations with our Shareholder and Other Key Stakeholders

The Group's commitment extends to addressing all material matters impacting stakeholders across the businesses, ensuring that it is accessible through its various engagement platforms. It is of utmost importance to manage stakeholder relations and to observe effective industry and international governance practices in managing and responding to the requirements and views of the Group's stakeholders.

WHY ARE THESE STAKEHOLDERS IMPORTANT TO US?	WHAT ARE THEIR CONCERNS/ INTERESTS?	HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS IN 2022-2023?	CHANNELS USED TO ENGAGE OUR STAKEHOLDERS
Customers (Individual and Corporate) **Our customers generate revenue through the purchase of our products and services. We offer them quality advice and fairly priced products to help meet their needs and achieve their financial goals.**	• Omnichannel experience and ease of use • Responsible and appropriate advice • Fast and efficient customer service • Innovative and flexible product solutions • Relief in times of significant financial difficulty • Access to quality services	• Launched new products and initiatives to enhance our customer proposition • Provided value-for-money financial solutions to our customers in a responsible way • Use of robotics to simplify our processes, giving back time to customers through reduction in servicing and processing time • Call centre services for greater availability • Enhanced digital platform channels to drive digital engagement • New bancassurance partnerships to connect and serve customers	• Traditional distribution • channels (including branches • and worksites) • Mobile App • Customer portal • Customer satisfaction • surveys • Online Sales Platform • Media channels • Annual Report • E-mails
Shareholder **Our sole shareholder provides for our financial capital so that our businesses can compete in their chosen markets and support sustainable growth.**	• Strong governance, ethics and transparency • Long-term sustainable financial returns and distributions • Clear strategic direction and consistency in operational execution • Experienced management team • Transparent reporting and disclosures • Strong financial control environment, including corporate governance and ethics frameworks	• Strong delivery on our operational objectives • Strategy Validation Exercise • Maintained transparent reporting and disclosures in line with our reporting standards and internal policies and procedures • Frequent updates to the Board about major projects	• Annual Meeting • Annual Report • Website • Customer portal • Digital tools • Media channels

3.5. Relations with our Shareholder and Other Key Stakeholders (continued)

WHY ARE THESE STAKEHOLDERS IMPORTANT TO US?	WHAT ARE THEIR CONCERNS/ INTERESTS?	HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS IN 2022-2023?	CHANNELS USED TO ENGAGE OUR STAKEHOLDERS
Employees **Our people are our greatest competitive advantage and their welfare is our highest priority.** **We rely on our highly motivated and engaged employees to put our customers first in everything they do and to act as brand custodians, enabling us to execute on our strategic priorities and generate long-term value for our investors.**	• Competitive reward structures and benefits • Career growth and development opportunities • An inclusive culture that is safe and enabling • Addressing health and overall wellness • Flexibility – work/life balance	• Benchmarked rewards to industry and linked to business performance and outcomes • Learning culture and continued professional development are encouraged by way of various schemes to motivate employees to pursue their self-development. • Invested in various employee skills development and mentorship initiatives, including technical courses • Various communication channels e.g. SMS and • Intranet • Conducted wellness initiatives • Participated in Great Place To Work	• Communication via intranet, • Creation of a Learning Zone • Internal communication • Annual Report • Salary review • Performance bonus • Townhall meetings
Intermediaries **They serve as a crucial link between our customers and us. By establishing relationships with new customers, providing appropriate advice based on their needs, and providing a service to them through a combination of face-to-face and digital channels, they optimise and enhance the customer experience. They play a vital role in attracting new business and in retaining existing customers.**	• Ease of doing business • Digital capabilities that enable engagement sales, and servicing • Product sales and regulatory training • Fair incentives that reward efforts • Association with a brand that delivers on its promises • Innovative products that suit customer needs	• Improved our digital servicing capabilities, such as tracking tools, and sales and servicing platforms, to drive ease of use of our digital solutions • Provided ongoing training to improve the experience of our intermediaries • Set up trainings on new products • Created a dedicated sales unit to serve intermediaries • Timely processing of commissions • Developed sustainable relationships • Digitalised service between SICOM and Intermediaries for General Insurance	• Branches and worksites • Digital tools • Annual Report • Salesmen Awards ceremony
Business partners (Reinsurers, Valuers, Car Dealers, Legal Advisors, Consultants, Suppliers)	• Fair payment practices • Compliance with the terms of Service Level Agreements • Fair tender process • Supplier relationship management • Adapting to their needs and expectations	• Timely payment to suppliers and other business partners, such as consultants • Developed sustainable relationships • Worked as a team with a common goal • Timely communication and consultation	• Digital tools • Email, phone communications, letters • Regular meetings • Annual Report

3.5 Relations with our Shareholder and Other Key Stakeholders (continued)

WHY ARE THESE STAKEHOLDERS IMPORTANT TO US?	WHAT ARE THEIR CONCERNS/ INTERESTS?	HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS IN 2022-2023?	CHANNELS USED TO ENGAGE OUR STAKEHOLDERS
Government and Regulators	• Good governance • Compliance with regulations • Proactively engagement with regulators • Responsible development of insurance sector • Effectiveness of the control functions	• Monitored our solvency capital at levels above regulatory requirements • Stringent risk management and controls systems and regular self-assessment for Actuarial, Risk and the Compliance functions • Focused on dealing with future pandemics as part of business as usual, with Management taking the requisite steps to risk-proof the business • Complied with new laws and created Organisation-wide awareness	• Direct communication including submissions of required reports and returns, attendance at solicited meetings and training updates on attending to complaints and queries
Community **We recognise the interdependencewith the communities we serve. We go beyond our operations and focus on contributing to socio-economic development that is impactful and sustainable to uplift our communities.**	• Financial education and inclusion • Access to supplier development opportunities • Skills development and employment opportunities • Education support	• Supported CSR projects • Trainees periodically onboarded for short-term training within the organisation • Supported the communities through various initiatives, such as sponsorships related to education, road safety, health, environment embellishment, skills development initiatives, etc.	• Media channels • Annual Report • Community projects and campaigns
Environment	• Sustainable initiatives • Engaging sustainability conscious partners • Applying best ESG practices	• Signatory to UN-PRI, UN Global Compact and SigneNatir	• Meeting with relevant environmental projects stakeholders • Sustainablity sections in the Annual Report • Social media channels

3.5. Relations with our Shareholder and Other Key Stakeholders (continued)

- **Shareholder's Diary**

Details	Date
Financial year-end	30 June 2023
Audited Financial Statements (year ended 30 June 2023)	September 2023
Statutory Returns to FSC	September 2023
Annual Meeting	October 2023

- **Shareholder Communication**

The Company holds an Annual Meeting of Shareholder with prior notice (in line with the provisions of the Companies Act 2001) and the latter is required to express its vote on matters which include the approval of accounts, approval of dividends and appointment/reappointment of Directors.

- **Dividend Policy**

The Company's objective is to provide value to its Shareholder through an optimum return on equity. When determining the appropriateness of a dividend, we consider the profit after taxation, technical provisions and appropriations to statutory and other reserves for ongoing operational activities as well as the Group's strategy. No dividend has been proposed for the current financial year ended 30 June 2023 (2022: Rs. 51,713,388 (Rs. 206.85 per share)).

Corporate Governance Report

Statement of Compliance

[Section 75(3) of the Financial Reporting Act 2004]

Name of Public Interest Entity ("PIE"): SICOM General Insurance Ltd

Reporting Period: Year ended 30 June 2023

On behalf of the Board of Directors of SICOM General Insurance Ltd (the Company), we confirm that, to the best of our knowledge, the Company has complied with all of its obligations and requirements under the National Code of Corporate Governance for Mauritius.

K.G. BHOOJEDHUR-OBEEGADOO	C. DUSSOYE
Chairperson	**Director**

Date: 18 September 2023

Secretary's Certificate

We certify to the best of our knowledge and belief that for the year ended 30 June 2023, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Companies Act 2001.

DTOS Ltd
Company Secretary
SICOM General Insurance Ltd

Date: 18 September 2023

Risk Management Report

The forces that hindered growth in 2022 persist this year, with inflation eroding household purchasing power, and policy tightening and tighter lending standards by central banks raising cost of borrowing, curtailing the supply of credit and constraining economic activity. The volatile macroeconomic landscape will continue to pose challenges for the financial services industry, but there are also areas of potential growth. This year, the global insurance sector is under pressure due to high inflation, increasing interest rates, losses from natural catastrophes and volatility in financial markets. As a response, we anticipate a resurgence in rate hardening. This means that insurance rates are expected to rise in order to mitigate the risks associated with current economic conditions.

Simultaneously, fostering a sustainable world is crucial for long-term competitiveness, creating an optimal environment for teams to thrive and promoting the development of a corporate risk culture aligned with sustainable goals. By integrating sustainability into our business practices, we contribute to a better future while enhancing our ability to navigate risks and seize opportunities. This approach also lays the groundwork for long-term rewards for our shareholders, as sustainable companies are more likely to attract investment and generate sustainable returns.

Our objective is to minimise risks across the Group, recognising that finding a balance between risk and reward is not a new concept. However, in today's complex and interconnected business landscape, companies can no longer afford to approach risk management in isolation. We view enterprise risk management from both a holistic, big-picture perspective and a detailed view of the Group. This allows us to identify and assess risks across various dimensions, including operational, financial, strategic and reputational risks.

Every employee bears the responsibility of identifying risks and contributing to the Risk Management Process (“RMP”). By fostering a culture of awareness and accountability, we empower our teams to proactively identify potential risks and implement appropriate mitigation measures. Adopting a comprehensive approach to risk management not only safeguards our business but also enhances the resilience and adaptability of our operations in the face of uncertainties and challenges. This heightened consciousness of risk permeates our business operations, ensuring that risk management becomes an integral part of our organisational DNA. While 2022 was marked by significant post-COVID-19 growth, 2023 was characterised by the aftereffects of the rebound, including supply chain constraints, substantial price increases and the ongoing impact of the war in Ukraine.

Risk Management Report

These factors contributed to the strongest interest rate upcycle witnessed in decades, aimed at combatting the rise in inflation both on a global scale and specifically in Mauritius. The depreciation of the Mauritian rupee, coupled with inflationary pressures driven by higher energy and food prices, continued to pose threats to economic revival following the pandemic. However, despite these challenges, the overall COVID-19 recovery surpassed expectations.

The prevailing economic conditions had a direct impact on customer spending, as lower disposable incomes limited the affordability of insurance and savings products. As a result, reduced customer spending became a significant factor in the market, influencing purchasing behaviour and demand for financial services.

While the global economy is displaying signs of improvement, the upturn remains fragile with notable downside risks. A primary concern is the current level of inflation, which represents a clear risk to both present and future macroeconomic stability. Addressing and bringing inflation back to Central Bank targets should be the top priority for policymakers in order to safeguard economic stability and mitigate the potential negative impacts on various sectors.

The general insurance industry has experienced growth recovering from the COVID-19 pandemic. As businesses resume operations and consumers regain confidence, the demand for insurance coverage has rebounded. Additionally, growth in emerging markets could contribute significantly to the sector's expansion as more individuals and businesses seek protection against various risks.

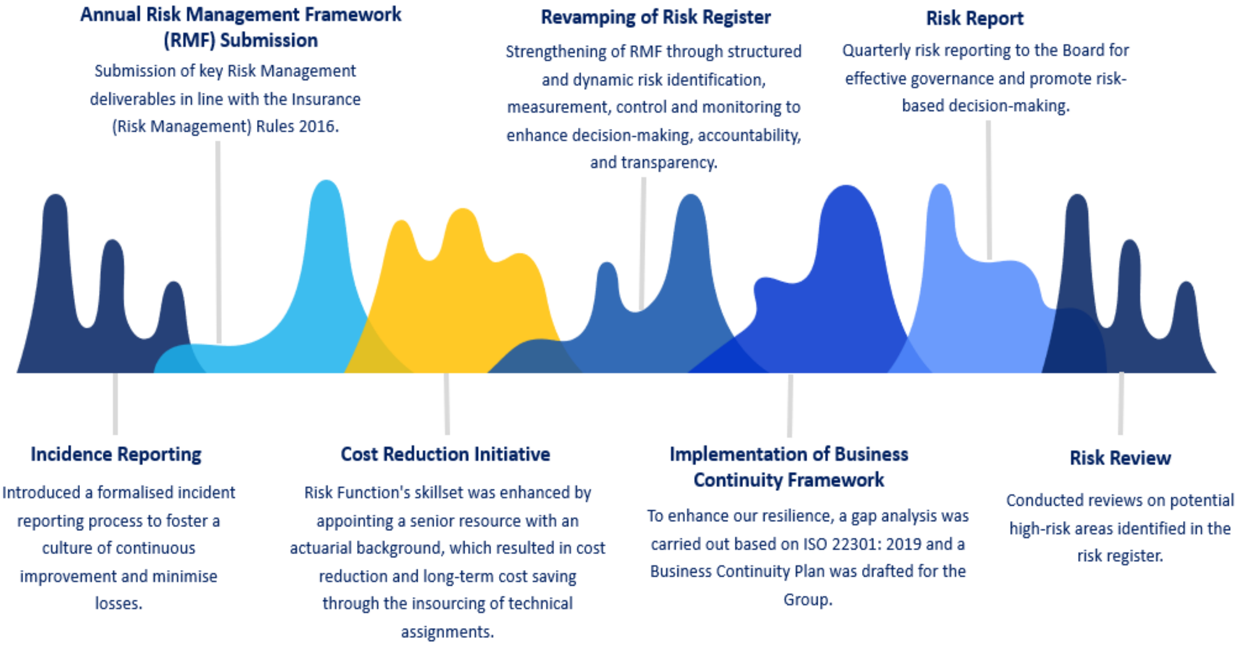
However, it is crucial to acknowledge that the short-term insurance business is facing substantial challenges with a high rate of motor accidents and huge claim payouts. Furthermore, geopolitical tensions such as the war in Ukraine, as well as concerns related to inflation, rising interest rates, supply chain disruptions, the potential for regional or global recession, the heightened cyber risk landscape and intensifying competition have hit hard the bottom line of the revenue accounts.

To conclude, the general insurance industry will continue to evolve in response to economic recovery, technological advances and changing consumer behaviours. To remain competitive and meet the expectations of consumers and regulators, insurers must embrace digital transformation, prioritise ESG considerations and adapt their offerings to address emerging risks. Collaboration with insurance technology startups, proactive risk management and customer-centric approaches will be key to success in this dynamic and rapidly evolving market.

Risk Management Report

What We Achieved

Our achievements in risk management can be explained by several key factors. We have established a strong framework for identifying, assessing and prioritising risks across all areas of our operations. This systematic approach has allowed us to proactively anticipate potential hazards and develop appropriate mitigation plans well in advance.



Reflecting on our Risk Strategy and Road Map

In the upcoming year, we will primarily emphasise a number of significant initiatives aimed at enhancing our control framework and bolstering SGIN's resilience relating to projects such as implementation of the Business Continuity Management ("BCM") framework to avoid and mitigate risks associated with disruptions.

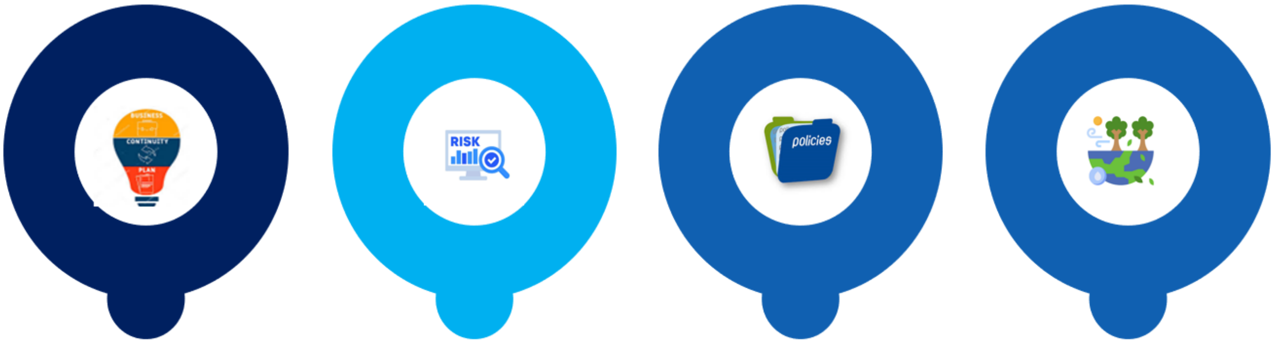
We will also conduct regular assessments on high-risk areas to evaluate the effectiveness and suitability of existing control measures.

Moreover, we will focus on the implementation of additional risk management policies to provide guidance to achieve corporate objectives and ensure staff protection and financial stability.

Finally, climate change risk assessment will be performed for short-term businesses to identify potential vulnerabilities and implement adaptive measures to mitigate the impact on their operations of extreme weather events and changing environmental conditions.

Risk Management Report

Reflecting on our Risk Strategy and Road Map (continued)



Business Continuity Management Framework

- Full implementation of the BCM Framework.

Risk Assessment

- Conduct more frequent and rigorous reviews on potential high-risk areas.

Implementation of Policies

- Enhancement of RMF through the drafting of additional policies for key risks.

Climate Change Risk Impact Assessment

- Conduct risk assessment for short term business and manage associated risks.

Managing Risk in Line with our Strategy

Our Management team, with oversight from the Board and the Risk and Audit Committee, is responsible for developing our strategy. Our strategic planning process aims to ensure we have set clear objectives and targets, and identified the actions needed to deliver them, including the management of risks arising from the strategic plan. A key aspect of any effective strategic planning process is to understand and manage those risks appropriately. To achieve this, the Risk function works closely with Management to help identify and assess risks through setting and achieving targets as well as reviewing and challenging business plans in the strategic planning process. The Company's risk strategy supports business decision-making through the proactive identification, assessment and management of risks.

