

Annual Report 2024



The future
reimagined.

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Corporate Profile

Our Mission, Shared Values and Objectives



Corporate Profile

Our Locations

MAURITIUS

Grand Baie

PORT LOUIS

SICOM Building 1
Head Office Port Louis

Trianon Branch

Curepipe Branch

Rose Belle Branch

Flacq Branch

Counter (Tamarin)

PORT MATHURIN

RODRIGUES

SICOM Offices

Port Louis (Head Office)
SICOM Building 1, Sir Calicourt 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 Chateaufort, Curepipe
203 8540 / 203 8541 | sicom.curepipe@sicom.mu

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

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

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

*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

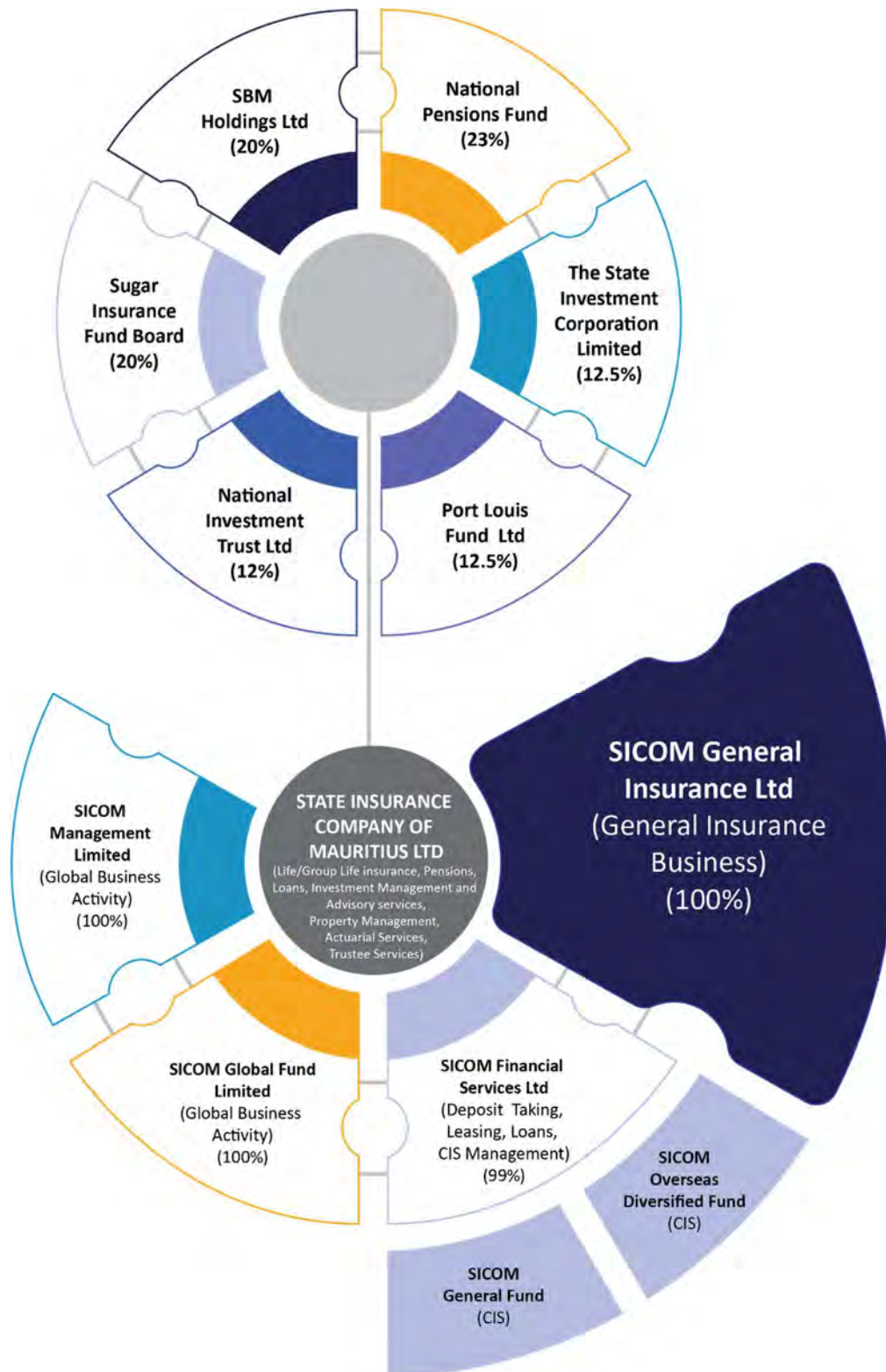
Corporate Profile

Corporate Information

 Registered Office	SICOM General Insurance Ltd SICOM Building Sir Célécourt Antelme Street, Port Louis, Mauritius Telephone: (230) 203 8400 Fax: (230) 203 8502 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 MCB Ltd SBI (Mauritius) Ltd SBM Bank (Mauritius) Ltd

Corporate Profile

Our Group Structure & Shareholding



Corporate Profile

Our Offerings



Directors' - Report

Global Insurance Industry

The global insurance industry has grown phenomenally in recent years. This expansion has been underpinned by economic resilience, reflected in decelerating but still robust economic growth, and high interest rates which have significantly improved industry profitability. The market is expected to maintain a steady annual growth rate of 5.5% over the next decade, mirroring the anticipated growth rate of global GDP.

At the same time, the escalating frequency and severity of global risks, from climate change to cyber threats, have intensified focus on the insurance industry's capacity and readiness to act as a financial safety net for society. Climate change in particular has led to an increase in the frequency, intensity and severity of natural hazards leading to disasters. There is now a higher prevalence of extreme weather events such as flash floods, rainfall variability and powerful tropical cyclones.

Mauritian Insurance Industry

The Mauritian economy rebounded strongly following the COVID-19 pandemic, on the back of buoyant tourism, social housing construction, and financial services. In 2023, real GDP growth reached a robust of 6.9%.

The domestic insurance sector has demonstrated steady growth in recent years. Demand remains strong for motor and property insurance products while the healthcare insurance segment has recorded rapid growth, mainly driven by rising expenditure and an ageing population.

The Mauritian insurance market continues to be reshaped by several disruptive forces including technological advancement, increased regulatory scrutiny, evolving customer behaviours and diversifying risk exposures. The pace of change is not likely to decrease any time soon. In particular, the adoption of Artificial Intelligence (AI) is poised to revolutionise core functions such as risk assessment, claims processing, marketing, sales and service. AI has the potential to leapfrog stages of cost savings and efficiency gains.

SICOM continues to play a critical role in the fight against climate change, including settlement of claims for losses sustained by customers during extreme weather events like Cyclone Belal and flooding.

Financial Performance

While we have delivered solid results, this report looks forward, emphasising the innovative strategies we are implementing to future-proof our Company. We recognise that the industry is on the verge of a significant evolution and our strategic intent is not merely to adapt, but to lead this transformation.

During the financial year 2023-2024, the Company undertook decisive measures to improve the performance of our motor insurance segment while maintaining the profitability of our non-motor business lines. Despite a challenging trading environment, the Company has demonstrated robust financial performance.