Our ERM Framework

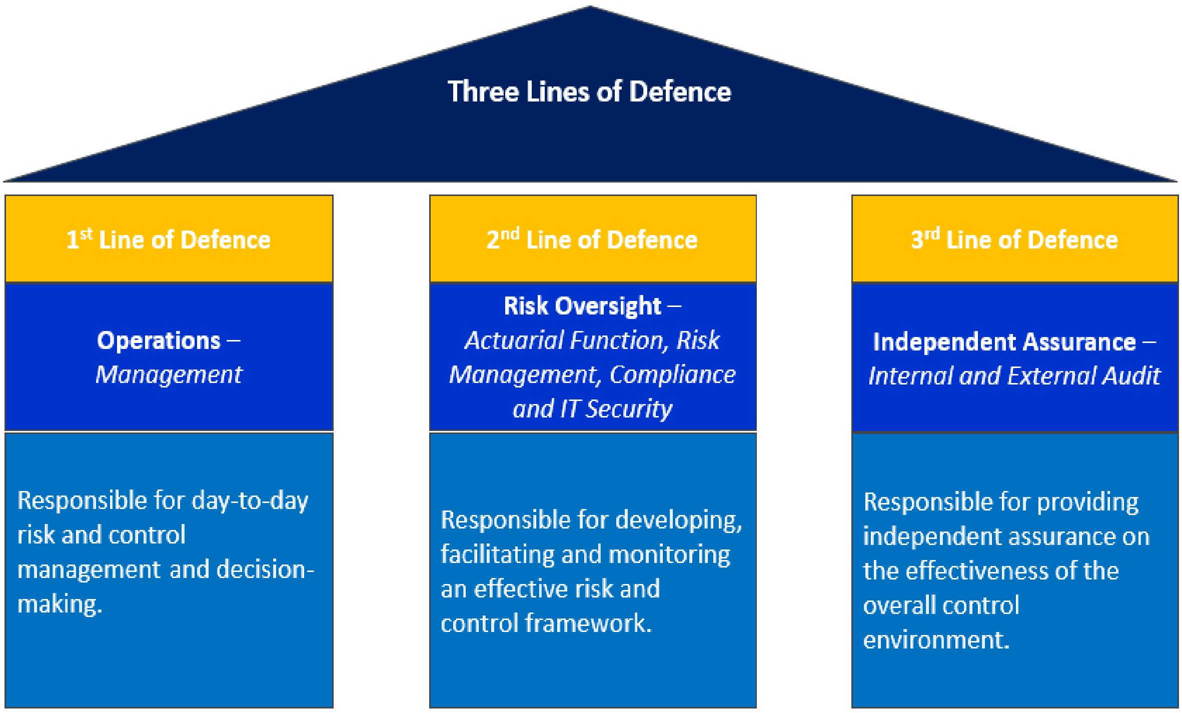
The Enterprise Risk Management ("ERM") Framework sets out, at a high level, the Company's approach to setting the risk strategy and managing risks threatening the strategic objectives and day-to-day business operations. The Risk Management Framework is designed to manage the Company's risk proactively and enable dynamic risk-based decision-making. Aligned with the Three Lines of Defence model, the Risk Management Framework articulates the high-level principles and practices needed to achieve appropriate risk management standards; it also demonstrates the inter-relationships between components of the Risk Management Framework. Within this, the RMP is a key element in the development and ongoing maintenance of the Company's risk profile. The objective of the process is to identify, assess, manage, monitor and report on the risks to which the Company is exposed.

Risk Management Report

Our Risk Governance Framework

The Risk function has led significant cultural change to drive ownership of risks across the Group.

SGIN has a strong risk culture, and a mature and embedded ERM Framework with clear accountabilities and risk ownership designed to ensure that we identify, manage, mitigate and report on all key risks and controls through the Three Lines of Defence model:



Regulatory Requirements

The Insurance (Risk Management) Rules 2016 (the "Rules") issued by the Financial Services Commission ("FSC") require insurers registered under the Insurance Act 2005 to establish and at all times maintain a Risk Management Framework. The aim is to effectively develop and implement strategies, policies, procedures and controls to manage their material risks. Insurers need to have in place a number of Board-approved elements as part of their ERM Framework:

Risk Management Report

Regulatory Requirements (continued)

Our Risk Management Process

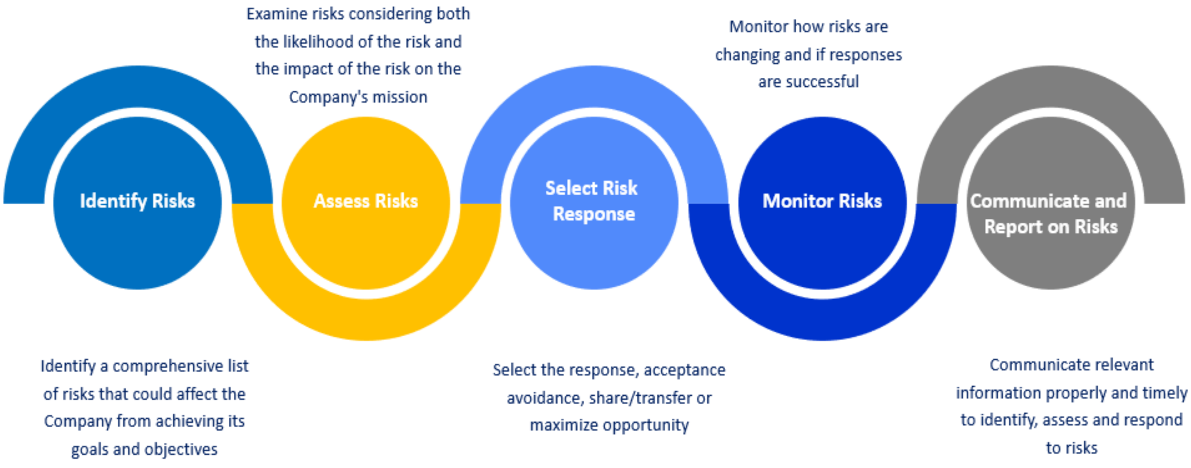
Our business thrives and creates long-term value for all stakeholders with the aid of a robust risk management system. Our ongoing RMP involves vigilant monitoring of both internal and external factors, enabling us to promptly identify and mitigate potential risks. By aligning with our risk appetite, we effectively achieve our business plans and accomplish our strategic objectives.

The RMP is the cornerstone of any ERM framework and is formalised in a Risk Register. Below is a depiction of the ERM processes embedded within day-to-day operations to manage the Company's risk exposure.

The risks are identified and classified in a consistent manner across the Company with reference to the Company's Risk Taxonomy. The inherent risks that are identified are then assessed in terms of their probability of occurrence, their financial, operational, regulatory as well as reputational impact. A corresponding rating is given for the residual risk along with a control description of how each risk identified is being mitigated, together with improvement plans. The monitoring frequency of risks differs and is stipulated in the Risk Register.

SGIN has a list of key risks it is willing to take or tolerate in pursuing its strategic objectives and business plans. The Company regularly measures and quantifies material risks to which it is exposed, using financial and non-financial metrics.

Our Risk Management Process (continued)



Our Risk Appetite

Our risk appetite statements define the opportunities and associated level of risk the Company is prepared to accept to achieve its business objectives. The statements are used to drive risk-aware decision-making by key business stakeholders.

Our risk appetite statements are documented and include:

- monitoring whether the business remains within its risk appetite, among other information, using key risk indicators;
- deriving the key risk indicators from the risk appetite statements to drive and monitor risk-aware decision-making; and
- both qualitative and quantitative risk statements which are forward and backward-looking.

We review our risk appetite statements and key risk indicators annually for submission to the FSC.

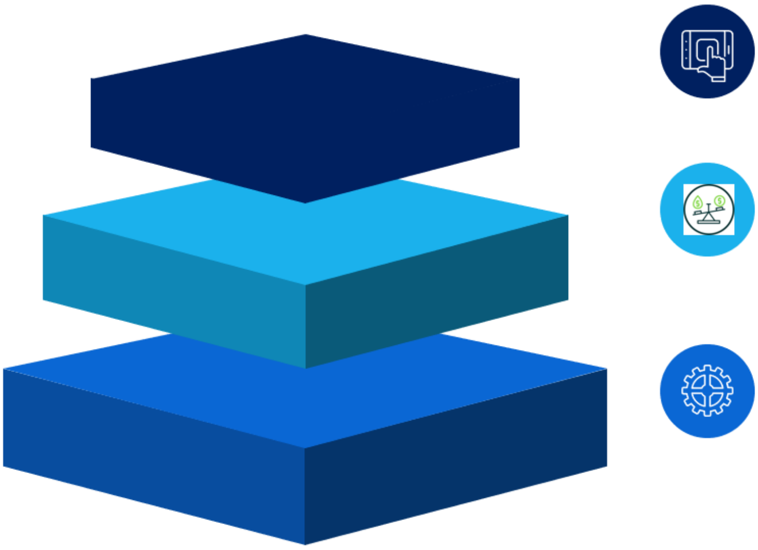
Overarching Risk Objective

The Company recognises that its long-term sustainability is dependent on having sufficient economic capital to meet its liabilities as they fall due, thus protecting its reputation and the integrity of its relationship with policyholders and other stakeholders.

Risk Management Report

Overarching Risk Objective (continued)

Our strategic objectives are:



Maintain Capital Adequacy

The Company seeks to maintain its solvency margin above the Minimum Capital Requirement (MCR) in line with the Insurance Rules 2007.

Stable/efficient access to Funding & Liquidity

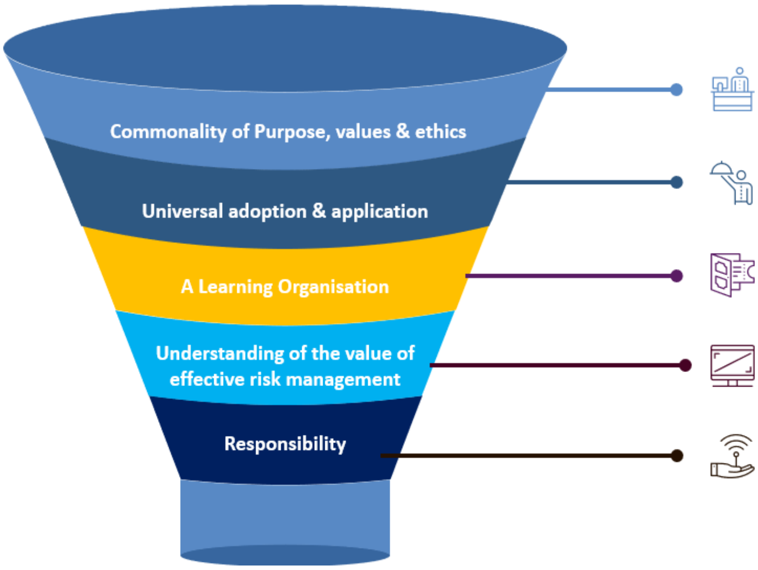
The Company aims to meet both planned & unexpected cash outflow requirements, including those requirements that arise following stress scenarios testing performed on events which could occur.

Maintain stakeholder confidence

The Company has no appetite for material risks resulting in reputational damage, regulatory or legal censure, poor customer outcomes, fines or prosecutions and other types of non-budgeted operational risk losses associated with the Group's conduct and activities. The Company will maintain a robust and proportionate internal control environment.

Our Risk Culture

SGIN has a robust and pervasive risk culture to ensure that its employees are trained to make appropriate risk-based decisions. SGIN's risk-intelligent culture is illustrated below:



Employees' individual interests, values, and ethics are aligned with those of the company's risk strategy, appetite, tolerance, and approach.

Risk is considered in all activities, from strategic planning to day-to-day operations, in every part of the company.

The collective ability of the organization to manage risk more effectively is continuously improving.

Employees understand, and enthusiastically articulate, the value that effective risk management brings to the Company.

For building and maintaining a resilient and sustainable Company that can navigate uncertainties and challenges while staying true to its values and purpose.

Risk Management Report

Risk Management Roles and Responsibilities

The diagram below illustrates SGIN's risk management structure and key responsibilities. The structure ensures that RMPs are effectively embedded across the Company.

RISK AND AUDIT COMMITTEE (At Company Level)

- Assists the Board in its oversight responsibilities.
- Reviews and recommends the ERM Policy, Own Risk Solvency Assessment, Risk Appetite and Risk Tolerance Level to the Board for approval.
- Reviews and ensures that Cyber Security risk is managed effectively.
- Considers stress testing and reverse stress testing scenarios and their impact on the Company.
- Reviews current and projected capital and liquidity position risk environment and risk profile relative to appetite.
- Reviews adequacy of insurance coverage, material outsourcing arrangements, the Disaster Recovery Plan and Business Continuity Plan.

INTERNAL RISK COMMITTEE (At Group Level)

- Reports to the Risk and Audit Committee of the Board.
- Has an understanding of the key risks to which the Company is exposed and oversees the effective management of these risks.
- Reviews the ERM Framework including the Risk Management Strategy and Policies, Risk Appetite Statements and Risk Tolerance Levels.
- Ensures that the recommendations made by Internal and External Auditors, Statutory Actuary, Regulator and other relevant agencies on matters pertaining to Risk Management are implemented.

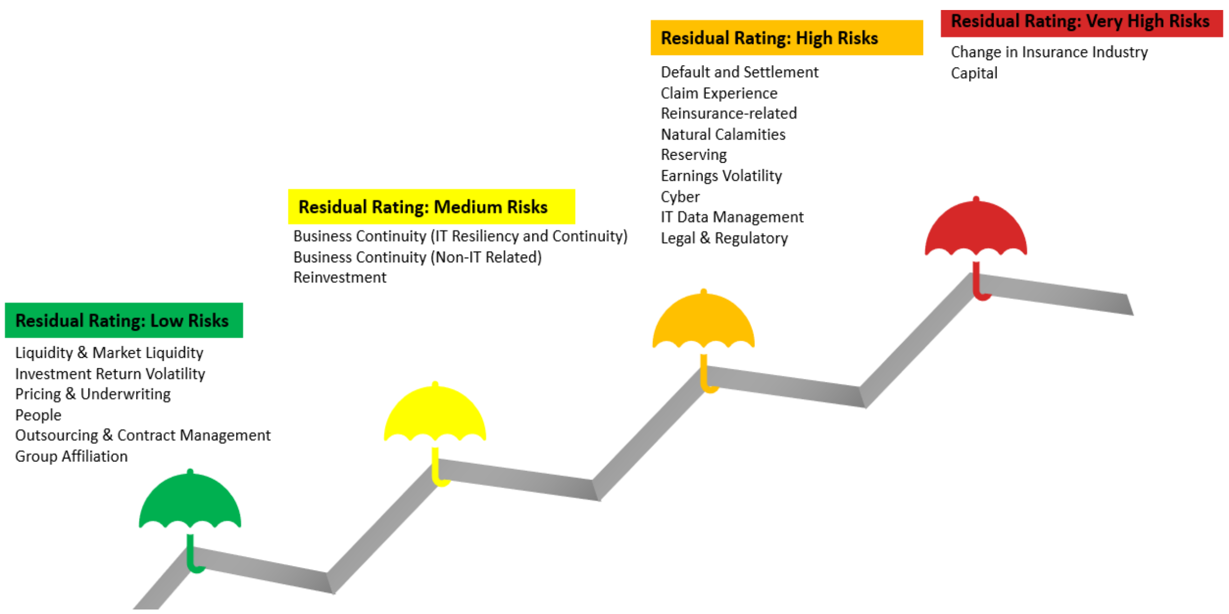
CYBER SECURITY COMMITTEE (At Group Level)

- Oversees the Group's risk assessment and management processes with regards to Cyber Risks.
- Designs the cybersecurity strategy in line with expectations from key stakeholders.
- Participates in design and review of security policies and procedures.
- Reviews threat intelligence outputs and makes recommendations to the IRC on the organisation's exposure to current and emerging information security threats.

Management of Key Risks

A Risk Register is in place, listing all the risks pertaining to the Company. They are assessed on an inherent basis before any controls and on a residual basis after documenting the controls for each of these risks. Following the assessment, a list of main risks is derived and monitored on a quarterly basis.

The below diagram shows the residual rating for the list of key risks.

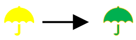


Risk Management Report

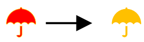
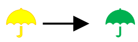
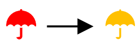
Principal Risks

The symbols in the table below indicate the perceived change in risk profile of the main risks faced during financial year 2022-2023:

Very High	***High***	***Medium***	***Low***	***After control measures***

	WHAT IS THE RISK AND DEFINITION OF RISK	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION	CAPITAL IMPACTED
Market and Investment Risks	**Liquidity and Market Liquidity Risk** Portfolio not able to cash invested assets to pay out claims/expenses or other cashflow requirements. Insufficient capacity in the market to handle transactions at the time when the deal is required without a material impact on the price.	• Maintaining sufficient liquid assets in line with FSC guidelines and standby facilities to meet a prudent estimate of the cash outflows that may arise from contingent events as identified through stress and scenario testing and the annual planning process. • Diversified investments across maturities.		Financial
Market and Investment Risks	**Investment Return Volatility Risk** The risk which arises from asset and liability matching, valuation, concentration, liquidity and the application of any provision relating to investments as set out in the relevant Acts.	• Close monitoring of key international and national economic indicators. • Asset mix and concentrations in line with FSC guidelines and Strategic Asset Allocation. • Diversification of equity portfolio and reduction in exposure of investment with a negative outlook.		Financial
Counterparty Default Risk	**Default and Settlement Risk** The risk that the Company will not receive due funds/cash flows/ premiums/assets/other financial obligations to which it is entitled due to defaults from: A. Policyholders, not settling premiums payable and/or major default in settlement from Policyholders going into Administration or insolvency procedures. B. Reinsurers not willing to settle reinsurance dues to the Company, or major default arising from Reinsurer insolvency.	A. Policyholders: • Premium payment and recovery procedures are in place, including credit agreement for corporate clients. • Close monitoring of arrears. B. Reinsurers: • Selection basis as per our agreed panel of reinsurers. • Reinsurers' credit rating and such other criteria acceptable to Management. • As per set Reinsurance Policy Guidelines. • As per documented Reinsurance Strategy.		