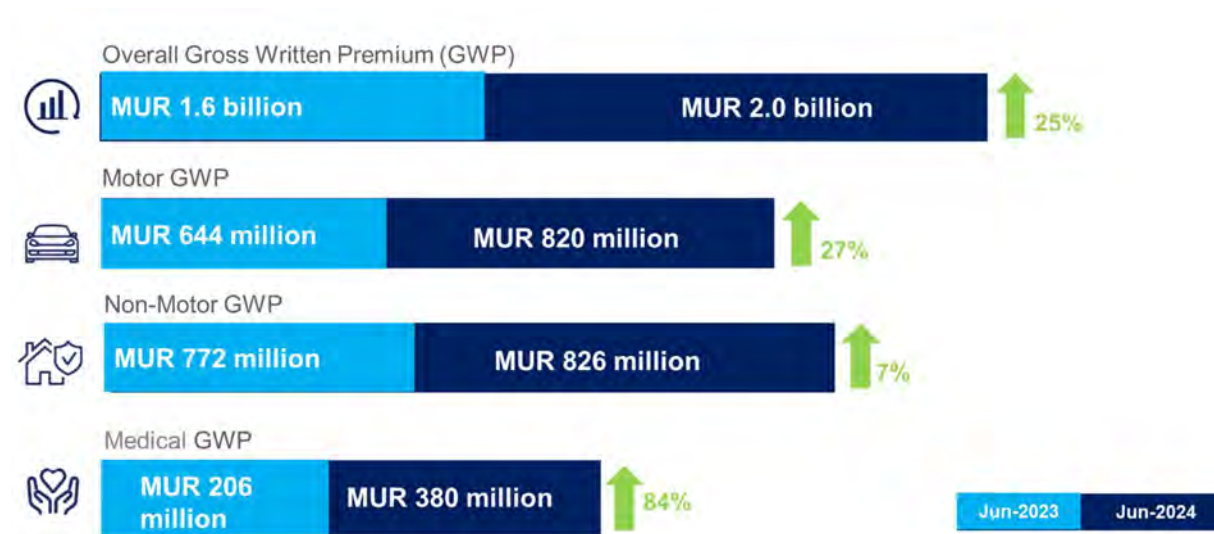
In our first full year of reporting under IFRS 17 accounting standard, we have succeeded in continuing this very positive dynamic and achieved outstanding results.

The Company surpassed the MUR 2.0 billion mark for the first time in its history, doubling the GWP within a span of 5 years (from MUR 1.1 billion in 2019 to MUR 2.0 billion in 2024). For the reporting year ended 30 June 2024, the Company recorded a GWP of MUR 2.0 billion (2023: MUR 1.6 billion) and a profit before tax of MUR 84.0 million (restated 2023: MUR 7.7 million). This translates into a 25% increase in GWP and a rise in Profit Before Tax.

Among several key factors that drove our 2024 performance includes improved pricing adequacy and disciplined underwriting practices and an optimal reinsurance treaty, enabled us to absorb elevated industry losses arising from natural catastrophes.

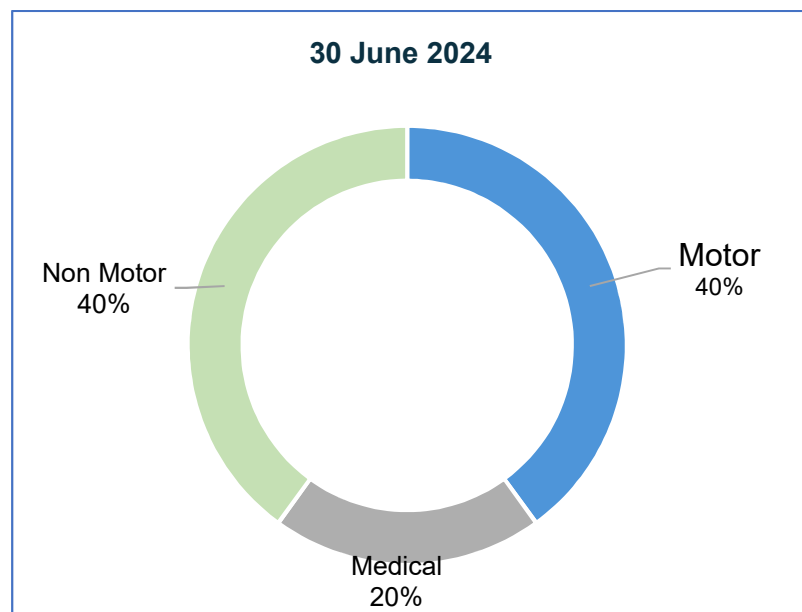
Directors'- Report (Continued)

Below is a summary of our financial performance:



Well Balanced Portfolio

Despite the significant growth in GWP, the portfolio remains well-balanced, thereby safeguarding the overall performance of the Company should any single segment be adversely affected.



Non-financial achievements for 2023/2024 include:

- Launch of International Health Cover. This insurance cover can be tailored to meet the specific requirements of individual customers and provide access to world-class treatment available in over 3,000 clinics across the globe.
- Strategic Partnership with Renowned Healthcare Providers in India. This allows our customers to access a network of certified hospitals and medical centres overseas offering specialised treatment and surgery.

Directors' - Report (Continued)

Key Strategic Projects

Digital Transformation: We are not merely digitizing existing processes; we are reimagining the entire insurance value chain.

- **Claims Automation:** We are investing in AI-driven claims processing to expedite payouts, enhance customer satisfaction, and reduce operational costs.
- **Personalised Customer Experiences:** We are developing digital platforms that deliver tailored insurance solutions, offer proactive risk management advice, and enable seamless customer interactions.

Customer-Centricity: We are placing the customer at the heart of everything we do.

- **Empathy and Understanding:** We are training our staff to better empathise with and understand our customers' needs, particularly during times of distress.
- **Omnichannel Experience:** We are providing a seamless and consistent experience across all touchpoints, whether online, mobile, or in-person.
- **Transparent Communication:** We are committed to clear and transparent communication, ensuring that our customers understand their coverage and claims processes.

Sustainable and Responsible Insurance: We recognise the increasing relevance of Environmental, Social, and Governance (ESG) factors to the long-term sustainability of our business.

- **Social Impact Initiatives:** We are actively engaging with our communities and supporting initiatives that address social challenges and promote inclusive development.
- **Ethical Business Practices:** We are committed to the highest standards of corporate governance and ethical conduct, ensuring that we operate with integrity and transparency.

Outlook

Our financial results reflect the Company's solid performance and resilience in a dynamic market. Continued growth in both GWP and PBT highlight our achievements and the challenges we have navigated.

We are optimistic about the future of the Company, but this will demand boldness, agility, and innovation. We are confident that our well-defined strategies will position us for long-term success and enable us to continue delivering exceptional value to our shareholders, customers, and communities alike. We are committed to embracing change, pushing boundaries; and helping shape the future of insurance.

As we move forward, our focus will remain on sustaining our growth trajectory and enhancing our market position. The Company continues to have a strong brand presence and visibility.

With clear emphasis on customer-centricity, strong brands; and claims expertise, we are well positioned to drive long-term value for all stakeholders.

We look forward to another year of progress and success.

Value Creation Model

Our purpose

SIX CAPITALS

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

Our Vision

Our Values

FINANCIAL

- Strong financial stability
- A diversified investment portfolio
- Rated AA+ by CareEdge Ratings at Group level

HUMAN

- Employer of Choice (Certification by Great Place to Work) with 89 talented and committed team members at Company level
- 62% women in employment
- A human capital strategy focused on well-being and inclusivity
- Learning and development while recognising that ability and merit are now enhanced through the newly established PMS

MANUFACTURED

- Digital Experience Platform
- IT infrastructure

INTELLECTUAL

- 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

SOCIAL AND NATURAL

- 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 for Responsible Investment)
- CCR-related projects (MUR 1.4 million)
- Green building initiatives such as inverter air conditioners and LED lights
- Other social and environmental efforts 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)



- Operating Profit Before Tax (MUR 84.0M), 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
- Enhanced technical, soft and digital skills of employees to embrace the future of work
- Innovation and creativity
- Better leaders and higher skilled employees



- Better reach to customers across 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 across 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 with leading ESG practices
- Youth empowerment by supporting NGOs involved in supporting vulnerable children and youths such as Ecole des Métiers, ANFEN and Safire to support economic and social stability.
- Reduced carbon footprint towards achieving net zero objective by 2040
- Recognition as a responsible corporate citizen.