Risk Management Report

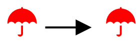
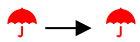
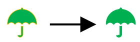
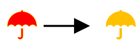
	WHAT IS THE RISK AND DEFINITION OF RISK	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION	CAPITAL IMPACTED
Counterparty Default Risk (cont'd)	C. Intermediaries (brokers and agents), whether due premiums have been collected by such intermediaries or not, who fail to remit these premiums to the Company. D. Auctioneers, bilateral contract default in the form of unsettled dues to the Company. E. Third Party Insurers or Third Parties, where recoverables from such third parties are not realised. All of the above resulting in Bad Debts.	C. Intermediaries: • Payments from intermediaries are constantly monitored and in the event of premium being in arrears, recovery procedures are implemented. D. Auctioneers • Auctioneers are required to submit a bank guarantee. E. Third Parties • Dedicated staff to the recovery function. • Close monitoring and regular meetings with Third Party Insurers. • Legal action or reporting to Regulator can be considered if necessary.		Financial
General Underwriting Risks	**Pricing & Underwriting Risk** The risk of inappropriate pricing and underwriting.	• Documented procedures in place.		Financial
	Claims Experience Risk Uncertainty inherent in claim frequency and claim amount compared to pricing assumptions, especially arising from the accumulation of many claims due to non-Catastrophe (CAT) event, e.g. increase in claims following damage caused by potholes after sustained heavy rainfall, or on the non-motor side by an increase in liability claims from more litigation-conscious claimants.	• Working Excess of Loss reinsurance programme in place. • Frequent monitoring of insurance result, including loss causation; monitoring of the loss ratio on a monthly basis, followed by remedial actions as required, including pricing adjustment.		Financial
	Reinsurance-Related Risk Where cover provided to Original Insured is not in line with the corresponding Reinsurance arranged – Treaty and/or Facultative conditions leading to inadequate support from Reinsurer in settling claims.	• Reinsurance Checklist. • Treaty Conditions and Facultative Reinsurance conditions verified and cleared prior to confirmation of cover to Original Insured. • Policy input is made on the basis of Facultative Reinsurance Cover Note. • Reinsurance Batching on IT System. • There is a Reinsurance Strategy that sets out the policies and procedures around reinsurance mitigation.		Financial

Risk Management Report

	WHAT IS THE RISK AND DEFINITION OF RISK	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION	CAPITAL IMPACTED
General Underwriting Risks (cont'd)	**Natural Calamities Risk** Risk of loss due to the aggregation of claims from one big event, such as a cyclone, tsunami, earthquake or flood, or adverse change in the value of insurance liabilities to provide for Cyclone claims. This risk essentially results from significant uncertainty of pricing and provisioning assumptions related to cyclones.	• Regular review of reinsurance arrangements. • CAT modelling by Reinsurance brokers, with CAT reinsurance covering the Estimated Maximum Loss (EML) event for a predefined limit. • Reinsurance Strategy formalised with increased understanding of CAT exposure. Analysis of past CAT losses. Claims system has the functionality to identify and store CAT claims in the claims data.		Financial
	Reserving Risk Estimates leading to inadequate/incorrect reserving (both IBNR & OCR).	• Established and efficient process of recording claims and setting accurate estimates for reported claims. • A predefined approach to setting estimates for reported claims has been implemented to take into account the circumstances of each claim. • For large claims, the estimate is set and reviewed after discussing with relevant experts.		Financial
Operations Risks	**Earnings Volatility Risk** Risk that actual Profit before Tax is subject to excessive volatility.	• Monthly monitoring and reviewing of cost of claims. • Monthly monitoring of claims paid by TPAs. • Application of Guidelines for Premium Due Dates and Premium Payments Terms. • Review risk retention on Reinsurance Treaties at renewal. • Cost control through digitalisation.		Financial
	People Risk General insurance being an extremely competitive and rapidly evolving sector of activity, the team needs to adapt quickly to changes. A good performance management system needs to be in place to ensure alignment of team's competency with the Company's objectives.	• Resources are provided/ recruited when required. • Where there is inadequate staffing, the department structure is reviewed for optimisation of resources. • Training is provided to all new recruits. • Training is provided to staff when required. • Staff performance is monitored and remedial action is taken at departmental level. Where there is no improvement in performance, other actions are considered.		Human, Financial

Risk Management Report

	WHAT IS THE RISK AND DEFINITION OF RISK	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION	CAPITAL IMPACTED
Operations Risks (cont'd)	**Cyber Risk** A cyberattack on critical systems or related infrastructure including telecommunication systems results in severe disruption of ICT services or loss of vital organisational records for a prolonged period of time, or results in financial loss. A malware infection results in the loss/corruption of data, stolen identities, loss of intellectual property or unavailability of critical systems/services or misuse of information assets to attack third party systems or provide inappropriate information.	• Adopting a cohesive group -wide approach to IT architecture, business resilience and information security. • Mandatory cyber risk training and awareness programmes, including phishing simulations. • Upgrading and simplification of IT infrastructure, as well as incorporation of cloud technology. • Continuously adapting and enhancing cyber risk monitoring and protection to address changing threats.	→	Intellectual, Social
Operations Risks (cont'd)	**Business Continuity Risk (IT Resilience and Continuity)** Loss arising from disruption of business or system failures including hardware and software failures that may arise due to lack of monitoring equipment, lack of backups, missing Service-Level Agreements ("SLAs"), etc.	• SLAs with telecom providers in the event of equipment failure. • Generators & UPS systems in place to address power disruptions. • Offsite IT backups in place. • Annual mock Disaster Recovery. • Implementation of a solution to monitor IT Infrastructure.	→	Intellectual, Social
	Business Continuity Risk (Non-IT-Related) The risk which arises from business disruption and impairment of ability to function properly and the assessment of backup plans that are in place, including but not limited to issues such as premises, data, systems, telephony or staffing.	• Keeping backup of core system offsite. In the immediate term, business can be carried out from branches. • Work from home in place with the necessary hardware and software access for many staff members.	→	Intellectual, Social
	IT Data Management Risk Loss of Customer Data or Confidential Corporate Information leak. Inappropriate use of IT systems results in financial fraud, misconduct, legal liability or loss of reputation.	• Information security awareness programme. • Data encryption and firewall protection. Regular system and process audits.	→	Intellectual, Social
	Outsourcing & Contract Management Risk Outsourcing programmes with service providers are not being specified or managed adequately, leading to financial, regulatory and/or reputational impacts.	• Monitoring of deliverables and service levels followed by prompt remedial action where necessary. • Service-Level Agreement.	→	Financial

	WHAT IS THE RISK AND DEFINITION OF RISK	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION	CAPITAL IMPACTED
Strategic and Environmental Risks	**Change in Insurance Industry Risk** Soft insurance cycle leading to inability to charge required profit margin. Increasing competitiveness in the market resulting in lower profits.	• Close monitoring of insurance and reinsurance industry. • Close monitoring of competitors' behaviour. • Identification of strategies to develop the business.		Financial
	Capital Risk Risk arising from capital to support business plans, assessing solvency, the output of stress testing and future capital assessment.	• Monitoring of Reinsurance cessions for capital charge in respect of MCR. • Annual Solvency Assessment. • Annual Actuarial Valuation. • Monitoring of Investment portfolios, particularly Disallowed Assets. • Monitoring by the Asset and Liability Committee ("ALCO") of the Group.		Financial
	Group Affiliation Risk The risk which arises from membership of the SICOM Group of companies and includes the risk that SGIN may be adversely affected by an occurrence (financial or non-financial) in another Group entity.	• Close monitoring of performance and timely reporting to the Board.		Financial
	Legal and Regulatory Risk Failure to comply with regulations or inappropriate interaction with regulators resulting in loss of licence or increased regulator supervision and associated costs. Change/advancement/instability in regulations resulting in worse financial positions of the Company. Increase in Ombudsman claims.	• Close monitoring of legal and regulatory environment. • Ensuring compliance with applicable regulations. • Seeking Regulator's approval as required, e.g. before launching of campaigns and other promotional materials. • Process in place for regular check of Government Gazette/relevant websites for any updates. • Advisory, drafting and vetting support to the Group on legal matters.		Financial, Intellectual, Social, Human, Environmental

Risk Mitigation Strategies

In today's dynamic business environment, organisations face numerous risks that can impact their operations, financial performance and reputation. Mitigation strategies play a crucial role in risk management within the Company, helping to assess the effectiveness of measures in place to reduce potential risks. The rating process involves both qualitative assessment and quantitative analysis, which are tailored to the specific nature of the risks involved.

Risk Mitigation Strategies (continued)

Annually, the Risk Register undergoes a comprehensive review serving as a central source of identified risks within the Company in order to capture relevant information about each risk, including its potential impact and likelihood. During the review process, the register risks are evaluated on an inherent basis, meaning their potential impact and likelihood are assessed without considering any control measures that may already be in place.

Following the assessment of inherent risks, mitigation strategies are carefully examined and enhanced as required. Mitigation strategies involve a range of actions and controls that are implemented to reduce the likelihood or impact of risks. These strategies may include process improvements, additional security measures, training programmes or any other measures deemed effective in addressing the identified risks.

Once the mitigation strategies have been reviewed and updated, the risks in the register are then rated on a residual basis. The residual rating reflects the level of risk that remains after implementing the mitigation strategies. This rating enables stakeholders to gain insight into the effectiveness of the applied controls and the residual risk exposure.

To provide consistent and meaningful assessments, a rating scale consisting of very low, low, medium, high and very high is adopted. This scale allows for a relative comparison of risks based on their residual impact and likelihood. The ratings assigned to the risks provide a clear indication of their significance and enable prioritisation of resources and attention to the most critical areas.

Residual Risks

During the quarterly monitoring process, the Company evaluates the residual risks by comparing them to the Risk Appetite Statements, monitoring the Key Risk Indicators and assessing the risk levels against the defined Risk Tolerance Levels. Any breaches or deviations from the desired risk profile are promptly identified. When breaches occur, appropriate management actions are implemented to address the issues and bring the risks back within acceptable limits. These actions may include revising control measures, enhancing risk mitigation strategies or making necessary adjustments to operational processes.

Furthermore, quarterly risk reports are prepared to provide a comprehensive overview of the Company’s risk landscape. These reports include a summary of the residual risks, updates on risk mitigation efforts, key findings from the monitoring process and insights into any emerging risks. These reports are tabled to the Risk and Audit Committee for consideration and discussion.

Risk Management Report

Strategies to Address Key Risks

Management plays a practical role in identifying and implementing risk mitigation strategies that are fitted to the specific risks faced by the Group. These strategies are in line with the scale and nature of the Company's business objectives and strategic priorities, as well as relevant legal and regulatory frameworks. Key Performance Indicators are utilised to measure the effectiveness of the strategies, and recommendations for improvements are identified to strengthen the mitigation measures. This comprehensive approach enables the Group to proactively manage risks and enhance resilience in achieving its goals.

Business Planning and Own Risk and Solvency Assessment

Every year, the Board considers the Business Plan (the "Plan") and an Own Risk and Solvency Assessment ("ORSA") for the Company. The Plan makes certain assumptions with regard to future market conditions in which the Company operates. A strategic plan inherently comprises a series of underlying assumptions which can be uncertain in nature and rely on judgement. Each year, the Group's Risk function assesses the Plan and prepares the ORSA Report to provide comfort to the Board that the Plan will not jeopardise the sustainability and viability of the Company. The Board has assessed the principal risks to which SGIN is exposed over the duration of the planning cycle. The Company's principal risks, as presented earlier, were reviewed as part of the preparation of the ORSA and the outlook for those risks over the period covered by the Plan was considered to derive the risk profile of the Company. The Board recognises that, in a Business Plan, uncertainty increases over time and therefore, future outcomes cannot be guaranteed or accurately predicted. As the Plan and ORSA are used for planning over a timeframe of three years to 30 June 2026, this has been selected as the most suitable period for the Board to review the Company's viability.

The Group's Risk function has carried out an assessment of the risks to the Plan and the dependencies for the latter's success. The ORSA also included the Company's solvency and liquidity position, projected over different stress scenarios over a period of three years.

Stress Testing and Scenario Analysis

Stress testing is a crucial component of the ORSA, where risk assumptions are adjusted in SGIN's capital and balance sheet projection models to determine the impact of key risks and their interactions with the Company's risk appetite measures. The purpose is to enhance understanding by the Board and Management of the Company's risk exposure, the interactions between these risks and the impact these risks can have on the ability to meet business objectives. The stress tests are determined based on the main risks that Management believes are relevant to maintain the sustainability of the Company.

Stress Testing and Scenario Analysis (continued)

A reverse stress test is also performed to identify the most probable combination of stresses that would result in capital loss and thus threaten the Company, i.e. a reduction of own funds to below the solvency capital requirement. The purpose of this reverse stress test was to assess the coverage and scope of the internal economic capital model.

Business Continuity

In an ever-changing and unpredictable landscape, maintaining a robust and effective business continuity strategy is essential to survive and thrive. The year 2023 witnessed several significant challenges, from global economic uncertainties to unprecedented natural disasters and cyber threats.

The Company recognises the significance of business continuity as a vital component within its comprehensive management structure, which is dedicated to guaranteeing the sustenance of essential business operations in case of a disturbance or emergency.

Taking this into consideration, the Company is implementing a comprehensive approach to business continuity management that is appropriate to the nature and scale of its operations. Business continuity management increases resilience to disruption arising from internal and external events and may reduce the impact on the Group's business operations, reputation, profitability, policyholders and other stakeholders.

Climate Change

Climate change is already having a substantial impact on our daily lives and economic activities. Unfortunately, we find ourselves among the most vulnerable to these effects. Therefore, it is imperative to adapt to climate change and accelerate our efforts to mitigate the driving factors. These challenges may pose significant risks to our financial business operations, products and services. The shift towards a low-carbon and ecologically diverse world requires a fundamental transformation in how we conduct business. In light of this, our strategy beyond 2023 is to prioritise sustainability as a central component of our strategic direction and operational framework.

The insurance industry plays a crucial role in managing and transferring climate-related risks, but also faces complex challenges in doing so. As climate change continues to evolve, insurers need to adapt their risk management practices and product offerings to remain resilient in the face of uncertainty.

Climate Change (continued)

To address climate change as a fundamental responsibility and maintain financial stability while providing adequate coverage to policyholders, the Company will consider incorporating climate risk considerations into their underwriting and pricing practices, and ESG factors into investment strategies to support sustainable initiatives, among others.

Emerging Risks

The ongoing transformation of global operational landscapes offers a wide range of possibilities, risks or disturbances for businesses. In order to effectively navigate this uncertain environment, the Company is striving to develop the capacity and approaches to systematically recognise, rank and address emerging risks and opportunities.

Emerging risks are risks which may newly develop or which already exist and are continuously evolving. Some major threats include climate change and natural disasters, pandemic and health-related threats, supply chain challenges, financial constraints, cyberattacks, ESG demands, workforce challenges, project risks and regulatory uncertainty. They are characterised by a high degree of unpredictability in terms of impacts and likelihood and have a substantial potential impact on insurance business lines, investment classes and/or operations.

Our Areas of Focus

Our risk landscape keeps changing as both business and regulatory environments evolve. We continue to make good progress in becoming more proactive in the identification and management of our principal risks through a combination of best-in-class risk practices, greater engagement across the Three Lines of Defence and increased use of data and analytics. We continuously review our related policies to ensure they are in line with current risk management expectations.

In addition to known principal risks, we carry on with the identification and analysis of emerging ones, which we believe are:

- **The continued rise of data privacy concerns and regulations**
  Data privacy has become a major risk for businesses in this modern world. With an increased focus on keeping user data safe, along with rapidly changing regulations from across the globe, it is more important than ever to be aware of how we are interacting with customer data. It is essential to understand the relevant data privacy laws and best practices and be able to adjust the risk management protocols accordingly to remain compliant and maintain strong control initiatives.

Our Areas of Focus (continued)

- **The rise of Artificial Intelligence**
  As more automation is employed to perform operational tasks, with increasing interconnectedness, strong governance is required to ensure that risks (such as security, change management, single-person dependency and completeness/accuracy of data) are appropriately managed. In some regions, regulators are prescribing constraining governance which may impact the ease of using these technologies for certain activities.

- **The shift towards proactive risk management strategies**
  Proactive risk mitigation strategies place emphasis on preventive measures and aim to reduce potential risks before they occur through careful decision-making, accurate planning and effective communication. This shift to preemptive risk management strategies is designed to comply with industry norms as well as protect the assets of stakeholders, including customers, shareholders and employees. As modern companies broaden in scope, compliance with security and privacy regulations has become essential for mitigating risks that could lead to major financial losses or other issues. Proactive strategies provide them with a systematic way to protect themselves against potential threats.

- **Risk Culture**
  We are also working towards strengthening the Risk Culture across the Group. By so doing, SGIN can strengthen and adopt a risk-aware culture throughout the entire Company, driving effective risk management practices.

Statement of Directors' responsibilities

The Directors acknowledge responsibility for:

(i) adequate accounting records and maintenance of effective internal control systems,

(ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year 2022/2023 and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards, and

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

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

The Directors report that:

(i) adequate accounting records and an effective system of internal controls and risk management have been maintained,

(ii) appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently, and

(iii) International Financial Reporting Standards have been adhered to.

Signed on behalf of the Board of Directors.

K G BHOOJEDHUR-OBEEGADOO
Chairperson

C DUSSOYE
Director

Date: 18 September 2023

Deloitte.

7th-8th floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
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Mauritius

Independent auditor's report to the Shareholder of SICOM General Insurance Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **SICOM General Insurance Ltd** (the "Company") set out on pages 73 to 132, which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance liabilities	
The valuation of insurance liabilities involves a high degree of subjectivity and complexity. At 30 June 2023, the Company's insurance liabilities were Rs787M. Among the most significant reserving assumptions for the short term business are the determination of the reserve for claims incurred but not reported ("IBNR") and the ultimate cost of notified claims. The methodology and methods used can have a material impact on the valuation of insurance liabilities. The valuation of insurance liabilities was considered a key audit matter due to the significance of the liabilities to the financial statements and the judgments involved in determining them. Further details of the liabilities are set out in Note 14(b) to the financial statements.	We performed, among others, the following procedures: • Tested the design and operating effectiveness of the Company's controls over the valuation of insurance contract liabilities; • Tested the accuracy of the data utilised by the Company's actuary in the valuation computations, against information contained in the accounting and administration systems; • Involved actuarial specialist team members to perform a review of the methodology and assumptions used by the Company's actuary to compute the reserve for IBNR. The actuary also compared the valuation methods used against generally accepted actuarial practices; • Compared for a sample of claims, amounts reported in the claims systems to source documents; and • Compared the claims IBNR reserve to the reports of the Company's actuary.

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Independent auditor's report to the Shareholder of SICOM General Insurance Ltd (cont'd)

Other information

The directors are responsible for the other information. The other information comprises Corporate Profile, Board of Directors, Directors' Report, Engaging with Stakeholders, Corporate Governance Report, Risk Management Report, Statement of Directors' Responsibilities, Secretary's Certificate and Statutory Disclosures but does not include the financial statements, and our auditor's report thereon.

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

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

Responsibilities of directors for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Independent auditor's report to the Shareholder of SICOM General Insurance Ltd (cont'd)

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

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

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

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company other than in our capacity as auditor and tax advisor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Financial Reporting Act 2004

Corporate Governance Report

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

Insurance Act 2005

The financial statements have been prepared in the manner and meet the requirements specified in the FSC Rules and Guidelines of the Financial Services Commission.

Use of this report

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

Deloitte

Deloitte

Chartered Accountants

29 SEP 2023

LLK Ah Hee, FCCA

Licensed by FRC

SICOM GENERAL INSURANCE LTD

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

	Notes	2023	2022
		Rs'000	Rs'000
NON-CURRENT ASSETS			
Equipment	6	**3,943**	5,340
Intangible assets	7	**35,414**	33,690
Right of use assets	8(a)	**63,030**	71,077
Financial Assets at FVOCI	9 (a)	**40,501**	38,133
Financial Assets at FVTPL	9 (b)	**-**	4,758
Financial Assets at Amortised Cost	9 (c)	**587,996**	578,438
Loans and advances	10	**7,840**	9,565
Deferred tax assets	11(a)	**37,598**	29,727
		776,322	770,728
CURRENT ASSETS			
Financial Assets at Amortised Cost	9 (c)	**336,071**	246,434
Loans and advances	10	**2,235**	2,207
Insurance and other receivables	12	**725,500**	606,521
Reinsurance assets	14(a)	**625,420**	639,533
Deferred acquisition costs receivables	14(d)	**45,274**	34,327
Cash and cash equivalents		**99,566**	177,614
		1,834,066	1,706,636
TOTAL ASSETS		**2,610,388**	2,477,364
EQUITY AND LIABILITIES			
Stated capital	18	**25,000**	25,000
Reserves	19(a)	**117,104**	135,215
Subordinated loan	19(b)	**341,625**	341,625
TOTAL EQUITY		**483,729**	501,840
NON-CURRENT LIABILITIES			
Lease liabilities	8(b)	**58,571**	62,882
Pension benefit obligations	20	**227,811**	189,925
		286,382	252,807
CURRENT LIABILITIES			
Insurance contract liabilities	14(a)	**1,468,968**	1,335,944
Deferred acquisition costs payables	14(e)	**58,128**	42,551
Trade and other payables	16	**303,257**	278,190
Lease liabilities	8(b)	**7,234**	9,856
Dividend payable	17	**-**	51,713
Current tax liabilities	15(a)	**2,690**	4,463
TOTAL CURRENT LIABILITIES		**1,840,277**	1,722,717
TOTAL LIABILITIES		**2,126,659**	1,975,524
TOTAL EQUITY AND LIABILITIES		**2,610,388**	2,477,364

These financial statements have been approved for issue by the Board of Directors on 18 September 2023

K G BHOOJEDHUR-OBEEGADOO
Chairperson

C DUSSOYE
Director

The notes on pages 78 to 132 form an integral part of these financial statements.
Auditors' report on pages 70 to 72.

SICOM GENERAL INSURANCE LTD
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023	2022
		Rs'000	Rs'000
Gross insurance premiums	13(a)	1,546,311	1,409,167
Premiums ceded to reinsurers	13(b)	(715,635)	(684,014)
Net earned premiums		830,676	725,153
Gross claims paid	14(b)	760,265	562,850
Claims settled from reinsurers	14(b)	(142,609)	(143,272)
Gross change in contract liabilities	14(b)	57,617	143,440
Change in contract liabilities ceded to reinsurers	14(b)	(59,923)	(106,330)
Net claims incurred		615,350	456,688
Commissions receivable from reinsurers	14(f)	123,014	113,675
Commissions paid to agents and brokerage fees	14(g)	(100,486)	(100,905)
		22,528	12,770
Underwriting surplus		237,854	281,235
Interest Income using effective interest rate	21	40,456	35,599
Other Investment income	21	2,901	1,497
Expected credit loss allowance/ (Net Unrealised loss)		114	(84)
Revenue from contract with customers	22(b)	1,709	531
Other income	22(a)	13,583	9,530
		296,617	328,308
Administrative and other expenses	23	(263,786)	(242,025)
Profit from operations		32,831	86,283
Finance costs	8(c)	(2,923)	(3,210)
PROFIT BEFORE TAX		29,908	83,073
Income tax expense	15(b)	(6,347)	(14,121)
PROFIT FOR THE YEAR		23,561	68,952

The notes on pages 78 to 132 form an integral part of these financial statements.
Auditors' report on pages 70 to 72.

SICOM GENERAL INSURANCE LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023	2022
		Rs'000	Rs'000
Profit for the year		**23,561**	68,952
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligations	(20(a) (vii)& 20(b) (vi))	**(46,257)**	(23,126)
Deferred tax relating to components of other comprehensive income	11(a)	**7,863**	3,932
		(38,394)	(19,194)
Fair value (loss)/gain on equity investment designated at fair value through other comprehensive income	9 (a)	**(3,278)**	5,440
Other comprehensive loss		**(41,672)**	(13,754)
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR		**(18,111)**	55,198

The notes on pages 78 to 132 form an integral part of these financial statements.
Auditors' report on pages 70 to 72.

SICOM GENERAL INSURANCE LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Stated Capital	Retained Earnings	Actuarial Losses	Fair Value Reserve	Subordinated Loan	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at 01 July 2022		25,000	254,474	(118,938)	(321)	341,625	501,840
Profit for the year		-	23,561	-	-	-	23,561
Other comprehensive income for the year		-	-	(38,394)	(3,278)	-	(41,672)
Balance at 30 June 2023		**25,000**	**278,035**	**(157,332)**	**(3,599)**	**341,625**	**483,729**
Balance at 01 July 2021		25,000	237,235	(99,744)	(5,761)	341,625	498,355
Profit for the year		-	68,952	-	-	-	68,952
Other comprehensive income for the year		-	-	(19,194)	5,440	-	(13,754)
Total		25,000	306,187	(118,938)	(321)	341,625	553,553
Dividend	17	-	(51,713)	-	-	-	(51,713)
Balance at 30 June 2022		25,000	254,474	(118,938)	(321)	341,625	501,840

The notes on pages 78 to 132 form an integral part of these financial statements.
Auditors' report on pages 70 to 72.

SICOM GENERAL INSURANCE LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023	2022
		Rs'000	Rs'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**29,908**	83,073
Adjustments for:			
Depreciation of Equipment	6	**1,547**	1,974
Equipment written off	6	**36**	103
Depreciation of right of use assets	8(c)	**8,047**	8,047
Interest expense on lease liabilities	8(c)	**2,923**	3,210
Amortisation of intangible assets	7	**2,587**	1,334
Intangible written off	7	**4**	-
Pension benefit obligations	20(a)(vi) & 20(b)(v)	**17,130**	15,850
Expected credit loss allowance/Net unrealised loss		**(114)**	84
Investment income	21	**(43,357)**	(37,096)
Operating cash flows before working capital changes		**18,711**	76,579
Increase in insurance and other receivables and prepayments		**(118,979)**	(1,762)
Decrease/(Increase) in reinsurance assets		**14,113**	(139,758)
Increase in deferred acquisition costs receivables		**(10,947)**	(3,913)
Increase in trade and other payables		**25,067**	4,434
Increase in deferred acquisition costs payable		**15,577**	928
Increase in insurance liabilities		**133,024**	280,696
Net cash flows generated from operations		**76,566**	217,204
Interest received		**37,589**	34,171
Dividend received		**2,901**	1,497
Income tax paid	15(a)	**(8,128)**	(15,248)
Contribution paid on pension benefit obligations	20(a)(ii) & 20(b)(ii)	**(25,501)**	(24,828)
Net cash flows generated from operating activities		**83,427**	212,796
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Equipment	6	**(186)**	(1,924)
Purchase of intangible assets	7	**(4,315)**	(30,015)
Proceeds on disposal /maturity of financial assets	9(c)	**821,211**	231,837
Purchase of financial assets at amortised cost	9(c)	**(917,425)**	(228,325)
Purchase of financial assets at Fair Value Through Other Comprehensive Income	9(a)	**(5,646)**	**-**
Proceeds on disposal /maturity of financial assets through FVTPL	9(b)	**4,758**	**-**
Purchase of financial assets through FVTPL	9(b)	**-**	(4,842)
Loans advanced	10	**(1,330)**	(1,967)
Loans repaid	10	**3,027**	2,628
Net cash flows used in investing activities		**(99,906)**	(32,608)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal portion - lease liabilities	8(b)	**(9,856)**	(9,856)
Dividend paid	17	**(51,713)**	(63,231)
Net cash flows used in financing activities		**(61,569)**	(73,087)
Net (decrease) /increase in cash and cash equivalents		**(78,048)**	107,101
CASH AND CASH EQUIVALENTS AT 01 JULY		**177,614**	70,513
CASH AND CASH EQUIVALENTS AT 30 JUNE		**99,566**	177,614
<u>CASH AND CASH EQUIVALENTS</u>			
Bank and cash balances		**99,566**	177,614

The notes on pages 78 to 132 form an integral part of these financial statements.
Auditors' report on pages 70 to 72.

1. GENERAL INFORMATION

SICOM General Insurance Ltd ("the Company") is a Public Limited Company, incorporated in the Republic of Mauritius on 22 April 2010. Its registered office is situated at Sir Celicourt Antelme Street, Port Louis, Mauritius. The principal activity of the Company is to transact General Insurance Business.

The Company has started trading as a separate company as from 01 July 2010, when the transfer of assets and liabilities has been finalised.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements have been prepared under the historical cost basis except for financial assets at fair value through other comprehensive income, which are stated at their fair value.

The financial statements are presented in Mauritian Rupees (Rs) and all values are rounded to the nearest thousand (Rs'000), except when otherwise indicated.

As required by IAS 1 Presentation of financial statements and IFRS 4 Insurance Contracts, the Company has disclosed the results of the Company on the face of the Statement of Profit or Loss and Other Comprehensive Income such that it will help the users of the financial statements to understand the amounts disclosed in the financial statements that arises from insurance contracts.

Where necessary, comparative figures have been amended to conform with changes in presentation in the current year.

The Company has adopted IFRS 9 to all types of financial instruments except for rights and obligations arising under a contract within the scope of IFRS 17, Insurance contracts. The Company will implement IFRS 17 in the next financial year ending 30 June 2024.

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board (IASB) and comply with the Companies Act 2001, Financial Reporting Act 2004 and Insurance Act 2005.

2.2 Application of new and revised International Financial Reporting Standards (IFRS)

<u>IAS 16 Property, Plant and Equipment</u>
Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.

<u>New and amended IFRS Accounting Standards that are effective for the current year</u>
In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Application of new and revised International Financial Reporting Standards (IFRS) (Continued)

Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract
The Company has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that related directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle
The Company has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual improvements include amendments to the below standards which are applicable to the Company:

IFRS 9 Financial Instruments
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

2.3 New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- Amendments to IAS 1 - Classification of Liabilities (effective 1 January 2024)
- Amendments to IAS 1 – Presentation of Financial Statements- Amendment to defer the effective date of the January 2020 amendments (effective 1 January 2024)
- Amendments to IAS 1 – Presentation of Financial Statements- Amendments regarding the classification of debt with covenants (Effective 1 January 2024)
- IAS 7 - Statement of Cash Flows - Amendments regarding supplier finance arrangements (effective 1 January 2024)
- Amendments to IAS 8 - Definition of Accounting Estimates (effective 01 January 2023)
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)
- IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information - Original issue (effective 1 January 2024)
- IFRS S2 - Climate-related Disclosures - Original Issue (effective 1 January 2024)
- IFRS 7 - Financial Instruments: Disclosures - Amendments regarding supplier finance arrangements (effective 1 January 2024)
- IFRS 16 - Leases - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions. (Effective 1 January 2024)

None of these Standards listed above will have a material impact on the financial statements of the Company in future periods, except if indicated below:

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-Current
The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 New and revised IFRS Accounting Standards in issue but not yet effective (Continued)

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in IAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments.

The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.

<u>Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements Disclosure of Accounting Policies</u>
The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

<u>Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements Disclosure of Accounting Policies (continued)</u>

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.

<u>Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates</u>

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error.

- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 New and revised IFRS Accounting Standards in issue but not yet effective (Continued)

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short - duration which typically applies to certain non-life insurance contracts.

The main features of the new accounting model for insurance contracts are, as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, re-measured every reporting period (the fulfilment cash flows)
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts. The CSM represents the unearned profitability of the insurance contracts and is recognised in profit or loss over the service period (i.e., coverage period)
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice
- The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period
- Amounts that the policy holder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. Retrospective application is required. However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.

The Company plans to adopt the new standard on the required effective date.

The Company expects that the new standard will result in an important change to the accounting policies for insurance contract liabilities and is likely to have a significant impact on profit and total equity together with presentation and disclosure. Assessment of the impact of IFRS 17 for Financial year 2022/2023 is in progress.

2.4 Leases

(a) Right-of-use assets

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Leases (Continued)

Short-term leases and low value assets

The Company did not have short-term lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and lease of low-value assets on the date of initial application of IFRS 16. Subsequently, lease payments on short-term leases and leases of low-value assets shall be recognised as expense on a straight-line basis over the lease term.

(b) Lease liabilities

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

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

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

2.5 Equipment

Equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
Depreciation is calculated to write off the cost of the assets on a straight-line basis over their estimated useful lives at the following rates: -

Furniture and fittings	10%-20%
Office equipment	10%-20%
Computer equipment	10%-33%

The assets' residual values, useful lives and depreciation method are reviewed and adjusted prospectively if appropriate at the end of each reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets - Computer Software

Computer software that is not considered to form an integral part of any hardware equipment is recorded as intangible assets. The software is capitalised at cost and amortised over its estimated useful lives of 2 - 9 years.

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

2.7 Foreign currencies

The financial statements of Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in Mauritian rupees, which is the functional currency and the presentation currency for the Company's financial statements. In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing at that date. Profits and losses arising on exchange are included in profit or loss for the year.

2.8 Financial assets

Initial recognition, classification and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15. Premium receivables are recognized and measured under IFRS 4 Insurance Contracts and are outside the scope of IFRS 9.

In order for a debt instrument to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and;

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (Continued)

- 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.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. IAS 39 requires that the amortised cost of a financial asset or liability be calculated using the 'effective interest method'. This method allocates interest income/expense over the relevant period by applying the 'effective interest rate' to the carrying amount of the asset or liability. The effective interest method is also applied in determining the interest recognised on an interest-bearing AFS asset. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Equity* instruments *at fair value through OCI

Upon initial recognition, the Company elects to classify irrevocably its investment in equity securities as equity instruments at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case such gains are recorded in OCI. Equity instruments at FVOCI are not subject to impairment.

Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired or;
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either: (a) the Company has transferred substantially all the risks and rewards of the asset or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company’s continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

Overview of the ECL principles

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

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months’ expected credit loss (12mECL). The Company’s policies for determining if there has been a significant increase in credit risk are set out in Note 4.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (Continued)

Impairment of financial assets **(Continued)**

Overview of the ECL principles **(Continued)**

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

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

Based on the above process the Company groups its loans and other debt instruments into Stage 1, Stage 2 and Stage 3 as described below:

- Stage 1: When exposures are first recognised, the Company recognises an allowance based on 12m ECLs. Stage 1 instruments also include facilities where the credit risk has improved, and the instrument has been reclassified from Stage 2.
- Stage 2: When an instrument has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 instruments also include facilities, where the credit risk has improved, and the instrument has been reclassified from Stage 3.
- Stage 3: debt instruments considered credit-impaired. The Company records an allowance for the LTECLs.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The calculation of ECLs

The ECL on financial assets at amortised cost has been calculated using the PD times the LGD times the EAD. The PD was determined using the provision matrix for converting the credit rating of the country into a PD. The Company has used the Basel rate for the LGD. The portfolio of financial assets at amortised cost comprise of investment grade bonds and deposits issued by reputable financial institutions. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (Continued)

***Impairment of financial assets* (Continued)**

***The calculation of ECLs* (Continued)**

The mechanics of the ECL method are summarised below:

These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

- Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.

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

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

Significant accounting estimates

The measurement of impairment losses both under IFRS 9 and IAS 39 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.
Wrong estimation of the Probability of Default and Loss Given Default can impact the Company's assessment of ECL. The Company is using reliable sources, such as Standards & Poor and Moody's transitional matrix and Basel to determine the PD and the LGD respectively. The Company will continue to rely on these sources as the portfolio of financial assets at amortised cost comprise mainly of investment grade assets.

2.9 Financial liabilities

The adoption of IFRS 9 has not materially impacted the initial recognition, classification and measurement of financial liabilities.

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.
All financial liabilities are recognised initially at fair value plus, in case of amortised cost, directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, bank overdrafts and amount due to holding company.

Subsequent measurement

Financial Liabilities at amortised cost.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial liabilities (Continued)

Subsequent measurement (Continued)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in profit or loss.

Derecognition of financial liabilities

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

2.10 Offsetting of financial instruments

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

2.11 Fair value measurement

The Company measures financial assets at fair value through OCI and FVTPL at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 4.6.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Fair value measurement (Continued)

The determination of what constitutes 'observable' requires significant judgement by the Company. Management considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's investment committee determines the policies and procedures for both recurring fair value measurement such as available for sale financial assets.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.12 Equity instruments

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

2.13 Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholder. Interim dividends are deducted from equity when they are approved.

Dividends for the year that are approved after the reporting date are dealt with as a non-adjusting event after the reporting date.