OUR BUSINESS ACTIVITIES

OUTPUT

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.

This Corporate Governance Report for the year ended 30 June 2024 (the Report) depicts how the Company's Board of Directors (the Board) remains committed to promoting effective and robust corporate governance at SGIN.

Our Corporate Governance Philosophy

Aligned with its Holding Company's objectives, SGIN is committed to creating long-term stakeholder's value by maintaining high standards of corporate governance and by its 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.

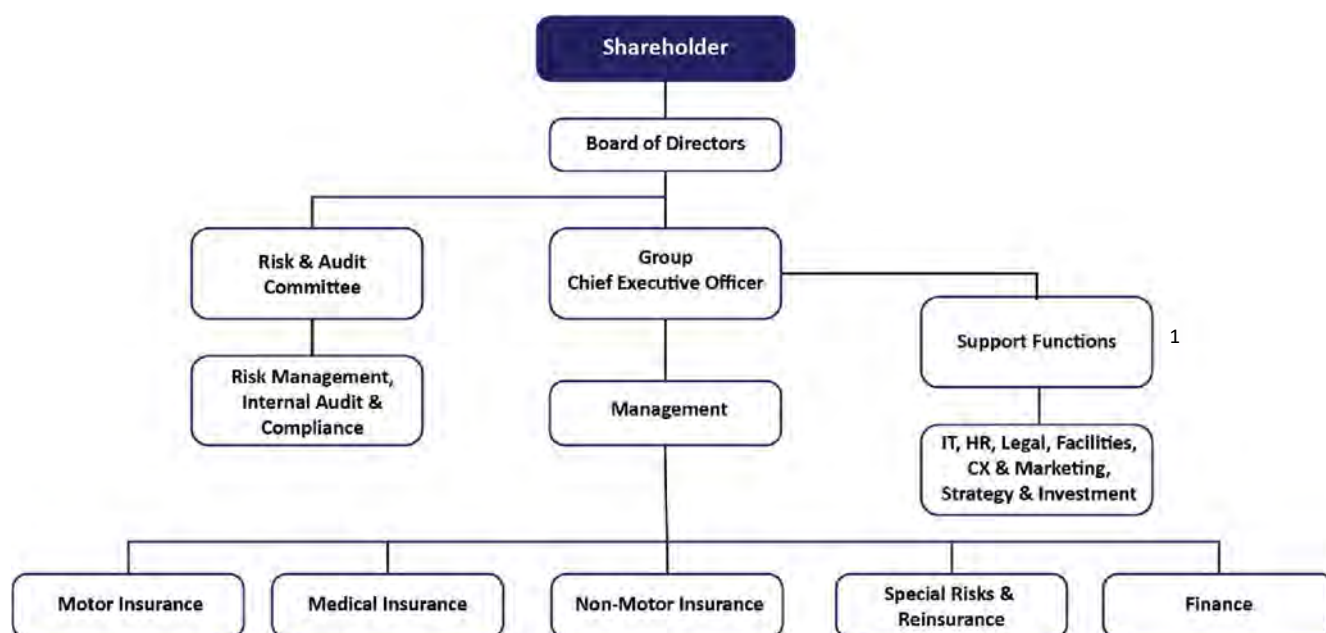
SGIN enjoys a solid reputation as a well-managed, well-structured, reputable and trusted insurance company holding a General Insurance Business Licence, and provides a variety of insurance services to both individual and corporate clients.

SGIN's Governance Framework, an evolution

Over the years, SGIN has gained experience and adopted corporate governance practices which, to a large extent, align with SICOM's governance framework. Essentially, the governance operating model adopted by the Group has the potential to increase its effectiveness by enhancing the Board's ability to exercise proper oversight and Management's ability to implement sound corporate governance practices.

Corporate Governance Infrastructure

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



¹Support Functions are provided by the Holding Company, SICOM. Service-Level Agreements are in place, and are reviewed and updated as required.

Our Governance Structure

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

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

The Board assumes the responsibility for meeting relevant legal and regulatory requirements of the Company. It 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 the Company's adherence to relevant legal and regulatory requirements.

A Risk and Audit Committee has also been set up in accordance with the provisions of the Code to assist the Board in the discharge of its duties and responsibilities by providing an in-depth focus on specific areas. In fulfilling his role of offering 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 Directors. The Chairperson leads the Board, ensuring it is functioning properly and that each Director can make an effective contribution, while remaining the spokesperson for the Board.

The Chairperson also acts as Director on the Board of the subsidiaries of the Group. However, to ensure independence and objectivity, the Chairperson does not participate in matters where there is an actual or potential conflict of interest. Strategic decisions are made by the Board and all operational decisions are made by Senior Management.

The Group CEO

The day-to-day operations are entrusted to Management under the responsibility of the Group Chief Executive Officer (the Group CEO). She 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 profile of the Directors is available on pages 16 to 21.

The Company Secretary

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

DTOS Ltd (DTOS) acts as Company Secretary to the Board and all its underlying Committees. DTOS, founded in 1993, is a leading corporate service provider and is licensed by the Financial Services Commission.

The position statements of the Chairperson, the Group CEO and the Company Secretary, which have been approved by the Board and reviewed as required, are available on the Group's website.

SGIN's Board Members

Directors in Office

Members	Category
Nureshkumar Prayag <i>(Director as from 16-May-25 and Chairman as from 23-May-25)</i>	Non-Executive Director
Karuna G. Bhoojedhur-Obeegadoo <i>(Director and Chairperson up to 18-Nov-24)</i>	Non-Executive Director
Mohammad Junaid Sairally <i>(as from 16-May-25)</i>	Non-Executive Director
Girshan Jheelan <i>(as from 16-May-25)</i>	Independent Director
Hansraj Panchoo <i>(as from 16-May-25)</i>	Independent Director
Nandita Ramdewar	Executive Director
Surendranath Ancharaz	Executive Director
Yasheel Kumar Aukhojee (Dr) <i>(up to 15-Nov-24)</i>	Independent Director
Anandjaye Chummun <i>(up to 22-Nov-24)</i>	Independent Director
Chandradeo Dabeea <i>(up to 18-Nov-24)</i>	Non-Executive Director
Chandrek Dussoye <i>(up to 30-Dec-24)</i>	Independent Director
Vinod Kumar Koonjoo <i>(up to 28-Oct-24)</i>	Independent Director
José Moonien <i>(up to 18-Nov-24)</i>	Independent Director
Dharmanand Ramkallawon <i>(up to 15-Nov-24)</i>	Independent Director

Statement of Accountabilities

SGIN is led by an effective and committed Board of Directors who possesses the appropriate skills, knowledge, experience and independence to enable them to discharge their duties and responsibilities in the most effective way. The Board is aware of its responsibility to maintain a high standard of corporate governance. As outlined in the above visuals, the Company operates within a well-structured and defined governance framework, with clearly articulated lines of responsibility. Where appropriate, the Board delegates that authority whilst retaining effective control.

Profiles of Directors

Mr Nureshkumar (Ashok) PRAYAG (Chairman)

(Director as from 16 May 2025 and Chairman as from 23 May 2025)

Fellow of the Faculty of Actuaries, Edinburgh, Scotland, UK

BSc (Hons) Actuarial Mathematics & Statistics, Heriot-Watt University, Edinburgh, Scotland, UK

Mr Prayag was appointed Chairman of SICOM General Insurance Ltd in May 2025. In the 1990s, he played a key role in the African expansion of the local branch of Munich RE, the German insurer. Prior to that, he served as the Controller of Insurance, the former regulatory authority overseeing the insurance sector under the aegis of the Ministry of Finance. He has over forty years of experience in the financial and insurance sectors.