2.14 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date, in the countries where the Company operates and generates taxable income. The income tax is recognised as a charge in profit or loss.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Taxation (Continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable and there is convincing evidence that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Deferred income tax assets and deferred income tax liabilities are offset only where both criteria below are met:

(a) has a legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

In accounting for the deferred tax relating to the lease, the Company considers both the lease asset and liability separately. The Company separately accounts for the deferred taxation on the taxable temporary difference and the deductible temporary difference, which upon initial recognition, are equal and offset to zero. Deferred tax is recognised on subsequent changes to the taxable and temporary differences.

Corporate Social Responsibility

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with maturities less than 3 months from inception date and bank overdraft. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value. Bank overdraft is shown in current liabilities in the statement of financial position. Cash and cash equivalents are measured at amortised cost.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.16 Pension benefit obligations

Defined Contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

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

Defined Benefit plan

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

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

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

The Company determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.
Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

Guaranteed Pension Plan
In addition to the Defined Benefit Plan the Company also provides benefits outside the pension funds to members of the DB funds. The liability recognised in the statement of financial position in respect of unfunded benefits is the present value of the unfunded obligation at the end of the reporting period. The unfunded obligation is calculated annually by independent actuaries using the projected unit credit method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Pension benefit obligations (Continued)

Remeasurement of the net unfunded liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Company determines the interest expense on the unfunded liability for the period by applying the discount rate used to measure the unfunded obligation at the beginning of the annual period to the unfunded liability, taking into account any changes in the unfunded liability during the period as a result of benefit payments. Interest expense is recognised in profit or loss.

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

State plan and Defined Contribution plan
Contributions to the National Pension Scheme and defined contribution pension plan are expensed to profit or loss in the period in which they fall due.

2.17 Revenue recognition

(i) Premiums earned
Premium written is accounted for policies incepting in the financial year. Provision for unearned premium has been made and represents the proportion of premium written in the year, which relates to the unexpired terms of policies in force at the reporting date, calculated on the basis of the 365th method.

Provision for unearned premiums

The provision for unearned premiums represents the portion of premiums written on insurance contracts relating to periods of insurance risks subsequent to the reporting date. It is calculated on the inception basis of the 365th method. The movement on the provision is taken to profit or loss in order for revenue to be recognised over the period of the risk. The provision is derecognized when the contract expires, is discharged or cancelled.

(ii) Investment and other income
Investment and income comprise of dividend and interest for the year. Dividend income is accounted when the right for payment is established. Interest income is recognised on an accruals basis, by reference to the principal outstanding and at the effective interest rate applicable.

(iii) Commission income
Commission income is accounted for the earned terms of policies in force during the financial year, calculated on the basis of the 365th method. The portion representing the unexpired terms of policies in force at the reporting date has been accounted as deferred acquisition costs payables in note 14(e) of the financial statements.

2.18 Insurance contracts

Insurance contracts - classification

Insurance contracts are those contracts that transfer significant insurance risk at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expired.

Insurance risk is transferred when the Company agrees to compensate a policyholder if a specified uncertain event adversely affects the policyholder. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. Contracts not considered to be insurance contracts under IFRS are classified as investment contracts. The Company does not issue any investment contracts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Insurance contracts (Continued)

Insurance contracts issued by the Company are short term insurance contracts and are classified under the following classes of business: motor, accident & health, engineering, liability, property, transportation, guarantee and miscellaneous. These contracts provide compensation following damage to or loss of property, goods, equipment, losses and expenses incurred sickness and loss of earnings resulting from the occurrence of the events insured against.

Reinsurance contracts

Reinsurance contracts entered into by the Company are either of proportional or non-proportional type. Under a proportional treaty, the premiums and claims are apportioned between the Company and the reinsurer in agreed proportions.

Proportional reinsurance may be either in the form of a quota share whereby the proportion of each risk reinsured is fixed, or in the form of surplus whereby the Company can retain a part of a risk within a fixed limit, and the reinsurer accepts part of the risk as a multiple of the Company's retention.

Under the non-proportional type of reinsurance, the Company uses the Excess of Loss treaty whereby in consideration for a premium, the reinsurer agrees to pay claims in excess of a specified amount (the retention), up to a specified maximum amount.

The Company reinsures either on a treaty basis, with all risks falling within the treaty terms, conditions and limits being reinsured automatically, or on a facultative basis.

Under facultative reinsurance, risks are offered to the reinsurer on an individual basis and can be accepted or rejected by the reinsurer.

Short-term balances due from reinsurers are classified within accounts receivable and amounts that are dependent on the expected claims and benefits arising under the related reinsurance contracts are classified under reinsurance assets.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. Any gains and losses on buying reinsurance contracts are recognised immediately in profit or loss and are not subject to amortisation.

Reinsurance assets are reviewed for impairment. A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. If reinsurance asset is impaired, the Company reduces the carrying amount accordingly and recognises that impairment loss in profit or loss.

Claims expenses and outstanding claims provisions

Claims expenses are charged to profit or loss as incurred based on the estimated liability for compensation owed to policy holders or third parties.

Outstanding claims provision represents the estimated ultimate cost of settling all claims admitted or intimated but not yet settled at the end of the reporting period, and provisions for claims incurred but not reported (IBNR). The outstanding claim includes related expenses. The Company does not discount its liabilities for unpaid claims.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Insurance contracts (Continued)

Significant delays can be expected in the notification and settlement of certain claims, especially in respect of liability class of business, the ultimate cost of which cannot therefore be known with certainty at the end of the reporting period. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure and that the provision is determined using best estimates of claims development patterns, forecast inflation and settlement of claims. Outstanding claims provisions are not discounted and include an allowance for expected future recoveries. Recoveries include non-insurance assets that have been acquired by exercising rights to sell, salvage or subrogate under the terms of the insurance contracts.

Claims incurred

Claims incurred comprise claims and claims handling costs paid in the year and changes in provision of outstanding claims including provision for claims incurred but not reported (IBNR) and related expenses together with any adjustments to claims of prior years. Claim handling costs include internal and external costs incurred in connection with the negotiation and settlement of claims. Internal costs include all direct expenses of the claims department.

Incurred but not reported claims (IBNR)

IBNR calculation is calculated on an actuarial method which consists of the projection of incurred but not reported claims based on the claims reporting delay pattern for the Company over the last ten years.

Salvage recoveries

Salvage is the equitable right of the Company to the residual value of the assets for which it has paid a partial/total loss. The Company recognises the salvage recovery as other receivables at time of settlement of claims.

Deferred acquisition costs

The liability for commissions payable is recognised at the inception date of the insurance contract/endorsement.

Commissions payable and reinsurance commissions receivable relating to unexpired premiums are recognised and released to profit or loss as and when the premiums are earned.

Liability adequacy test

At the end of each reporting period, the Company reviews its unexpired risk and carries out a liability adequacy test for any overall excess of expected claims over unearned premiums using the current best estimates of future cash flows under its contracts after taking into account the investment returns expected to arise on assets backing such liabilities. Any deficiency is immediately recognised in profit or loss and a provision is established in the statement of financial position (the unexpired risk provision).

Receivables from Third party

Third Party receivable is recorded at time of intimation of claims. A discounting is applied on the claims at end of each month. As per Code Civil Mauricien, there is a time barred of 10 years to lodge a claim against third parties. The Company ensures that all claims are referred to the Tribunal or Court as applicable before the time barred of 10 years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Related Party Transactions

Parties are considered to be related if one party has control, joint control or exercise significant influence over the other party or is a member of the key management personnel of the other party.

2.20 Administrative and other expenses

Administrative and other expenses are recognised on an accrual basis in the statement of profit or loss and other comprehensive income.

3. MANAGEMENT OF INSURANCE RISKS

The Company's activities expose it to a variety of insurance risks. A description of the significant risk factors is given below together with the risk management policies applicable.

3.1 Insurance risk

Insurance risk is transferred when an insurer agrees to compensate a policyholder if a specified uncertain future event (other than a change in a financial variable) adversely affects the policyholder. By the very nature of an insurance contract, the risk is random and therefore unpredictable.

The main risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This may occur if the frequency or severity of claims and benefits are greater than estimated.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy so as to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, accumulation of risk and type of industry covered.

3.1.1 Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant claims result from accident, liability claims awarded by the Court, cyclone, flooding, fire and allied perils and their consequences. Inflation is also a significant factor due to the long period typically required to settle some claims.

The Company's underwriting strategy attempts to ensure that the underwritten risks are well diversified in type, amount of risk and industry. The Company has in place underwriting criteria to ensure that risk accepted are as per acceptance guidelines. Management reviews performance of individual insurance policies and the Company reserves the right to review terms and conditions at renewal or not to renew an insurance.

Reinsurance arrangements under treaties and facultative basis mitigate the severity of claims as risk retained is predetermined.

The Company can impose deductibles and has the right to reject the payment of a fraudulent claim.

Where relevant, the Company may pursue third parties for payment of some or all liabilities (subrogation). Claims development and provisioning levels are closely monitored.

3.1.2 Concentration of insurance risks

The following table discloses the concentration of outstanding claims by class of business, gross and net of reinsurance.

3. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

3.1 Insurance risk (Continued)

Class of Business	No of claims	Expected run off assumptions	Gross	Reinsurance of liabilities	Net
			2023		
			Rs'000	Rs'000	Rs'000
Motor	7,883	1	375,723	131,498	244,225
Property	155	2	87,338	76,103	11,235
Transport	9	2	50,158	50,152	6
Engineering	54	4	48,559	46,792	1,767
Accident & Health	35,458	8	66,200	43,130	23,070
Liability	499	7	65,855	51,444	14,411
Miscellaneous	99	2	31,626	28,980	2,646
Incurred But Not Reported (IBNR)			61,133	31,502	29,631
	44,157		**786,592**	**459,601**	**326,991**
Incurred But Not Reported (IBNR)			**61,133**	**31,502**	**29,631**

Class of Business	No of claims	Expected run off assumptions	Gross	Reinsurance of liabilities	Net
			2022		
			Rs'000	Rs'000	Rs'000
Motor	6,453	1	278,193	32,606	245,587
Property	164	2	102,612	87,438	15,174
Transport	11	3	75,456	74,948	508
Engineering	43	4	50,612	49,430	1,182
Accident & Health	37,081	9	83,385	51,493	31,892
Liability	635	7	58,709	51,084	7,625
Miscellaneous	40	4	26,612	25,681	931
Incurred But Not Reported (IBNR)			53,396	26,998	26,398
	44,427		728,975	399,678	329,297
Incurred But Not Reported (IBNR)			53,396	26,998	26,398

On the basis of the Company's claims history, assumptions have been made regarding the number of years for claims to run-off completely. The tables above include the run-off assumptions made for each class of business.

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The net amounts recoverable represent balances due from third parties and excess of loss reinsurers for which the corresponding claims have already been paid out by the Company.

3.1.3 Sources of uncertainty

Most claims on short term insurance contracts are payable on a claims-occurrence basis. Under claims occurrence basis, the Company is liable for insured events that occur during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims may be settled over a long period of time and a significant element of the claims provision relates to incurred but not reported claims (IBNR).

The estimated costs of claims include direct expenses to be incurred in settling claims, net of subrogation and salvage recoveries. The Company ensures that claims provisions are determined using the best information available of claims settlement patterns, court awards and forecast inflation. However, given the uncertainty in determining claims provisions, it is likely that the final claim settlement will differ from the original liability estimate.

The Company has ensured that liabilities as stated in the statement of financial position are adequate.

3. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

3.1 Insurance risk (Continued)

3.1.3 Sources of uncertainty (Continued)

The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims.

2023

	Change in assumptions	Impact on gross liabilities	Impact on reinsurance share of liabilities	Impact on profit before tax	Impact on equity
		Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Average claim cost	10%	**72,546**	**42,810**	**29,736**	**24,681**

2022

	Change in assumptions	Impact on gross liabilities	Impact on reinsurance share of liabilities	Impact on profit before tax	Impact on equity
		Rs'000	Rs'000	Rs'000	Rs'000
Average claim cost	10%	67,558	37,268	30,290	25,141

3. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

3.1 Insurance risk (Continued)

3.1.4 Claims development table (Gross Basis)

The table below illustrates how the estimates of total claims outstanding (excluding Group Medical Scheme) for each year have changed at successive year-ends and reconciles the cumulative claims to the amount appearing in the statement of financial position.

	Financial Year of Loss Prior	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	**Rs'000**	**Rs'000**
At end of loss year	631,814	99,827	136,251	143,200	125,471	169,878	180,405	232,158	278,761	335,011	429,679	454,280	457,953	516,329	**4,191,017**
One year later	254,922	57,091	22,367	20,259	12,383	36,876	26,102	37,093	64,821	81,847	65,036	66,839	151,569		**897,205**
Two years later	30,870	2,119	2,373	21,228	7,661	(827)	12,351	129,260	(6,160)	2,997	704	856			**203,432**
Three years later	14,966	220	(1,571)	66,804	462	(974)	(2,060)	1,074	51,410	(1,325)	(2,725)				**126,281**
Four years later	9,096	3,978	1,847	6,518	(122)	(259)	13,007	(552)	(739)	3,128					**35,902**
Five years later	3,322	2,381	1,441	1,401	816	(1,015)	2,907	(3,325)	899						**8,827**
Six years later	5,150	611	1,887	7,017	(65)	(284)	839	1,151							**16,306**
Seven years later	3,189	835	(143)	(3,334)	491	(523)	(225)								**290**
Eight years later	648	269	861	9,657	1,830	1,407									**14,672**
Nine years later	2,298	1,520	79	93	179										**4,169**
Ten years later	1,448	519	73	495											**2,535**
Eleven years later	(7,852)	272	(467)												**(8,047)**
Twelve years later	(102)	37													**(65)**
Thirteen years later	334														**334**
Fourteen years later	(174)														**(174)**
Fifteen years later	19														**19**
Total claims paid	**949,948**	**169,679**	**164,998**	**273,338**	**149,106**	**204,279**	**233,326**	**396,859**	**388,992**	**421,658**	**492,694**	**521,975**	**609,522**	**516,329**	**5,492,703**
Undiscounted reserves	**5,707**	**(273)**	**2,316**	**11,323**	**2,797**	**25,484**	**5,438**	**6,646**	**10,416**	**7,492**	**14,074**	**93,556**	**71,088**	**180,199**	**436,263**
Outstanding Reported	5,707	(273)	2,316	11,323	2,427	25,484	4,650	6,645	4,363	7,123	12,907	92,732	65,464	141,763	**382,631**
IBNR Reserve	-	-	-	-	370	-	788	1	6,053	369	1,167	824	5,624	38,436	**53,632**

A prudent approach has been taken by management to adopt Net IBNR where Gross IBNR is less than Net IBNR.

3. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

3.1.4 Claims development table (Net Basis)

The table below illustrates how the estimates of total claims outstanding (excluding Group Medical Scheme) for each year have changed at successive year-ends and reconciles the cumulative claims to the amount appearing in the statement of financial position.

	Financial year of Loss Prior	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**	**Total**
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	**Rs'000**	**Rs'000**
At end of loss year	398,010	90,264	114,359	126,195	121,347	156,174	173,726	200,001	232,760	263,299	274,984	335,925	363,789	**450,633**	**3,301,466**
One year later	71,579	8,775	4,420	2,282	3,973	14,858	20,004	23,559	30,966	37,087	28,795	36,030	94,568		**376,896**
Two years later	(2,130)	1,735	23	1,705	(3,241)	(2,566)	(4,234)	(7,470)	(9,929)	(8,752)	(8,804)	(11,620)			**(55,283)**
Three years later	5,791	207	(2,184)	5,019	415	(995)	(2,535)	(3,936)	(7,569)	(6,201)	(5,521)				**(17,509)**
Four years later	2,253	3,125	1,134	5,825	(791)	(298)	12,032	(4,468)	(1,153)	(1,367)					**16,292**
Five years later	3,302	2,381	574	920	1,052	(1,023)	(10,326)	(3,325)	720						**(5,725)**
Six years later	4,257	56	1,838	6,866	(65)	(284)	359	1,151							**14,178**
Seven years later	2,518	834	139	(22,918)	491	(523)	(225)								**(19,684)**
Eight years later	(848)	269	(6)	(2,857)	1,829	1,403									**(210)**
Nine years later	2,298	1,521	(41)	(77)	179										**3,880**
Ten years later	616	(173)	143	494											**1,080**
Eleven years later	(291)	272	(467)												**(486)**
Twelve years later	(2,611)	37													**(2,574)**
Thirteen years later	152														**152**
Fourteen years later	(174)														**(174)**
Fifteen years later	19														**19**
Current Claims paid to date	484,741	109,303	119,932	123,454	125,189	166,746	188,801	205,512	245,795	284,066	289,454	360,335	458,357	**450,633**	**3,612,318**
IBNR	-	-	-	651	370	342	148	-	156	9	937	8	558	**18,951**	**22,130**
Outstanding Reported	1,719	(355)	1,395	(2,901)	2,409	593	(3,901)	957	(1,690)	3,053	9,258	1,358	(6,995)	**74,039**	**78,939**
Net Liability	1,719	(355)	1,395	(2,250)	2,779	935	(3,753)	957	(1,534)	3,062	10,195	1,366	(6,437)	**92,990**	**101,069**

3. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

3.1 Insurance risk (Continued)

3.1.5 Reinsurance strategy

Reinsurance purchases are reviewed annually to verify that the levels of protection being bought reflect any developments in exposure and risk appetite of the Company. The Company is exposed to risks of default by reinsurers in respect of their share of reinsurance liabilities and there may be disputes in contract wordings, especially on facultative reinsurance placements. To minimise the reinsurance credit exposure, reinsurance is placed with top-rated and/or credit-worthy reinsurers who meet the Company's counterparty security requirements and the Company regularly monitors its exposure.

4. FINANCIAL RISK

The Company is exposed to financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that proceeds from financial assets are not sufficient to fund the obligations arising from insurance contracts. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect on the Company's financial performance.

The main risks to which the Company is exposed are as follows:

- Market risk (which includes foreign exchange risk, interest rate risk and equity price risk);

- Credit and liquidity risks.