Mrs Karuna G. BHOOJEDHUR-OBEEGADOO

(Chairperson up to 18 November 2024)

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

Karuna Bhoojedhur-Obeegadoo was appointed Chairperson 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 was a member of the Boards of companies within the SICOM Group.

She serves on the Board of MCB Group Ltd and is a member of its Audit Committee, Remuneration, Corporate Governance, Ethics, and Sustainability Committee. Additionally, she is the Chairperson of the Board at 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.

Mrs Nandita RAMDEWAR (Group CEO)

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)

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 Board in 2013.

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, Deputy Group CEO and Chief Finance Officer. 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 General Insurance Ltd, SICOM Global Fund Limited, SICOM Management Limited, SICOM Properties Ltd 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.

Mr Surendranath ANCHARAZ (Kiran)

Holder of an Executive MBA

Degree in Economics, Delhi University, India

Kiran Ancharaz joined SICOM General Insurance Ltd in 2019 after gaining more than twenty-two years of experience in the Insurance sector. He has a sound knowledge of General Insurance products, Underwriting, Claims and Marketing, among others. Kiran is well acquainted with most forms of distribution for insurance companies, while driving top line growth and profitability.

In his present post, Kiran is responsible for the management of the overall General Insurance Business operations of SICOM General Insurance Ltd.

Mr Girshan JHEELAN (as from 16 May 2025)

Masters in Business Administration

BSc (Hons) Human Resource Management

Mr Jheelan is currently posted at the Ministry of Financial Services and Economic Planning as Assistant Permanent Secretary. He began his career in 2011 at the Private office of the Prime Minister's Office. He has served on numerous boards in various capacities and has 14 years of experience in the Public Service.

Mr Hansraj PANCHOO (as from 16 May 2025)

BSc (Hons) Finance (Minor Law)

Member of CFA Institute

Mr Panchoo currently serves as Lead Analyst in the Economic Planning Division of the Ministry of Financial Services and Economic Planning, where he is contributing to the development of a national socio-economic transformation plan. He brings nearly a decade of experience in public sector debt management.

Mr Mohammad Junaid SAIRALLY (as from 16 May 2025)

Mr Sairally currently serves as an Accountant at Batimex Ltd, where he is responsible for financial reporting. He also leads a team aimed at streamlining operations within the accounting department. He is also a member of the Strategic and Policy and Procedures Committee.

Dr. Yasheel Kumar AUKHOJEE (up to 15 November 2024)

Doctor of Medicine (MD)

Dr. Yasheel Kumar Aukhojee enjoys around 10 years in both public and private sectors. After gaining his medical degree, he came back to serve his motherland and joined the Public Healthcare. He also qualified as STCW and served as Ship doctor. Gaining experience both in SSRN and Dr AG Jeetoo Hospitals, Dr Aukhojee took a path to follow his passion of making healthcare reach to doorstep of each Mauritian.

He is the founding director of Médecin à domicile, the first indigenous doctor-at-home company. He revolutionized the healthcare delivery model and Médecin à domicile currently leads its position both as home and company doctor. With constant innovation in mind, Medecin à domicile, has recently added ambulance premium service to its portfolio of services. Since year 2024, Medecin à domicile has now expanded to UAE.

Dr Aukhojee is an ardent supporter of social causes and works at the grass root level to uplift the quality of life of citizens especially the elder ones.

Mr Anandjaye CHUMMUN (up to 22 November 2024)

Anandjaye Chummun started his career at the Valuation Division of Ministry of Finance in 1979. In 2010, his political engagement led him to new ventures and job prospects. Since, he has been an Adviser to the Minister of Social Security and acted as a Chairperson for the CSR SICOM Foundation.

Furthermore, throughout his career, Anandjaye Chummun has been an active member of his community where he was the delegate of Valuation Office Staff Association to GSA Union, was the President of Chamouny Progressive Football Club and he is the Vice Chairperson for the Film Censor Board.

Mr Chandradeo DABEEA (Sanjeev) (up to 18 November 2024)

BA (Hons) Business Accounting, University of Lincolnshire & Humberside (UK)

MBA (Financial Management), University of Mauritius

Fellow of the Association of Chartered Certified Accountants

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 the 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.

Mr Chandrek DUSOYE (up to 30 December 2024)

Affiliate of Association of Chartered Certified Accountants

BSc (Hons) Business Management, University of Mauritius

Chandrek (Nitin) Dussoye has been working in the financial sector since 2000 as Business and Financial Consultant and Financial Analyst. He also has extensive exposure to private equity financing.

He currently works as Investment Executive at the State Investment Corporation Limited (SIC) where he is involved in portfolio and investment management. He has participated in the implementation of several live projects in a fast-paced investment environment and gathered experience across several economic sectors. He is also Director of some companies within the SIC Group.

Mr Vinod Kumar KOONJOO (up to 28 October 2024)

BSc (Hons) Chemistry, Delhi University

Vinod Kumar Koonjoo has a long career in the private and parastatal sectors. He started his career as a teacher in 1982. He has also worked at the MITD and in 1994, he had introduced the National Dual System of Apprenticeship Training which is an important part of the training sector till date. In 2002, he joined the National Handicraft Promotion Agency where he promoted the local handicraft products in Europe. Vinod Koonjoo has also set up a unit for Chemtech Ltd (Medical and Signage products) in Madagascar from 2008 to 2011.

In 2011, he joined the Harel Mallac Group as the Regional Sales Manager in Tanzania and was responsible for the marketing and sale of industrial chemicals in the East African Countries. He joined the Mont Choisy Group in 2015 as the CSR Executive and served till 2020 when he retired from the Group. Since 2020 he acts as Advisor to several Property Development Companies and Consultant to foreign investment Companies in Africa.

Mr José MOONIEN (up to 18 November 2024)

Holder of a Bachelor's degree in Mathematics from the University of Mumbai

José Moonien worked as the Currency Officer at the State Bank of Mauritius. Previously served at the D'Epinay Village Council as Chairperson and former district councilor at Pamplemousses District Council.

He is actually an educator teaching Maths and additional Maths at the secondary level with more than 20 years of experience and also a Member of the Regional Health Advisory Board and a Director of the JKB MOONIEN COMPANY LTD.

Mr Dharmanand RAMKALLAWON (up to 15 November 2024)

Mr Dharmanand Ramkallawon joined the Public Service in 1991 and has since been posted to different Ministries. In 2007, he joined the Local Government Service and occupies the post of Library Clerk at the District Council of Savanne.

Mr Ramkallawon has been a former representative of the Association of District Councils and a former Board Member of the National Library.