4.1 Market risk

4.1.1 Foreign currency risk

The Company's financial assets, which are exposed to foreign currency risks, consist mainly of deposits and trade receivables. Management monitors the Company's currency position on a regular basis. Financial liabilities including trade and other payables. The carrying amount of the Company's foreign currency denominated financial assets at the reporting date is as follows:

Concentration of assets under:

	2023	2022
	Rs'000	Rs'000
Financial assets		
MUR	**1,664,787**	1,551,092
USD	**131,996**	94,420
GBP	**60**	16,976
EUR	**1,778**	625
	1,798,621	1,663,113
Financial liabilities		
MUR	**360,902**	397,504

4. FINANCIAL RISK (CONTINUED)

4.1 Market risk (Continued)

4.1.1 Foreign currency risk (Continued)

Categories of financial instruments

As at 30 June 2023	Financial assets at FVOCI	Financial assets at Amortised Cost	Financial liabilities at Amortised Cost	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at FVOCI (Note 9(a))	**40,501**	-	-	**40,501**
Financial assets at Amortised Cost (Note 9(c))	-	**924,067**	-	**924,067**
Loans and advances (Note 10)	-	**10,075**	-	**10,075**
Insurance and Other receivables (Note 12)	-	**724,412**	-	**724,412**
Cash and Cash equivalents	-	**99,566**	-	**99,566**
	40,501	**1,758,120**	-	**1,798,621**
Lease liabilities (Note 8)	-	-	**65,805**	**65,805**
Trade and other payables (Note 16)	-	-	**295,097**	**295,097**
	-	**-**	**360,902**	**360,902**

As at 30 June 2022	Financial assets at FVOCI	Financial assets at FVTPL	Financial assets at Amortised Cost	Financial liabilities at Amortised Cost	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at FVOCI (Note 9(a))	38,133	-	-	-	38,133
Financial assets at FVTPL (Note 9(b))		4,758	-	-	4,758
Financial assets at Amortised Cost (Note 9(b)	-	-	824,872	-	824,872
Loans and advances (Note 10)	-	-	11,772	-	11,772
Insurance and Other receivables (Note 12)	-	-	605,964	-	605,964
Cash and Cash equivalents	-	-	177,614	-	177,614
	38,133	4,758	1,620,222	-	1,663,113
Lease liabilities (Note 8)	-	-	-	72,738	72,738
Trade and other payables (Note 16)	-	-	-	273,053	273,053
Dividend payable (Note 17)	-	-	-	51,713	51,713
	-	-	-	397,504	397,504

Consequently, the Company is exposed to risks that the exchange rate relative to these currencies may change in a manner, which has an effect on the reported value of that portion of the Company's net assets which is denominated in currencies other than the Mauritian Rupee. The following table details the Company's sensitivity to a 5% increase/decrease of the USD, GBP and EUR, against the Mauritian Rupee.

4. FINANCIAL RISKS (CONTINUED)

4.1 Market risk (Continued)

	Changes in variables	2023 Impact on profit before tax	2023 Impact on equity	2022 Impact on profit before tax	2022 Impact on equity
		Rs' 000	**Rs' 000**	Rs' 000	Rs' 000
USD	**+5%**	**6,600**	**6,600**	4,721	4,721
	-5%	**(6,600)**	**(6,600)**	(4,721)	(4,721)
GBP	**+5%**	**3**	**3**	849	849
	-5%	**(3)**	**(3)**	(849)	(849)
EUR	**+5%**	**89**	**89**	31	31
	-5%	**(89)**	**(89)**	(31)	(31)

4.1.2 Interest rate risk

Interest rate risk is the risk that the fair value of financial instruments or the future cash flows related to financial instruments will change due to a change in interest rates. The Company is exposed to interest rate fluctuations on the international and domestic markets. The Company monitors closely interest rate trends and related impact on investment income for performance evaluation and better management.

The interest rate risk arises on Government bonds, fixed deposits, Treasury bills and notes, Corporate bonds and notes, term deposits, cash and cash equivalents, bank overdrafts and short term deposits.

The interest rate profile of the Company at 30 June 2023 and 2022 was:

	2023	2022
	% per annum	% per annum
Government bonds	**3.77 - 9.25**	3.77 - 9.25
Treasury notes	**1.60 - 2.02**	1.60 - 3.52
Treasury Bills	**4.45 - 4.73**	0.87
BOM Certificate	**Repo + 0.1**	Repo + 0.1
Corporate bonds - Floating	**Repo + (0.95 - 2.05)**	Repo + (0.65 - 2.05)
Corporate bonds - Fixed	**2.70 - 6.00**	2.70 - 6.00
Fixed deposits - Local:		
Non-current	**2.65 - 5.12**	2.65 - 3.35
Current	**4.65 - 4.76**	0.73 - 1.27

	2023	2022
	% per annum	% per annum
Fixed deposits - Foreign - USD		
Non-Current	**5.35 - 5.45**	-
Current	**3.75 - 5.25**	0.80 - 2.33
Foreign currency call deposits:		
USD	**0.50**	0.02
GBP	**0.50**	0.02
EUR	**0.25**	0.01
Local Call Deposits		
MUR	**0.00 - 3.60**	0.00 - 0.75

4. FINANCIAL RISKS (CONTINUED)

4.1 Market risk (Continued)

4.1.2 Interest rate risk (Continued)

Interest rates on the above instruments vary from 0.25% to 12.00% p.a with maturities varying from 2023 to 2032.

The analysis that follows is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity.

	2023		2022	
Changes in interest rate	**Impact on profit before tax**	**Impact on equity**	Impact on profit before tax	Impact on equity
	Rs' 000	**Rs' 000**	Rs' 000	Rs' 000
+ 250 basis points	**120**	**120**	58	58
- 250 basis points	**(120)**	**(120)**	(58)	(58)

The increase or decrease in the interest rate sensitivity is due to fluctuations in the interest rate of local and foreign currency call deposits and local floating corporate bonds at 30 June 2023 as compared to 30 June 2022.

The interest rate sensitivity analysis excludes:

Government securities, foreign currency term deposits and some fixed deposits and corporate bonds which have fixed interest rates and thus will not be affected by fluctuations in the level of interest rates.

4.1.3 Price risk

Price risk is the risk that the value of the financial instruments will fluctuate as a result of changes in market prices whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Company's price policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each industry sector and markets. The Company has invested in equities quoted on the Stock Exchange of Mauritius as illustrated below:

	2023	2022
	Rs'000	Rs'000
Financial assets at Fair value through Other Comprehensive Income (FVOCI)		
Equities (Quoted)	**40,477**	38,115
Financial assets at fair value through Profit or Loss		
Equities (Quoted)	**-**	4,758
	40,477	42,873

The following table details the Company’s sensitivity to 5 % increase/decrease in the prices of the quoted shares.

	2023	2022
Changes in share price	**Impact on equity**	Impact on equity
	Rs' 000	Rs' 000
+5%	**2,024**	2,145
-5%	**(2,024)**	(2,145)

4. FINANCIAL RISKS (CONTINUED)

4.2 Credit risk

Credit risk is a risk that a counterparty will be unable to pay an amount in full when due. The Company's credit risk is primarily attributable to its reinsurance assets, loan receivables, insurance and other receivables (premium receivables, Third party receivables, Reinsurers receivables and others) and investment in debt securities. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and the current economic environment.

The Credit Control department assesses the creditworthiness of brokers, agents and of contract holders based on details of recent payment history, past experience and by taking into account their financial position. The Company is exposed to the possibility of default by its reinsurers for their share of insurance liabilities and refunds in respect of claims already paid. Management monitors the financial strength of its reinsurers and has policies in place to ensure that risks are ceded to top-rated and credit-worthy reinsurers only. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The Company also has exposure to credit risk on its securities. The Investment Committee assesses the credit quality of the issuers based on past experience the Company had with those issuers. The Investment Committee recommends investment in entities with which the Company had good experience within the past years and with good standing. The financial performance and position of the issuers are assessed in detail prior to approval is obtained for investment by the Company. The table shows the maximum exposure to credit risk for the components of the financial position.

Financial assets	**2023**	2022
	Rs'000	Rs'000
Financial assets at amortised cost*	**924,067**	824,872
Loan receivables	**10,075**	11,772
Insurance and other receivables**	**724,412**	605,964
Cash and bank balances	**99,566**	177,614
	1,758,120	1,620,222

* Excludes equity instruments.

**Excludes sundry deposits, prepayments and deferred expenses

4.3 Liquidity risk

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

The Company is exposed to daily payments of benefits to clients and to repayment of financial liabilities.

The Company's liquidity position is monitored on a regular basis. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching profiles of financial assets.

The table below summarises the Company's trading liabilities at amortised cost, categorised by the earlier of contractual re-pricing or maturity dates.

	Not Stated Maturity * **	**1 to 3 months**	**3 months to 1 year**	**More than 1 year**	**On demand**	**Total**
At 30 June 2023	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Insurance contract liabilities*	**786,592**	-	-	-	-	**786,592**
Financial liabilities						
Trade and other payables**	-	**111,348**	**40,276**	-	**143,473**	**295,097**
Lease liabilities ****	-	**1,780**	**5,454**	**58,571**	-	**65,805**
Dividend payable	-	-	-	-	-	-
Total liabilities	**786,592**	**113,128**	**45,730**	**58,571**	**143,473**	**1,147,494**

4. FINANCIAL RISKS (CONTINUED)

4.3 Liquidity risk (Continued)

	Not Stated Maturity ***	1 to 3 months	3 months to 1 year	More than 1 year	On demand	Total
At 30 June 2022	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance contract liabilities*	728,975	-	-	-	-	728,975
Financial liabilities						
Trade and other payables**	-	75,862	57,071	-	140,120	273,053
Lease liabilities ****	-	2,464	7,392	62,882	-	72,738
Dividend payable	-	-	51,713	-	-	51,713
Total liabilities	728,975	78,326	116,176	62,882	140,120	1,126,479

* Insurance contract liabilities exclude unearned premium.

** Excludes sundry deposits.

*** Insurance contract liabilities are outstanding claims where Significant delays can be expected in the notification and settlement of these claims and the ultimate cost of which cannot be known with certainty at the end of the reporting period. Given the uncertainty involved in timing of repayment of these liabilities, the entity's normal operating cycle is not clearly identifiable. Consequently, the insurance contract liabilities have been disclosed as current under 'Not Stated' maturity.

**** The lease liabilities payable after 1 year include Rs. 7,547,784 payable between 1 and 2 years, Rs. 7,874,888 payable between 2 and 3 years, Rs. 8,216,167 payable between 3 and 4 years, Rs. 8,572,237 payable between 4 and 5 years and Rs. 26,359,375 payable after 5 years.

4.4 Reinsurers' default

The Company is exposed to the possibility of default by its reinsurers for their share of insurance liabilities and refunds in respect of claims already paid. Management monitors the financial strength of its reinsurers.

4.5 Capital risk management

The Company's objectives when managing capital are :

- To comply with the mimimum capital requirements of the Insurance Act 2005 and the Insurance Rules and Regulation 2007;
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for its policyholders; and
- To provide an adequate return to shareholders by pricing insurance contracts in line with the level of risk and also be solvent.

The Company manages the miminum capital requirement as follows:

Different target levels are set above the statutory requirements, providing a buffer in order to remain solvent at all times and this is monitored on a quarterly basis. Capital planning is done to ensure we minimise the risk of being below the mimimum required and these calculations are done under different stress test scenarios using parameters in different areas of risks such as equity risk, interest rate risk, credit risk, business risk and currency risk. Reinsurance is used to reduce the volatility of our results, thus reducing our capital needs. This risk is further reduced by using rated reinsurers in our panel.

The operation of the Company is also subject to regulatory requirements. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g capital adequacy) to minimise the risk of default and insolvency to meet unforeseen liabilities. In reporting financial strength, capital and solvency is measured using the rules prescribed by the Insurance Act.

4. FINANCIAL RISKS (CONTINUED)

For the year ended 30 June 2023, the Company has satisfied the minimum capital requirement of 150% which is as per the Insurance (General Insurance Business Solvency) Rules 2007 made by the Financial Services Commission under Section 23 and 130 of the Insurance Act 2005.

4.6 Fair value measurements

The following table provides an analysis of financial instruments that are measured subsequently to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable market data (unobservable inputs).

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Financial assets at FVOCI				
Quoted Equities	**40,477**	**-**	**-**	**40,477**
Unquoted Equities	**-**	**-**	**24**	**24**
Total	**40,477**	**-**	**24**	**40,501**

	2022			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at FVOCI				
Quoted Equities	38,115	-	-	38,115
Unquoted Equities	-	-	18	18
	38,115	-	18	38,133
Financial assets at FVTPL				
Quoted Equities	4,758	-	-	4,758
Total	42,873	-	18	42,891

Reconciliation of Level 3 fair value measurements of financial assets

	Unquoted Equities	**Total**
	2023	**2023**
	Rs'000	**Rs'000**
Opening balance	**18**	**18**
Fair value adjustments	**6**	**6**
Closing balance	**24**	**24**

Fair value hierarchy

		Valuation approach	**Observable input**	**Carrying amount**		**Fair Value**	
				2023	2022	**2023**	2022
Loans and receivables:				**Rs'000**	Rs'000	**Rs'000**	Rs'000
Loans and advances	Level 2	DCF	Floating market rate	**10,075**	11,772	**10,075**	11,772
Other financial assets:							
Government and other bonds	Level 2	YTM	Government bond yields	**746,247**	705,441	**751,340**	742,165
Term deposits	Level 2	YTM	Government bond yields	**177,820**	119,431	**172,306**	134,554
				934,142	836,644	**933,721**	888,491

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Valuation of insurance contract liabilities

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

These estimates are described below:

The estimation of ultimate liability arising from the claims made under insurance contracts is one of the Company's most critical accounting estimates. There are sources of uncertainty that need to be considered in the estimate of the liability that the Company will eventually pay for such claims. Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the significant part of the liability in the statement of financial position.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain –Ladder and Cape Cod. For each class of business, the decision to use a Chain Ladder and Cape Cod approach was made based on the observed claims development to date. A rule of thumb was applied: for loss years where observed claims development was less than 75% the Cape Cod method was used on the basis that the observed claims are not felt to be credible enough on their own to form the basis of an estimate; for loss years where observed claims development was more than 75% the Chain-Ladder method was used.

Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Company and management estimates based on past claims settlement trends for the claims incurred but not reported. General insurance loss reserves require significant judgment relating to factors and assumptions such as inflation, claims development patterns and regulatory changes.

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

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

Recoverable amount on insurance and other receivables

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

Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Reinsurance

The Company is exposed to disputes on, and defects in, contract wordings and the possibility of default of its Reinsurers. The Company monitors the financial strength of their Reinsurers. Allowance will be made in the financial statements for non-recoverability in case of Reinsurer's default.

Pension benefits

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

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 20.

Significant increase in credit risk

The Company continuously monitors all assets subject to Expected Credit Losses ("ECLs"). In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when the IFRS 9 lifetime PD has doubled since initial recognition and has increased by more than 20 bps a year. When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Significant judgement in determining the lease term of contracts with renewal options

The Company 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 Company has the option, under some of its leases to lease the assets for additional terms of three to five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g a change in business strategy).

The Company recognised rent expense of Rs 9.9million for the year under review (2022: Rs 9.9million).

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its Incremental Borrowing Rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company ‘would have to pay’, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the Company’s functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company’s stand-alone credit rating).

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Leases - Estimating the incremental borrowing rate (Continued)

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

6. EQUIPMENT

	Furniture & Fittings	Office Equipment	Computer Equipment	Total
(a) COST	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At 01 July 2021	3,361	478	7,078	10,917
Additions	211	176	1,537	1,924
Disposal/Scrapped	(351)	-	(1,374)	(1,725)
At 30 June 2022	3,221	654	7,241	11,116
Additions	27	51	108	186
Scrapped	-	-	(2,053)	(2,053)
At 30 June 2023	**3,248**	**705**	**5,296**	**9,249**
DEPRECIATION				
At 01 July 2021	1,460	299	3,665	5,424
Charge for the year	405	86	1,483	1,974
Disposal/Scrapped	(248)	-	(1,374)	(1,622)
At 30 June 2022	1,617	385	3,774	5,776
Charge for the year	328	94	1,125	1,547
Scrapped	-	-	(2,017)	(2,017)
At 30 June 2023	**1,945**	**479**	**2,882**	**5,306**
NET BOOK VALUE				
At 30 June 2023	**1,303**	**226**	**2,414**	**3,943**
At 30 June 2022	1,604	269	3,467	5,340

(b) Depreciation charge of Rs 1,547,000 (2022: Rs 1,974,000) has been included in administrative and other expenses.

7. INTANGIBLE ASSETS

		Computer Software	
		2023	2022
		Rs'000	Rs'000
(a)	**COST**		
	At 01 July	**45,484**	15,469
	Additions	**4,315**	30,015
	Scrapped	**(1,072)**	-
	At 30 June	**48,727**	45,484
	AMORTISATION		
	At 01 July	**11,794**	10,460
	Charge for the year	**2,587**	1,334
	Scrapped	**(1,072)**	**-**
	Intangible written off	**4**	**-**
	At 30 June	**13,313**	11,794
	NET BOOK VALUE		
	At 30 June	**35,414**	33,690

(b) Amortisation charge of Rs 2,587,000 (2022: Rs 1,334,000) has been included in administrative and other expenses.

8. LEASES

The Company leases buildings with lease terms exceeding one year.

Amounts recognised in the Statement of Financial Position

The Company as lessee

(a) Right of use assets

Set out below are the carrying amounts of right-of-use assets recognised and movement during the year:

	Buildings	
	2023	2022
	Rs'000	Rs'000
COST		
At 30 June	**80,465**	80,465
ACCUMULATED DEPRECIATION		
At 01 July	**9,388**	1,341
Charge for the year	**8,047**	8,047
At 30 June	**17,435**	9,388
NET BOOK VALUE		
At 30 June	**63,030**	71,077

8. LEASES (CONTINUED)

(b) Lease liabilities

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

	Buildings
	Rs'000
At 01 July 2021	79,384
Repayment	(9,856)
Accretion of interest	3,210
At 30 June 2022	72,738
Repayment	(9,856)
Accretion of interest	2,923
At 30 June 2023	**65,805**

	Buildings	
	2023	2022
	Rs'000	Rs'000
Analysed as:		
Non-current	**58,571**	62,882
Current	**7,234**	9,856
	65,805	72,738

The maturity analysis of lease liabilities are disclosed in note 4.3.