Other Directorships held by Members of the Board as at 30 June 2024

Directors	Other Directorships and Types of Directorships	Additional Chair	Additional Committee Responsibilities
Karuna G. Bhoojedhur-Obeegadoo	<ul style="list-style-type: none"> ▪ 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 ▪ SICOM Properties Ltd, Non-Executive ▪ MCB Group Limited, Independent ▪ MCB Equity Fund Ltd, Non-Executive 	<ul style="list-style-type: none"> ▪ State Insurance Company of Mauritius Ltd ▪ SICOM Management Limited ▪ SICOM Global Fund Limited ▪ SICOM Properties Ltd ▪ MCB Equity Fund Ltd 	<ul style="list-style-type: none"> ▪ 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)
Nandita Ramdewar	<ul style="list-style-type: none"> ▪ State Insurance Company of Mauritius Ltd, Executive ▪ SICOM Financial Services Ltd, Executive ▪ SICOM Management Limited, Executive ▪ SICOM Global Fund Limited, Executive ▪ SICOM Properties Ltd, Executive ▪ National Housing Development Co. Ltd, Non-Executive 		<ul style="list-style-type: none"> ▪ 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)
Yasheel Kumar Aukhojee (Dr)	<ul style="list-style-type: none"> ▪ Médecin à Domicile Ltd 	-	-
Anandjaye Chummun	<ul style="list-style-type: none"> ▪ Cads Farm Ltd, Non- Executive 	-	-

Directors	Other Directorships and Types of Directorships	Additional Chair	Additional Committee Responsibilities
Chandradeo Dabeea	<ul style="list-style-type: none"> ▪ State Insurance Company of Mauritius Ltd, Independent 	-	-
Chandrek Dussoye	<ul style="list-style-type: none"> ▪ Morning Light Co. Ltd, Non-Executive ▪ Mauritius Cargo Community Services Ltd, Alternate Director – Non-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 	<ul style="list-style-type: none"> ▪ Beach Casino Ltd ▪ Sun Casino Ltd 	<ul style="list-style-type: none"> ▪ SIC Management Services Ltd – Audit Committee (Chairperson) ▪ Mauritius Cargo Community Services Ltd – (Audit and Risk Committee (Chairperson)
Vinod Kumar Koonjoo	<ul style="list-style-type: none"> ▪ SAAV Blue Ltd, Executive ▪ AQUA Gourmet Ltd, Executive ▪ KAV Blue Ltd, Executive ▪ RODROP (Mauritius) Ltd, Executive ▪ GEMS Biogems International Ltd, Executive 	-	-
José Moonien	<ul style="list-style-type: none"> ▪ JKB Moonien Company Ltd, Non-Executive 	-	-

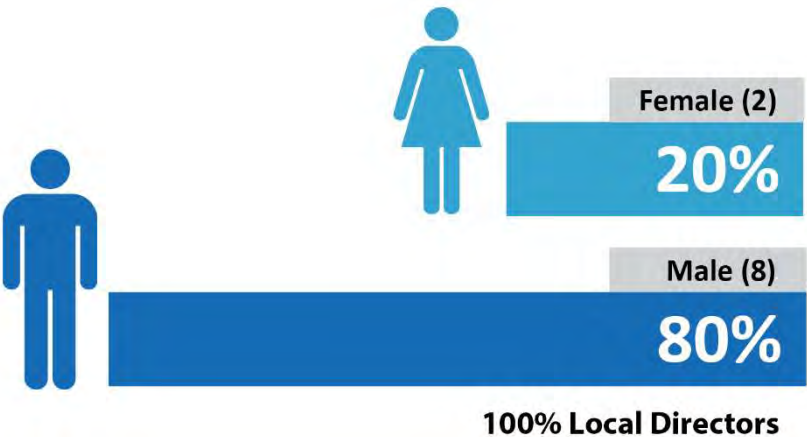
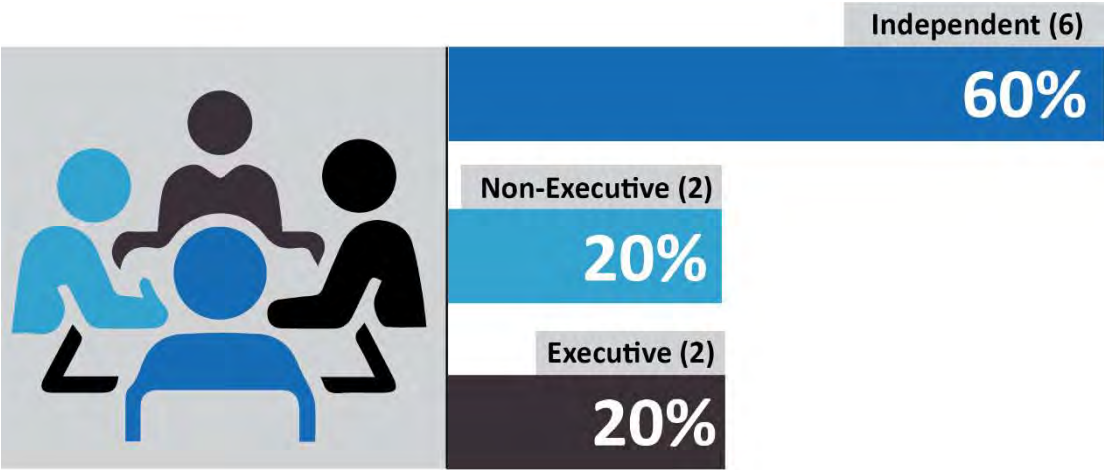
The other Directors do not hold external directorships.

The Structure of the Board and its Committee

Board Size and Composition

The Board of Directors is a unitary Board. For the financial year ended 30 June 2024, the Board was composed of ten (10) Directors with eight (8) male representatives and two (2) female representatives. The Company had a judicious mix of Executive Directors, Non-Executive Directors and Independent Directors. The Board was composed of two (2) Executive Directors, two (2) Non- Executive Directors and six (6) Independent Directors, who were all residents of Mauritius. There were no alternate directors on the Board of the Company. The Board is being reconstituted and is currently composed of six (6) Directors with five (5) male representatives and one (1) female representative. An additional director is in the process of being appointed.

The Board composition for the financial year ended 30 June 2024 is shown hereafter.



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 which is reviewed by the Board as and when required.

Collectively, the Board is well-structured and of sufficient size to discharge its duties, having 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 the Group CEO are separate. The Chairperson is a Non-Executive Director and leads the Board, ensuring that it is functioning properly, and that each Director is able to make an effective contribution. The Chairperson discusses and sets the agenda with the Group CEO and the 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 the 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 (3) years.

Board Meetings

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

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

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

Board Meetings Process

Start of the Financial Year (FY)	Following consultation with the Chairperson and the Group CEO, a tentative calendar is prepared for Board Meetings for the coming FY.
Prior to Meetings	<p>Together with the Chairperson and the Group CEO, the Company Secretary prepares the agendas.</p> <p>Final agendas are circulated to the Directors in advance of all meetings by the Company Secretary, together with the Board pack.</p> <p>Facilities are provided to Board Members for any group discussion prior to Board meetings. Also, for effective communication among Board Members, the contact details of each other are shared, which help build rapport via phone, email and other messaging system.</p>
Board Meetings	Over and above the co-ordination of all Board meetings, the Company Secretary also takes and keeps minutes of all meetings.

9 Total Number of Meetings in 2023/24

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 as far as 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 an online and secured portal.

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

Board Oversight

The Board of Directors

SGIN's Board has a strategic oversight on the activities of the organisation. Key priorities, in line with the Group's Strategic Plan 2022-2025, are as follows:

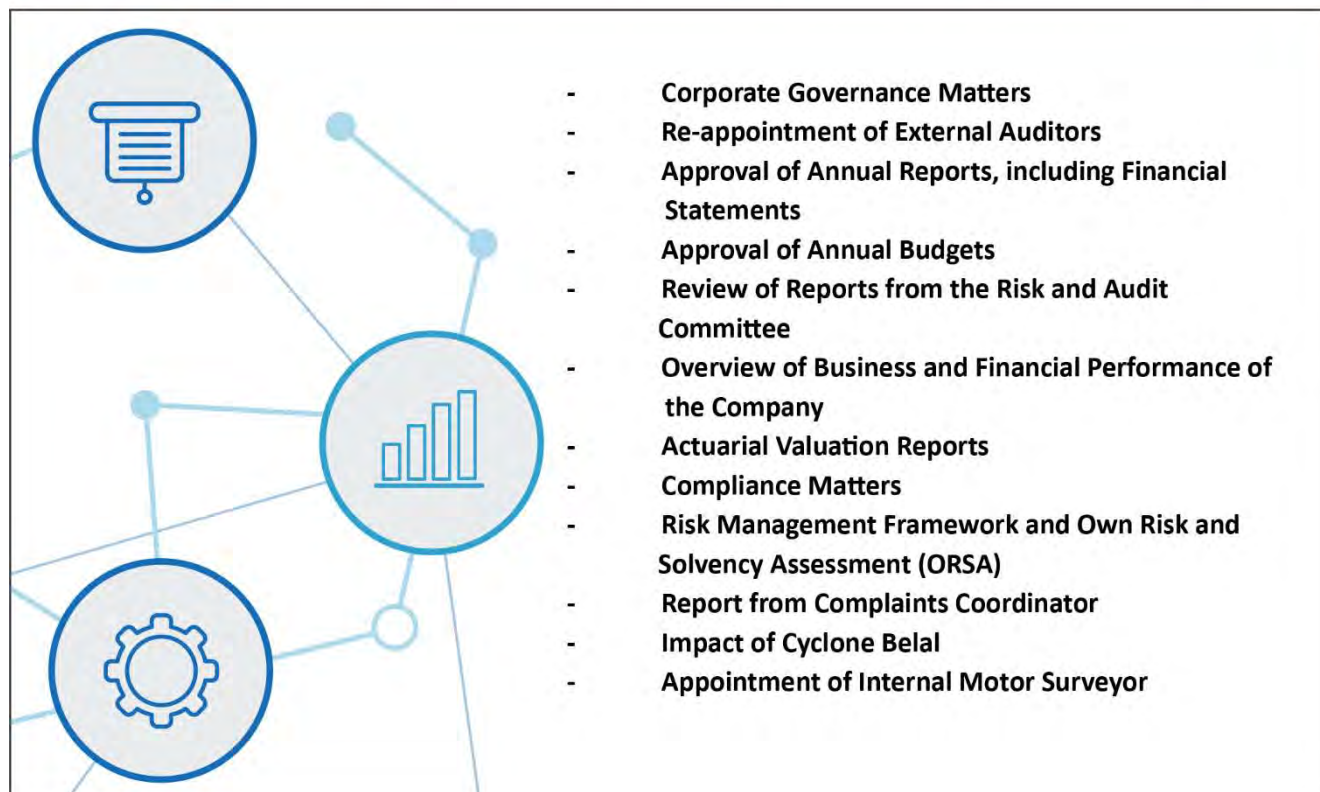
- Business Growth and Development;
- Customer Focus;
- Enhanced Operational Excellence;
- Employee Engagement and Development; and
- Environmental, Social and Governance (ESG).

The members of the Board and their attendance at Board meetings during this reporting period 2023/2024 are as follows:

DIRECTORS' ATTENDANCE DURING THEIR PERIOD OF DIRECTORSHIP		
Number of Meetings Held		4
MEMBERS	CATEGORY	ATTENDANCE
Karuna G. Bhoojedhur-Obeegadoo (Chairperson)	Non-Executive	4 of 4
Nandita Ramdewar	Executive	4 of 4
Surendranath Ancharaz	Executive	4 of 4
Yasheel Kumar Aukhojee (Dr)	Independent	4 of 4
Anandjaye Chummun	Independent	3 of 4
Chandradeo Dabeea	Non-Executive	4 of 4
Chandrek Dussoye	Independent	4 of 4
Vinod Kumar Koonjoo	Independent	4 of 4
José Moonien	Independent	4 of 4
Dharmanand Ramkallawon	Independent	4 of 4

Key Focus Areas

During this reporting period, the Company's Board discussed and considered the following key areas:



Board Committee

In accordance with the provisions 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.

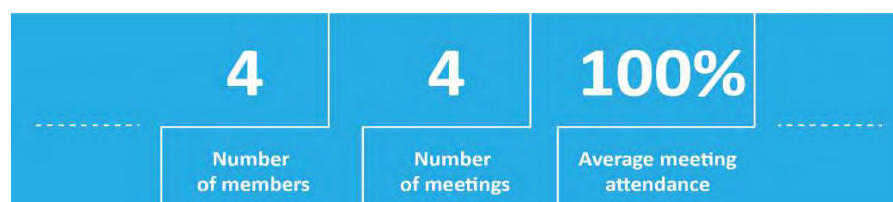
The Risk and Audit Committee has its own Charter, approved by the Board, which is published on the Group's website and reviewed as and when required. The responsibilities of the Chairperson of the Board and of the Risk and Audit Committee have been clearly defined in their respective position statements.

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 2023/2024, the Committee met four (4) times.

Key facts (FY 2023/24)



The Directors who served on the Risk and Audit Committee and their attendance at meetings during the financial year 2023/2024 are as follows:

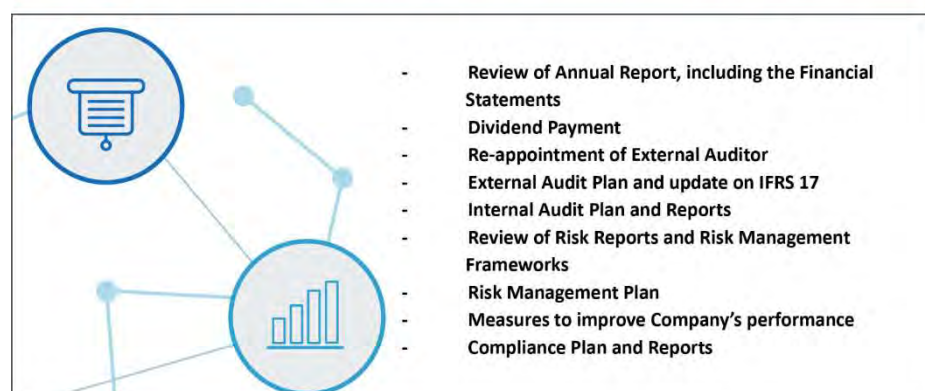
DIRECTORS' ATTENDANCE DURING THEIR PERIOD OF DIRECTORSHIP		
Number of Meetings Held		4
MEMBERS	CATEGORY	RAC
Chandrek Dussoye (Chairperson)	Independent	4 of 4
Karuna G. Bhoojedhur-Obeegadoo	Non-Executive	4 of 4
Vinod Kumar Koonjoo	Independent	4 of 4
José Moonien	Independent	4 of 4

Risk and Audit Committee

RAC

Key Focus Areas

During this period, the Risk and Audit Committee discussed and considered the following key areas:



It is noted that, pending the formal constitution of the Risk and Audit Committee, all relevant reporting and oversight responsibilities are currently being handled directly at the Board level. This ensures continued adherence to governance principles and transparency in decision-making.

Active Monitoring

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

Appointment of Directors

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

- a. Skills, knowledge and expertise;
- b. Previous experience;
- c. Balance/diversity required on the Board, including but not limited to gender and age;
- d. Time commitment to the Company;
- e. Independence (where required); and
- f. Any conflict of interest.

Each Director is elected by a separate shareholder's resolution to hold office until the next Annual Meeting of Shareholder 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 Members subject to the number thereof not exceeding ten (10).

The Induction Process

The Company has an induction process for newly appointed Directors. The objective of that 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.

Induction Pack	
✓	An overview of the Company
✓	Board Charter
✓	Charter of the Risk and Audit Committee
✓	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
✓	AML/CFT Compliance Manual

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

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 as directors.

During the financial year 2023/2024, the Directors received trainings and followed informational sessions. The main topics covered were Professional Risks, Security Awareness, Business Continuity Management, AML/CFT, and Business Ethics. A presentation on Actuarial Matters and a presentation on IFRS 17 were also made to the Board and the Risk and Audit Committee respectively.

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.

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 into account of the challenges and opportunities facing the Company, and the skills and expertise needed in the future.