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

The following are the amounts recognised in the statement of profit or loss:

	Buildings	
	2023	2022
	Rs'000	Rs'000
Depreciation expense of right-of-use assets	**8,047**	8,047
Interest expense on lease liabilities	**2,923**	3,210
Total amount recognised in profit or loss	**10,970**	11,257

The total cash outflow for leases in year ended 30 June 2023 was Rs 9,856,000 (2022: Rs 9,856,000) which includes principal portion of Rs 6,933,000 and interest portion of Rs 2,923,000.

(d) The analysis that follows is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity.

	2023	
<u>**Changes in interest rate**</u>	**Impact on profit before tax**	**Impact on equity**
	Rs'000	**Rs'000**
+100 basis points	**(110)**	**(110)**
-100 basis points	**110**	**110**

8. LEASES (CONTINUED)

	2022	
Changes in interest rate	Impact on profit before tax	Impact on equity
	Rs'000	Rs'000
+100 basis points	(113)	(113)
-100 basis points	113	113

A 100 basis points increase in interest rate would increase interest expense and depreciation charge, which is a decrease in profits and vice versa.

9. FINANCIAL ASSETS

(a) Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)

	2023	2022
	Rs'000	Rs'000
Equity securities:		
Quoted	**40,477**	38,115
Unquoted	**24**	18
	40,501	38,133
At 1 July	**38,133**	32,693
Additions during the year	**5,646**	-
(Decrease)/Increase in fair value	**(3,278)**	5,440
At 30 June	**40,501**	38,133

The Company has classified its equity investments at FVOCI on the basis that they are not held for trading.

During the current financial year, the Company purchased financial assets through FVOCI amounting to Rs. 5,646,000 (2022: Nil). The net fair value loss amounted to Rs. 3,278,000 (2022: gain Rs.5,440,000) and are disclosed in the Statement of Comprehensive Income for the year.

In 2023, the Company received dividends of Rs. 2,793,000 (2022: Rs 1,389,000) from its equity investments which was recorded in the Statement of Comprehensive Income as investment income.

(b) Financial assets at Fair Value Through Profit or Loss (FVTPL)

	2023	2022
	Rs'000	Rs'000
Equity securities:		
Quoted	**4,758**	4,758
At 1 July	**4,758**	-
Additions during the year	**-**	4,842
Disposals during the year	**(4,758)**	-
Decrease in fair value	**-**	(84)
At 30 June	**-**	4,758

The Company has classified its equity investments at FVTPL on the basis that they are not held for trading.

9. FINANCIAL ASSETS (CONTINUED)

(b) Financial assets at Fair Value Through Profit or Loss (FVTPL) (continued)

During the current financial year, the Company did not purchase any financial assets through FVTPL (2022: Rs 4,842,000). The Company disposed of its Financial assets through FVTPL of Rs. 4,758,000 (2022: Nil). No fair value gain/loss arose (2022: Loss of Rs.84,000) on Financial assets through FVTPL.

(c) Financial assets at amortised cost

	2023	2022
	Rs'000	Rs'000
Government bonds	**491,631**	470,610
BOM certificate	**13,113**	-
Treasury bills and treasury notes	**135,113**	117,838
Corporate bonds and notes	**106,132**	116,736
Preference shares	**258**	257
Term deposits	**177,820**	119,431
	924,067	824,872
Analysed between:		
Current	**336,071**	246,434
Non-current	**587,996**	578,438
	924,067	824,872

The Company has investments in Government bonds, Bank of Mauritius Certificate, treasury bills and treasury notes, corporate bonds and notes, preference shares and term deposits and are classified as financial assets at amortised cost as these are kept under the business model with the objective to hold these instruments in order to collect contractual cash flows. The contractual terms of these financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal outstanding. Interest rates on these instruments vary from 0.25% - 12.00% p.a. with maturities varying from 2023 to 2032.

An amount of Rs 8,000,000 (2022: Rs 8,000,000) included in debt instrument at amortised cost represents statutory deposit and pledged with the Financial Services Commission in compliance with the Insurance Act 2005. Statutory deposits represent investments in Mauritius Government Bonds earning interest at the rate of 6.75% per annum and maturing on 27 September 2028.

The table below shows the credit quality and maximum exposure to credit risk. The amounts presented are gross of impairment allowances.

At 30 June 2023	**Stage 1 Individual**	**Stage 2 Individual**	**Stage 3 Individual**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Performing high grade	**924,611**	**-**	**-**	**924,611**
Past due but not impaired	**-**	**-**	**-**	**-**
Non-performing	**-**	**-**	**-**	**-**
	924,611	**-**	**-**	**924,611**

9. FINANCIAL ASSETS (CONTINUED)

(c) Financial assets at amortised cost (continued)

At 30 June 2022	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Performing high grade	825,493	-	-	825,493
Past due but not impaired	-	-	-	-
Non-performing	-	-	-	-
	825,493	-	-	825,493

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

	Stage 1 Individual	**Stage 2 Individual**	**Stage 3 Individual**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Gross carrying value at 1 July 2022	**825,493**	**-**	**-**	**825,493**
New assets purchased	**917,425**	**-**	**-**	**917,425**
Asset derecognised or matured	**(821,211)**	**-**	**-**	**(821,211)**
Amortisation adjustments	**2,904**	**-**	**-**	**2,904**
At 30 June 2023	**924,611**	**-**	**-**	**924,611**

	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying value at 1 July 2021	827,613	-	-	827,613
New assets purchased	233,167	-	-	233,167
Asset derecognised or matured	(231,837)	-	-	(231,837)
Amortisation adjustments	(3,450)	-	-	(3,450)
At 30 June 2022	825,493	-	-	825,493

There was no transfer of assets between stages during the year.

	Stage 1 Individual	**Stage 2 Individual**	**Stage 3 Individual**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
ECL allowance at 1 July 2022	**621**	**-**	**-**	**621**
New assets purchased	**214**	**-**	**-**	**214**
Assets derecognised on maturity	**(197)**	**-**	**-**	**(197)**
Amortisation adjustment	**(94)**	**-**	**-**	**(94)**
ECL allowance at 30 June 2023	**544**	**-**	**-**	**544**

9. FINANCIAL ASSETS (CONTINUED)

(c) Financial assets at amortised cost (Continued)

	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
ECL allowance at 1 July 2021	657	-	-	657
New assets purchased	227	-	-	227
Assets derecognised on maturity	(154)	-	-	(154)
Amortisation adjustment	(109)	-	-	(109)
ECL allowance at 30 June 2022	621	-	-	621

Amortisation adjustment include amortisation of interest income and discount.

There were no transfer of assets between stages during the year.

d) The Company purchased financial assets worth Rs 917,425,000 (2022: Rs 233,167,000) during the year under review. Conversely, the Company received proceeds of Rs 821,211,000 (2022: Rs 231,837,000) on maturity of financial assets during the year.

e) Fair value measurements recognised in the statement of financial position

At 30 June 2023	**Level 1 Rs'000**	**Level 2 Rs'000**	**Level 3 Rs'000**	**Total Rs'000**
Financial assets at FVOCI				
Equity securities (Listed)	**40,477**	**-**	**-**	**40,477**
Equity securities (Not Listed)	**-**	**-**	**24**	**24**
	40,477	**-**	**24**	**40,501**

At 30 June 2022	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Financial assets at FVOCI				
Equity securities (Listed)	38,115	-	-	38,115
Equity securities (Not Listed)	-	-	18	18
Financial assets at FVTPL				
Equity securities (Listed)	4,758	-	-	4,758
	42,873	-	18	42,891

10. LOANS AND ADVANCES

	Total
	Rs'000
At 01 July 2021	12,433
Additions	1,967
Repayments	(2,628)
At 30 June 2022	**11,772**
Additions	**1,330**
Repayments	**(3,027)**
At 30 June 2023	**10,075**

Analysed as follows:

	Total
	Rs'000
2023	
Non-current	**7,840**
Current	**2,235**
	10,075
2022	
Non-current	9,565
Current	2,207
	11,772

During the year under review, the Company has provided loans to employees amounting Rs 1,330,000 (2022 : Rs 1,967,000) as per terms and conditions set in the contract of employment. The Loans are at preferential rates varying from 2% to 4% per annum.

Below is a reconciliation of the ECL allowance between the opening and closing balance:

	Stage 1 Individual	**Stage 2 Individual**	**Stage 3 Individual**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
ECL allowance at 1 July 2022	**11**	**-**	**-**	**11**
New assets purchased	**-**	**-**	**-**	**-**
Assets derecognised on maturity	**(1)**	**-**	**-**	**(1)**
ECL allowance at 30 June 2023	**10**	**-**	**-**	**10**

	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
ECL allowance at 1 July 2021	11	-	-	11
New assets purchased	-	-	-	-
Assets derecognised on maturity	-	-	-	-
ECL allowance at 30 June 2022	11	-	-	11

11. DEFERRED TAXATION

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 17% (2022: 17%).

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

	2023	2022
	Rs'000	Rs'000
At 01 July	29,727	28,680
Credited /(debited) to profit or loss (note 15(b))	8	(2,885)
Credited to other comprehensive income	7,863	3,932
At 30 June	37,598	29,727

(b)

	2023	2022
	Rs'000	Rs'000
Deferred tax liabilities	(2,659)	(3,921)
Deferred tax assets	40,257	33,648
	37,598	29,727

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

(c) Deferred tax assets and liabilities are attributable to the following:

	2023	2022
Deferred tax liabilities	Rs'000	Rs'000
Accelerated tax depreciation	(2,659)	(3,921)

	2023	2022
	Rs'000	Rs'000
Deferred tax assets arise on:		
Pension benefit obligations	38,727	32,287
Provision for expected credit loss	109	109
Provision for impairment of insurance receivables	924	755
Provision for credit impairment on reinsurer's receivables	497	497
	40,257	33,648

12. INSURANCE AND OTHER RECEIVABLES

	2023	2022
	Rs'000	Rs'000
Premium receivables	**312,569**	300,950
Provision for credit impairment (Note 12(a))	**(5,434)**	(4,440)
	307,135	296,510
Third Party receivables	**335,225**	237,021
Deposit Debtors	**60,398**	39,937
Amounts due from reinsurers (Note 12(b))	**16,880**	24,492
Dividend and interest receivables	**701**	341
Prepayments	**1,088**	557
Other receivables	**4,073**	7,663
	725,500	606,521

The carrying amounts of insurance and other receivables approximate their fair values. Deposit debtors relate to receivables for insurance contracts which have not been incepted and for which payments are still outstanding. Other receivables include premium outstanding for travel insurance and study loans.

(a) Movement in provision for credit impairment:

	2023	2022
	Rs'000	Rs'000
At 01 July	**4,440**	4,307
Charge for the year	**3,065**	726
Reversal	**(2,071)**	-
Write off	**-**	(593)
At 30 June	**5,434**	4,440

The individually impaired premiums mainly relate to policyholders who are in unexpectedly difficult economic situations.

The credit period on premium receivable is determined with regards to the status of clients and amount of premium involved monthly.

Provision for credit impairment is normally determined by the Company as premium due for more than one year. No interest is charged on the premium. The provision is written off against the receivable when there is objective evidence of default.

Before accepting any new customer, the technical department assesses the credit quality of the customer and defines the terms and credit limits accordingly.

Analysis of the age of insurance receivables is as follows:

	2023	2022
	Rs'000	Rs'000
Current	**233,456**	236,457
Up to 2 months	**34,240**	17,693
> 2months < 3 months	**40,573**	40,017
> 3months < 6 months	**93,291**	62,445
> 6 months < 1 year	**104,894**	70,330
> 1 year	**135,906**	106,589
	642,360	533,531

12. INSURANCE AND OTHER RECEIVABLES (CONTINUED)

(a) Movement in provision for credit impairment: (continued)

In determining the recoverability of a premium, the Company considers any change in the credit quality of the premium from the date the credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, it is believed that there is no further credit provision required in excess of the allowance for doubtful debts.

The carrying amounts of premium and other receivables (excluding prepayments) are denominated in the following currencies:

	2023	2022
	Rs'000	Rs'000
MUR	**668,160**	578,388
USD	**55,158**	27,447
EURO	**1,033**	60
GBP	**61**	69
	724,412	605,964

b) Amounts due from reinsurers:

	2023	2022
	Rs'000	Rs'000
Amounts due from reinsurers	**19,802**	27,414
Provision for credit impairment	**(2,922)**	(2,922)
	16,880	24,492

b) i) Movement in provision for credit impairment:

	2023	2022
	Rs'000	Rs'000
At 01 July	**2,922**	4,676
Reversal	**-**	(439)
Movement	**-**	(1,315)
At 30 June	**2,922**	2,922

The other classes within insurance and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

13. NET EARNED PREMIUMS

		2023	2022
		Rs'000	Rs'000
(a)	Gross premiums written	**1,621,718**	1,546,424
	Change in unearned premium provision	**(75,407)**	(137,257)
		1,546,311	1,409,167
(b)	Premiums ceded to reinsurers	**(739,803)**	(743,645)
	Change in unearned premium provision - reinsurance part	**24,168**	59,631
		(715,635)	(684,014)
	Net earned premiums	**830,676**	725,153

14. INSURANCE LIABILITIES AND REINSURANCE ASSETS

(a)

	2023	2022
	Rs'000	Rs'000
Gross		
Claims reported	**725,459**	675,579
Claims incurred but not reported (IBNR)	**61,133**	53,396
Outstanding claims (note 14(b))	**786,592**	728,975
Unearned premiums (note 14 (c))	**682,376**	606,969
Total gross insurance liabilities	**1,468,968**	1,335,944
Reinsurance assets		
Claims reported	**428,099**	372,680
Claims incurred but not reported (IBNR)	**31,502**	26,998
Movement in Third Party receivables	**(124,407)**	(26,203)
Unearned premiums	**290,226**	266,058
Total reinsurers' share of insurance liabilities	**625,420**	639,533
Net		
Claims reported	**297,360**	302,899
Movement in Third Party receivables	**124,407**	26,203
Claims incurred but not reported (IBNR)	**29,631**	26,398
	451,398	355,500
Unearned premiums	**392,150**	340,911
Total net insurance liabilities	**843,548**	696,411

14. INSURANCE LIABILITIES AND REINSURANCE ASSETS (CONTINUED)

(b) The movement in insurance liabilities and reinsurance assets is as follows:

	2023			2022		
	Gross	**Reinsurance**	**Net**	Gross	Reinsurance	Net
	Rs'000	**Rs'000**	**Rs'000**	Rs'000	Rs'000	Rs'000
At 01 July						
Notified claims	**728,975**	**(399,678)**	**329,297**	585,535	(293,348)	292,187
Increase/(decrease) in liabilities	**756,749**	**(171,030)**	**585,719**	652,894	(222,604)	430,290
Cash paid for claims settled in the year	**(760,265)**	**142,609**	**(617,656)**	(562,850)	143,272	(419,578)
	725,459	**(428,099)**	**297,360**	675,579	(372,680)	302,899
Claims incurred but not reported (IBNR)	**61,133**	**(31,502)**	**29,631**	53,396	(26,998)	26,398
At 30 June	**786,592**	**(459,601)**	**326,991**	728,975	(399,678)	329,297
Movement in claims outstanding and IBNR	**57,617**	**(59,923)**	**(2,306)**	143,440	(106,330)	37,110
Claims incurred but not reported (IBNR)	**61,133**	**(31,502)**	**29,631**	53,396	(26,998)	26,398

(c) The movement in unearned premiums is as follows:

	2023			2022		
	Gross	**Reinsurance**	**Net**	Gross	Reinsurance	Net
	Rs'000	**Rs'000**	**Rs'000**	Rs'000	Rs'000	Rs'000
At 01 July	**606,969**	**(266,058)**	**340,911**	469,712	(206,427)	263,285
Increase/(Decrease) during the year	**75,407**	**(24,168)**	**51,239**	137,257	(59,631)	77,626
At 30 June	**682,376**	**(290,226)**	**392,150**	606,969	(266,058)	340,911

14. INSURANCE LIABILITIES AND REINSURANCE ASSETS (CONTINUED)

(d) Deferred acquisition costs receivables

	2023	2022
	Rs'000	Rs'000
At 01 July	**34,327**	30,414
Movement	**10,947**	3,913
At 30 June	**45,274**	34,327

(e) Deferred acquisition costs payables

	2023	2022
	Rs'000	Rs'000
At 01 July	**42,551**	41,623
Movement	**15,577**	928
At 30 June	**58,128**	42,551

(f) Commissions receivable from reinsurers

	2023	2022
	Rs'000	Rs'000
Gross commission income	**138,591**	114,603
Change in deferred acquisition costs payables	**(15,577)**	(928)
	123,014	113,675

(g) Commissions paid to agents and brokerage fees

	2023	2022
	Rs'000	Rs'000
Gross commission expense	**111,433**	104,818
Change in deferred acquisition costs receivables	**(10,947)**	(3,913)
	100,486	100,905

15. TAXATION

Income tax

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

(a) Statement of financial position

	2023	2022
	Rs'000	Rs'000
At 01 July	**4,463**	8,475
Income tax charge for the year (note 15(b))	**5,455**	13,757
Under/(over) provision of income tax	**900**	(2,521)
CSR paid during the year	**(2,214)**	(1,670)
Tax paid during the year	**(5,914)**	(13,578)
At 30 June	**2,690**	4,463
Analysed as follows:		
Current tax liabilities	**2,690**	4,463

15. TAXATION (CONTINUED)

(b) Statement of profit or loss

	2023	2022
	Rs'000	Rs'000
Current tax expense	**5,455**	13,757
Under/(over) provision of income tax	**900**	(2,521)
Deferred tax (note 11(a))	**(8)**	2,885
	6,347	14,121

(c) Tax reconciliation

	2023	2022
	Rs'000	Rs'000
Profit before taxation	**29,908**	83,073
Tax calculated at 17% (2022: 17%)	**5,084**	14,122
CSR	**1,656**	2,227
Income not subject to tax	**(5,191)**	(5,017)
Expenses not deductible for tax purposes	**3,899**	5,310
Under/ (over) provision in previous year	**900**	(2,521)
Tax charge	**6,347**	14,121

16. TRADE AND OTHER PAYABLES

	2023	2022
	Rs’000	Rs’000
Amounts due to reinsurers	**143,473**	140,120
Other payables and accruals	**153,770**	130,323
Amount due to holding company	**6,014**	7,747
	303,257	278,190

The above amounts payable are interest free, unsecured and repayable at their stated maturities (note 4.3). The carrying amounts of trade and other payables approximate their fair values.