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 the Holding Company's current Employer Value Proposition, an HR Consultant has been appointed at Group level to advise and recommend appropriate actions.

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 interests of the Company.

Access to Information

The Directors have access to the advice and services of the Company Secretary, as well as access to the Senior Executive Officer for matters they wish to discuss at Board or Committee meetings or any other matter they consider to be appropriate. There are no restrictions placed over the right of access to information.

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. Furthermore, the Holding Company benchmarks itself against best practice frameworks to continuously improve the security posture of the Group.

As part of our ongoing efforts to maintain the highest standards of security, SICOM frequently undergoes audits to ensure compliance with regulatory requirements and industry standards.

In parallel, we have recognised the criticality of promoting a culture of cybersecurity awareness among our Board and staff members. To this end, we have hosted dedicated awareness sessions to equip our Directors and 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.

The Board at the level of SICOM approves the budget of expenditure on information technology, among others. Investment in information technology and IT security is ongoing and the Group has a well-established and effective process in place for approval of all major investments.

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

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 the Group CEO. Necessary steps are being taken to tackle the main areas identified for improvement.

Remuneration

The Company's underlying remuneration philosophy is to provide competitive remuneration packages that align with industry practices to be able to attract, motivate and retain its personnel and Directors, giving due consideration, as applicable, to laws, guidelines, views of the Shareholder as well as the Group's strategies and long-term objectives.

As per the Group's Remuneration Policy for Directors and Senior Executives, which is referred to on page 149 of the Report, remuneration for Non-Executive Directors consists of fixed fees for acting as member of the Board of the Company and as member of the Board Committee if applicable, and benefits and allowances as approved by the Shareholder. The Non-Executive Directors have not received any remuneration in the form of share options or bonuses associated with the Company's performance.

The remuneration of Executive Directors and Employees is covered under the Salary Review exercise which is carried out every 3 years by an independent Salary Commissioner and consists of a fixed portion (salary and allowances) as well as a variable portion, which is based on a combination of the Group's profitability levels and the employee's individual performance. The two (2) Executive Directors did not receive any emoluments from the Company.

The Company does not have any long-term incentive plans in place.

Further details on Directors' remuneration are available on page 149 of the Annual Report under section 221 of the Companies' Act 2001.

Reporting with Integrity

As the Board of SGIN, we acknowledge our responsibility for ensuring the integrity of our Annual Report 2024. Together with management, we applied our collective minds to the preparation and presentation of information in this report in accordance with IFRS Accounting Standards as issued by IASB, International Accounting Standards, FSC rules and the Companies Act 2001. The report presents a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook.

SGIN is part of the Group which is a reliable and well-diversified financial services group that is committed to facilitating the economic growth of Mauritius. It achieves this 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.

The 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 it operates in. Therefore, the Group has taken initiatives in areas such as education, forestation and going green to ensure that it transforms its growth path to be socially inclusive, low carbon and resource- efficient growth path.

This year, the Group has further reinforced its commitment to sustainability by submitting its progress reports on its developments in this area to UN Global Compact and UN Principles of Responsible Investment. A consultant is also accompanying it on this journey since February 2024.

SGIN's Annual Report can be accessed on the Group's website at

<https://www.sicom.mu/en/about/about-sicom>

Health and Safety

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

In 2023/2024, as part of the Group initiative, several measures were taken 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.

Human Rights

Aligned with the Group, SGIN is committed to adhering to all applicable laws, rules and regulations. It is the personal responsibility of each employee to comply with these standards and restrictions.

The Company respects individual human rights and strictly prohibits any form of discrimination including race, religion, sex, age, amongst others. Furthermore, it is committed to preventing other violations of human rights.

Environment

SGIN strives to responsibly utilise natural resources essential for its operations while protecting the environment by implementing sustainable initiatives to prevent or mitigate negative environmental impacts.

Donations

The Company did not make any political donations during the financial year 2023/2024.

SGIN's Board Policies

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. To ensure widespread accessibility and transparency, 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. These not only evidence SGIN's compliance with applicable local laws, but also demonstrate its intent to go beyond the adherence to recommendations, best practices and trends in corporate governance, both at national and international levels. To that end, the Company has, during this financial year, updated its AML/CFT Compliance Manual, Customer Acceptance Policy and Policy on Politically Exposed Persons.

It is to be noted that, during this financial year, the following policies have also been adopted at the Group level:

- (a) an Anti-Corruption Policy, which sets, among others, a zero-tolerance attitude towards corruption and highest standards of conduct from Board Members and employees of the Group; and
- (b) a Records Retention and Disposal Policy, which is in line with legal and regulatory requirements, including but not limited to the protection of personal data under the Data Protection Act 2017.

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.
Corporate Governance Policy for the Group	The Group's 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 Group's 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 has also 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 CEO and Company Secretary;
- ✓ Director's Orientation and Induction Process; and
- ✓ Group's Privacy Policy.

Ethics Framework

SICOM Group is committed to ensure continuous integrity, transparency, and responsible business practices at all levels. The ethics culture within the Group is re-enforced through the following measures:

1. Leadership commitment

The Board of Directors and Senior Executives of the Group prioritise ethics as a core value of the organisation and hold themselves and others accountable for upholding ethical standards.

To ensure strong commitment to ethics, an Ethics Officer was appointed at the level of the Holding Company in July 2023.



2. Code of Ethics for Directors and Employees

The Group has established a Code of Ethics for Directors and a Code of Ethics and Business Conduct for Employees, both of which are in line with the National Code of Corporate Governance. The Code of Ethics for Directors was reviewed in April 2024, while the Code of Ethics and Business Conduct for Employees was approved by the Board of Directors of SICOM in June 2023. Both Codes are published on the Group's website.

The procedures for the appointment of new directors are laid down in the 'Active Monitoring' section of this Report.

Upon appointment, new Directors receive an induction pack, which includes the Code of Ethics for Directors. Accordingly, the safeguards against overboarding mentioned therein are as follows:

- Directors must ensure that they devote sufficient time to enable them to diligently carry out their responsibilities and their duties to the Company.
- Directors must be judicious in the number of directorships they accept so that they can do full justice to their responsibilities as Board Members.

To ensure that Directors devote enough time and attention to the affairs of the Company, an executed declaration regarding their time commitments to effectively fulfil their duties as directors is mandatory upon appointment.

New employees are required to formally acknowledge that they have read, understood, and agreed to abide by the Code of Ethics and Business Conduct for Employees.

In addition to the Code of Ethics for Directors and a Code of Ethics and Business Conduct for Employees, the Group has in place several policies that are part of its ethical framework, including the Whistleblowing Policy, Equal Opportunity Policy, Complaints Handling Policy, Anti-Harassment and Non-Discriminatory Policy, and Conflicts of Interest and Related Party Transactions Policy.

3. Ethics training and education

Ethics training and surveys for Directors and Employees are conducted on a yearly basis.

For the year under review, training on Business Ethics was delivered to Directors and employees of the Company in June 2024.

4. Reporting of ethical and other issues

Ethical issues can be reported directly to the Ethics Officer, while other issues are reported to the appropriate authority in accordance with the relevant policies or as stated in the Employee Handbook.

5. Conflicts of interest and related party transactions

The Board is responsible for overseeing conflicts of interest and transactions involving related parties.

Employees can seek the guidance of the Ethics Officer or Senior Management if there are any questions or doubts relating to any proposed transaction or situation.

In accordance with the Companies Act 2001, an interest register is maintained by the Company Secretary and is updated as and when required. Directors having any interest in the matter being discussed at the Board and/or Committee level, declare their interest and do not participate in the debate and decision making and same is reported in the Minutes of the respective Board and Committees. 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 year, no conflict of interest has been reported.

Details on related party transactions are available under Note 34 to the financial statements.