17. DIVIDEND PAYABLE

No dividend has been proposed for the current financial year 30 June 2023 (2022: Rs 51,713,388 (Rs 206.85 per share).

18. STATED CAPITAL

	2023	2022
Issued and fully paid	**Rs'000**	Rs'000
250,000 ordinary shares at No par value each	**25,000**	25,000

Pursuant to section 8 "Restriction on Composite Insurance Business" of the Insurance Act 2005, the Shareholders of State Insurance Company of Mauritius Ltd, by a resolution dated 13th of April 2010, resolved to incorporate a wholly-owned subsidiary company, SICOM General Insurance Ltd, to transact Short Term Business only. The Company has one class of ordinary no par value shares, which carries a right to vote and a right to dividend.

19(a) RESERVES

Reserves represent retained earnings, accumulated gains and losses arising on revaluation of financial assets at FVOCI that have been recognised in Other Comprehensive Income (OCI) and the cumulative remeasurement of defined benefit obligations recognised in OCI.

19(b) SUBORDINATED LOAN

All the assets and liabilities of the General Insurance Business of State Insurance Company of Mauritius Ltd, the holding company, were transferred to SICOM General Insurance Ltd on 01 July 2010. The accumulated reserves were converted into share capital and the remaining as subordinated loan which is unsecured and interest free.The loan is considered as quasi-equity. The loan does not carry any obligation to repay cash or another financial asset to the holder.

20. PENSION BENEFIT OBLIGATIONS

	2023	2022
	Rs'000	Rs'000
Defined Benefit plan (Note (a))	**205,647**	170,544
Guaranteed Pension (Note (b))	**22,164**	19,381
	227,811	189,925

(a) Defined benefit plan

(i) The Company operates a defined benefit pension plan which is fully funded. The plan is a final salary plan, which provides benefits to members in the form of a guaranteed level of pension for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The assets of the fund are held independently and administered by the State Insurance Company of Mauritius Ltd.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligations were carried out at 30 June 2023 by QED Actuaries and Consultants (Actuarial Valuer). The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) The amounts recognised in the statement of financial position are as follows:

	2023	2022
	Rs'000	Rs'000
Present value of funded obligations	**431,429**	364,283
Fair value of plan assets	**(225,782)**	(193,739)
Liability recognised in the statement of financial position	**205,647**	170,544

(ii) The amounts recognised in the statement of financial position are as follows:

	2023	2022
	Rs'000	Rs'000
At 01 July	**170,544**	155,455
Profit or loss charge	**15,525**	14,240
Other comprehensive income charge	**44,840**	25,450
Contributions paid	**(25,262)**	(24,601)
At 30 June	**205,647**	170,544

20. PENSION BENEFIT OBLIGATIONS (CONTINUED)

(a) Defined benefit plan (Continued)

(iii) The movement in the defined benefit obligations over the year is as follows:

	2023	2022
	Rs'000	Rs'000
At 01 July	364,283	333,757
Current service cost	6,497	6,186
Administration Expenses	(213)	(195)
Risk Premiums	(343)	(179)
Employee contributions	3,047	2,783
Interest expense	20,174	18,020
Benefits paid	(6,218)	(11,054)
Liability experience gains	25,423	6,283
Actuarial gains on economic assumptions	18,779	8,682
At 30 June	**431,429**	364,283

(iv) Split of Defined Benefit Obligation

	2023	2022
	Rs'000	Rs'000
Actives	285,077	237,551
Pensioners	144,370	125,548
Deferred Pensioners	329	312
Benefits due	1,653	872
At 30 June	431,429	364,283

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

	2023	2022
	Rs'000	Rs'000
At 01 July	193,739	178,302
Interest income on plan assets	11,146	9,966
Administration expenses	(213)	(195)
Risk premiums	(343)	(179)
Employer contributions	25,262	24,601
Employee contributions	3,047	2,783
Benefits paid	(6,218)	(11,054)
Actuarial Losses on Plan Assets	(638)	(10,485)
At 30 June	**225,782**	193,739

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

	2023	2022
	Rs'000	Rs'000
Current service cost	6,497	6,186
Net interest on net defined benefit liabilities	9,028	8,054
Total included in "employee benefit expense" (note 23(a))	15,525	14,240
Actual return on plan assets	10,508	(519)

20. PENSION BENEFIT OBLIGATIONS (CONTINUED)

(a) Defined benefit plan (Continued)

(vii) The amounts recognised in Other Comprehensive Income are as follows:

	2023	2022
	Rs'000	Rs'000
Return on plan assets below interest income	**638**	10,485
Liability experience loss	**25,423**	6,283
Liability loss due to change in economic assumptions	**18,779**	8,682
	44,840	25,450

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

	2023	2022
	Rs'000	Rs'000
Equity - local quoted	**28,087**	24,024
Equity - local unquoted	**67,577**	1,550
Debt - local quoted	**5,690**	2,325
Debt - local unquoted	**118,423**	111,981
Investment Funds	**610**	48,822
Property - local	**1,195**	969
Cash and others	**4,200**	4,068
Total	**225,782**	193,739

(ix) Principal actuarial assumptions at end of period for Defined benefits plan.

	2023	2022
	%	%
Discount rate	**6.00**	5.45
Salary increase rate	**4.00**	3.75
Pension increase rate	**4.00**	2.75
Inflation rate	**4.00**	2.75
Average retirement age (ARA) (years)	**65**	65
Average life expectancy for:		
-Male at ARA	**16.0**	16.0
-Female at ARA	**19.1**	19.1

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

	2023		2022	
	Increase	**Decrease**	Increase	Decrease
	Rs'000	**Rs'000**	Rs'000	Rs'000
Discount rate (1% movement)	**61,229**	**72,143**	59,774	72,299
Salaries assumptions (1% movement)	**29,555**	**26,871**	29,576	26,542
Pension assumptions (1% movement)	**41,742**	**37,383**	41,681	36,686

20. PENSION BENEFIT OBLIGATIONS (CONTINUED)

(a) Defined benefit plan (Continued)

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

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

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

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

(xi) The risks to the Company in respect of the benefits are summarised and described below:

- Inflation risk: if salary increases are significantly higher than assumed;
- Longevity risk: if actual post-retirement mortality is lower than assumed;
- Administrative risk: if the data provided in respect of the employees or benefits is incomplete or incorrect;
- Exclusion risk: the risk of discontent of employees who are ineligible for these benefits;
- Investment risk: the risk that the return earned by plan assets is lower than expected; and
- Default risk: The risk of default on the instruments underpinning the plan assets.

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

(xiii) The Company expects to pay Rs 25,566,000 in contributions to its post-employment benefit plans for the year ending 30 June 2024 (2023: Rs 24,862,000).

(xiv) The weighted average duration of the defined benefit obligation is 18 years at the end of the reporting period (2022: 18 years).

(b) Guaranteed Pension Plan

(i) In 2016, the Salary Report of SICOM Group introduced the following benefits:

(a) A guaranteed pension of 12.5 years in case of death for employees before retirement, current pensioners and for active members who will retire in future; and

(b) Additional pensions for employees who left on Voluntary Retirement Scheme.

The benefit is a defined benefit scheme which is wholly unfunded.

As per the requirement of the IAS 19 (Employee Benefits) accounting standard, the liability in respect of these benefit improvements are being recognised in the Financial Statements.

(ii) The movements in the statement of financial position are as follows:

	2023	2022
	Rs'000	Rs'000
Present value of unfunded obligations	**22,164**	19,381
Liability in the statement of financial position	**22,164**	19,381

20. PENSION BENEFIT OBLIGATIONS (CONTINUED)

(b) <u>Guaranteed Pension Plan (Continued)</u>

	2023	2022
	Rs'000	Rs'000
At 1 July	**19,381**	20,322
Profit or loss charge	**1,605**	1,610
Other comprehensive income charge	**1,417**	(2,324)
Contributions paid	**(239)**	(227)
At 30 June	**22,164**	19,381

(iii) The movement in the defined benefit obligations over the year is as follows:

	2023	2022
	Rs'000	Rs'000
At 01 July	**19,381**	20,322
Current service cost	**527**	502
Interest expense	**1,078**	1,108
Benefits paid	**(239)**	(227)
Liability experience loss	**643**	(2,803)
Liability loss due to change in financial assumption	**774**	479
At 30 June	**22,164**	19,381

	2023	2022
	Rs'000	Rs'000
(iv) Split of Defined Benefit Obligation:		
Actives Guarantee	**17,105**	14,300
Pensioners Guarantee	**2,663**	3,563
Additional Pensions	**2,396**	1,518
At 30 June	**22,164**	19,381

	2023	2022
	Rs'000	Rs'000
(v) The amounts recognised in profit or loss are as follows:		
Current service cost	**527**	502
Net interest on net defined benefit liabilities	**1,078**	1,108
Total included in "employee benefit expense"	**1,605**	1,610

	2023	2022
	Rs'000	Rs'000
(vi) The movement in the defined benefit obligations in Other Comprehensive Income (OCI):		
Liability experience loss	**643**	(2,803)
Liability loss due to change in economic assumptions	**774**	479
	1,417	(2,324)

20. PENSION BENEFIT OBLIGATIONS (CONTINUED)

(b) Guaranteed Pension Plan (Continued)

(vii) Principal actuarial assumptions at end of period for Guaranteed pension plan

	2023	2022
	%	%
Discount rate	**6.00**	5.45
Salary Increase rate	**4.00**	3.75
Inflation rate	**4.00**	2.75
Pension Increase rate	**4.00**	2.75
Average retirement age (ARA) (years)	**65**	65
Average life expectancy for:		
-Male at ARA	**16.0**	16.0
-Female at ARA	**19.1**	19.1

(viii) Sensitivity analysis on Guaranteed pension plan at end of the reporting date:

	2023		2022	
	Increase	**Decrease**	Increase	Decrease
	Rs'000	**Rs'000**	Rs'000	Rs'000
Discount rate (1% movement)	**2,877**	**3,382**	2,836	3,398
Salaries assumptions (1% movement)	**2,208**	**1,992**	1,888	1,703
Pension assumptions (1% movement)	**1,550**	**1,427**	1,873	1,690

(c) Defined contribution plan

The Company also operates a defined contribution pension plan.

	2023	2022
	Rs'000	Rs'000
Contribution for the year	**1,911**	1,634

21. INVESTMENT INCOME

	2023	2022
	Rs'000	Rs'000
Interest income using effective interest rate	**40,456**	35,599
Dividend income	**2,901**	1,497
	43,357	37,096

22 (a) OTHER INCOME

	2023	2022
	Rs'000	Rs'000
Policy fees	**13,988**	6,567
Exchange loss	**(5,262)**	(1,464)
Others	**4,857**	4,427
	13,583	9,530

The net exchange loss arise mainly on deposits, insurance and other receivables. The others relate mainly to stale cheques credited back and miscellaneous receipts.

22 (b) REVENUE FROM CONTRACT WITH CUSTOMERS

	2023	2022
Breakdown of revenue from contract with customers	**Rs'000**	Rs'000
Management fee income	**1,709**	531

Revenue from management services are recognised over time.

Management fees are received from Managed Medical Fund for managing the assets backing this Fund.

23. ADMINISTRATIVE AND OTHER EXPENSES

	2023	2022
	Rs'000	Rs'000
Employees benefit expense (note 23(a))	**132,766**	118,294
Support service cost (note 23(b))	**64,093**	55,707
Administration fees	**13,905**	16,490
Management fees	**9,047**	8,440
Rental charges	**511**	555
Bank charges	**3,962**	3,227
Amortisation (note 7)	**2,587**	1,334
Advertising	**4,679**	1,178
Depreciation (note 6)	**1,547**	1,974
Depreciation on right-of-use assets (Note 8)	**8,047**	8,047
Provision for impairment of insurance receivables	**713**	726
Provision for impairment of reinsurance receivables (Note 12(b)(i))	**-**	(1,315)
Audit fees	**1,608**	1,334
Directors' and Secretary's Fee	**3,594**	3,217
Consultancy and professional fees	**2,743**	12,809
Maintenance- IT Support	**5,518**	3,136
Others	**8,466**	6,872
	263,786	242,025

These relate mainly to fees paid to service providers, repairs and maintenance, printing and stationery and other miscellaneous expenses incurred in the day to day operations of the Company.

(a) Employees benefit expense

	2023	2022
	Rs'000	Rs'000
Wages and salaries, including termination benefits	**113,108**	100,242
Social security costs	**617**	568
Pension cost - defined benefit plan (note 20(a))	**15,525**	14,240
Pension cost - guaranteed pension plan (note 20(b)(v))	**1,605**	1,610
Pension cost - defined contribution plan (note 20(c))	**1,911**	1,634
	132,766	118,294

(b) Support service cost

As regards to services required by SICOM General Insurance Ltd in respect of Information Technology, Finance and Investment, Legal and Compliance, Actuarial, Marketing, Internal Audit and General Administration, these are provided by State Insurance Company of Mauritius Ltd and the costs involved are allocated to SICOM General Insurance Ltd.

24. MANAGED MEDICAL FUND

The financial statements of the Company exclude the net assets of the Managed Medical Fund amounting to Rs. 2,338,749 (2022: Rs. 2,566,967) as the assets backing this fund do not belong to the Company.

25. CAPITAL COMMITMENTS

Capital expenditure contracted for at reporting date, but not yet incurred is as follows:

	2023	2022
	Rs'000	Rs'000
Computer Software	**3,943**	802

26. HOLDING COMPANY

The Directors regard the State Insurance Company of Mauritius Ltd, a Company incorporated in Mauritius, as the Holding Company.

27. RELATED PARTY DISCLOSURES

(a) Transactions with related parties

	2023	2022
	Rs'000	Rs'000
(i) Holding Company		
Pension contribution payable	**9,450**	8,591
Rent payable	**10,970**	11,257
Other contributions payable	**1,291**	1,171
Management fees payable	**9,047**	8,440
Support service cost payable	**64,093**	55,707
Dividend payable	**-**	51,713
Premium and contribution receivable	**3,512**	14,736

(ii) Key management personnel (including directors) of the Company

	2023	2022
	Rs'000	Rs'000
Premium receivable	**280**	276
Salaries and other short term benefits	**17,863**	16,895
Post-employment benefits	**2,194**	4,771

(iii) Key management personnel (including directors) of the Holding Company

	2023	2022
	Rs'000	Rs'000
Premium receivable	**816**	847

27. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Outstanding balances with related parties

		2023	2022
		Rs'000	Rs'000
(i)	**Holding company**		
	Support service cost to Holding Company	**(5,012)**	(5,379)
	Management fees due to Holding Company	**(812)**	(757)
	Amount due from Holding Company	**660**	407
	Capital expenditure and other expenses due to Holding Company	**(237)**	(754)
	Dividend payable	**-**	(51,713)
	Premium receivable	**60**	243
(ii)	**Key management personnel (including Directors) of the Company**		
	Premium receivable	**-**	5
(iii)	**Key management personnel (including directors) of the Holding Company**		
	Premium receivable	**150**	91

Terms and conditions of transactions with the related parties

The transactions from related parties are made at normal market prices. Outstanding balances at year end are unsecured, interest free except for loan granted to key management personnel (including directors) and settlement occur in cash. There have been no guarantees provided or received for any related party receivables and payables. At each financial year end, an assessment of provision for impairment is undertaken through examining the financial position of the related party and the market in which the related party operates.

28. EVENTS AFTER THE REPORTING PERIOD

There are no events after the end of reporting period which the directors consider may materially affect the financial statements for the year ended 30 June 2023.

29. Going concern

Management has made an assessment of the Company's ability to continue as a going concern.

30. Liquidity risk

The liquidity position of the Company has remained strong as at 30 June 2023. Based on the projected business operations, interest income, dividend income, maturing investments over the next one year, Management does not expect any liquidity concerns in the foreseeable future.

Capital risk

The Company's Capital Available as a % of Minimum Capital Required for the financial year 2023 stood at 173% (2022: 213%) and is above the regulatory requirement of 150%.

STATUTORY DISCLOSURES FOR THE YEAR ENDED 30 JUNE 2023

(Pursuant to Section 221 of the Companies Act 2001)

Principal Activities

The Company is mainly engaged in General Insurance business.

Directors

The Directors of SICOM General Insurance Ltd during the financial year 2022-2023 were as follows:

K G Bhoojedhur-Obeegadoo (Chairperson)
N Ramdewar (Group CEO)
S Ancharaz
Y K Aukhojee
A Chummun
C Dussoye
V K Koonjoo
J Moonien
D Ramkallawon
C Dabeea

Directors' Service Contracts

The Executive Directors have service contracts with the Company without expiry date.

Directors' Emoluments

The total remuneration and benefits for the directors of the Company were as follows:

Non-Executive		Executive	
2023	2022	2023	2022
Rs'000	Rs'000	**Rs'000**	Rs'000
3,479	**3,091**	**4,758**	4,592

The remuneration as mentioned above, received by the Directors during the financial year that they held office were as follows: K G Bhoojedhur-Obeegadoo (Non-Executive Chairperson, Rs 469,750), C Dussoye (Independent Director and SIC Representative Rs 469,275), V K Koonjoo (Independent Director, Rs 458,275), A Chummun (Independent Director, Rs 434,775), Dr Y K Aukhojee (Independent Director, Rs 434,775.), S Ancharaz (Executive Director, Rs 3,959,412 as emoluments and Rs 798,352 as pension related contributions made by the Company and other benefits), J Moonien (Independent Director, Rs 458,275), C Dabeea (Non-Executive Director, Rs 318,750), D Ramkhallawon (Independent Director, Rs 434,775).

The Executive Directors of the Company have a service contract without expiry date and do not receive directors' fees.

Audit fees

The fees payable to the auditors, for audit and other services were:

	2023	2022
Deloitte	**Rs'000**	Rs'000
Audit fees payable	**1,401**	1,334
Fees payable for Tax Services	**123**	117
Fees payable for Other Services	**228**	217

For and on behalf of the Board of Directors

K G BHOOJEDHUR-OBEEGADOO
Chairperson

C DUSSOYE
Director

Date: 18 September 2023

SICOM
GENERAL INSURANCE
A member of the SICOM Group

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