At the Core: Risk and Culture

Board Opinion

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

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 the ultimate responsibility to maintain an effective risk management and internal control system 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;
- Defining the roles and responsibilities of Management;
- Ensuring that the Risk Management function and Risk and Audit Committee have the appropriate training and support to fulfill their responsibilities; and
- Having Crisis Management and Contingency Plans to respond quickly and effectively to unforeseen events.

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 risk management system has been delegated to Senior Management and the Group 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 51 to 72 of the Annual Report.

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 the effective operation of its business and compliance with laws and regulations.

Management is responsible for managing all of the Company's activities, including the 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 the External Auditor are considered when assessing the effectiveness of internal controls;
- 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, at the level of the Holding Company, under the leadership of the Compliance Officer/Money Laundering Reporting Officer, and compliance 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 External Auditor also carries out a sample review of relevant controls as part of the financial year-end audit exercise.

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.

Audit

Directors' Responsibilities

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by IASB 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.

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 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 2024, members of the Internal Audit function have had the opportunity to attend several internal and external workshops including:

- 1 The Future of Reporting Sustainability organised by ACCA (Mauritius);
- 2 IIA Annual Conference 2023 - Elevating Impact organised by IIA (Mauritius);
- 3 Business Continuity Management Training for SICOM organised by EY (Mauritius);
- 4 Empathy and Emotional Intelligence at Work organised in house;

- 5 Impact of new IFRS Accounting Standards as issued by IASB and new amendments 2024 organised by Deloitte (Mauritius);
- 6 Overseas Conference on Insurance Fraud Prevention; and
- 7 The Complete Data Analytics Course in excel (Online).

Furthermore, as part of its continual improvement, the Internal Audit function has acquired an audit software tool to assist in data analysis and exceptions reporting. It allows scrutiny of the whole database in addition to relying on sample testing of cases. This is in turn contributing to greater efficiency in audit procedures, agile auditing and value-added recommendations for improvement in controls and risk management.

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.

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. All significant areas are covered by the Internal Audit function. 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 2023/2024, the following internal audit reviews were carried out and covered the undermentioned areas:

- Effectiveness of Business Risk Assessment and Compliance with AML / CFT Regulatory Framework;
- Reinsurance Arrangements and Reinsurers’ Credit Ratings;
- Long Outstanding Bodily Injury Claims for Motor and Non-Motor Businesses;

- Audit inspections were carried out at the Branches; and
- an ad-hoc audit assignment was conducted in the Motor Claims Department to review the existing internal controls for claims intimation and processing.

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 progress 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. The members of the Risk and Audit Committee have the necessary qualifications and experience to carry out their responsibilities.

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. 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, which is published on the Group's website. The Risk and Audit Committee meets with the External Auditor as and when required and at least once a year without management being present to discuss any issues arising from the audit including discussion about critical policies, judgements, and estimates. The Risk and Audit Committee approves the External Audit Plan, evaluates the effectiveness of the external audit process and makes recommendations to the Board, to be approved at the Annual Meeting of Shareholder, in relation to the appointment, re-appointment and removal of the External Auditor.

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, with updated management responses, are submitted on a timely basis 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, could not be perceived as impairing their independence on the external audit exercise.

Corporate Governance Report

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

	Company	
	2024	2023
	Rs '000	Rs '000
Statutory audit	3,782	1,401
Review of tax computation	129	123
Other services*	240	228

* Other services for 2023 and 2024 relate mainly to report as per the Insurance (Risk Management) Rules 2016.

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 2023-2024?	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, protect risks and achieve their financial goals.	<ul style="list-style-type: none"> • Omnichannel experience and ease of use on online platforms • 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 	<ul style="list-style-type: none"> • Launched new products and initiatives to enhance our customer proposition e.g. inpatient only product, International Medical Insurance • 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 including digital app for Health Insurance and a main app (SICOM MyLink) under SICOM Group to drive digital engagement • Tie-up with hospitals in India • New bancassurance partnerships 	<ul style="list-style-type: none"> • Traditional distribution channels (including branches and worksites) • Mobile App • Customer portal • Customer satisfaction surveys • Online Sales Platform • Agents interaction • Brokers interaction • 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.	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Strong delivery on our operational objectives • Strategy and Budget 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 	<ul style="list-style-type: none"> • Annual Meeting • Quarterly Board Meetings • Annual Report • Website • Customer portal • Digital tools • Media channels

WHY ARE THESE STAKEHOLDERS IMPORTANT TO US?	WHAT ARE THEIR CONCERNS/ INTERESTS?	HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS IN 2023-2024?	CHANNELS USED TO ENGAGE OUR STAKEHOLDERS
<p>Employees</p> <p>Our people are our greatest competitive advantage and their welfare is our highest priority.</p> <p>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.</p>	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 Conducted wellness initiatives Participated successfully in Great Place To Work 	<ul style="list-style-type: none"> Communication via intranet Creation of a Learning Zone Internal communication Annual Report Salary review Performance bonus Intranet for internal communications and sharing of info
<p>Intermediaries</p> <p>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.</p>	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Branches and worksites Digital tools Annual Report Salesmen Awards ceremony
<p>Business partners (Reinsurers, Valuers, Car Dealers, Legal Advisors, Consultants, Suppliers)</p>	<ul style="list-style-type: none"> Fair payment practices Compliance with the terms of Service Level Agreements Fair tender process Supplier relationship management Adapting to their needs and expectations 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Digital tools Email, phone communications, letters Regular meetings Annual Report Physical Visits Meet up at regional Conferences

WHY ARE THESE STAKEHOLDERS IMPORTANT TO US?	WHAT ARE THEIR CONCERNS/ INTERESTS?	HOW DID WE ADDRESS THEIR CONCERNS/ INTERESTS IN 2023-2024?	CHANNELS USED TO ENGAGE OUR STAKEHOLDERS
Government and Regulators	<ul style="list-style-type: none"> • Good governance • Compliance with regulations • Proactively engagement with regulators • Responsible development of insurance sector • Effectiveness of the control functions 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 interdependence with 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.	<ul style="list-style-type: none"> • Financial education and inclusion • Access to supplier development opportunities • Skills development and employment opportunities • Education support 	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Media channels • Annual Report • Community projects and campaigns
Environment	<ul style="list-style-type: none"> • Sustainable initiatives • Engaging sustainability conscious partners • Applying best ESG practices 	<ul style="list-style-type: none"> • Signatory to UN-PRI, UN Global Compact and SigneNatir • Followed training by Sustainability consultant 	<ul style="list-style-type: none"> • Meeting with relevant environmental projects stakeholders • Sustainability sections in the Annual Report • Social media channels • Events on World Environmental day

Shareholder's Diary

Details	Date
Financial year-end	30 June 2024
Audited Financial Statements (year ended 30 June 2024)	May 2025
Statutory Returns to FSC	May 2025
Annual Meeting	May 2025

Shareholder's 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/re-appointment 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, the Company considers the profit after taxation, technical provisions and appropriations to statutory and other reserves for ongoing operational activities as well as the Group's strategy.

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 2024

On behalf of the Board of Directors of the 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.



RAMDEWAR Nandita
Director



ANCHARAZ Surendranath
Director

Date: 23 May 2025

SICOM General Insurance Ltd

Secretary's Certificate

In terms of Section 166(d) of the Mauritius Companies Act 2001, we certify that, to the best of our knowledge and belief, the Company has lodged with the Registrar of Companies, for the financial year ended 30 June 2024, all such returns as are required of the Company under the Mauritius Companies Act 2001.



DTOS Ltd

Company Secretary

Date: **23 May 2025**

Risk Management Report

As 2023 unfolded, the global landscape grappled with a unique amalgamation of unprecedented challenges and residual impacts from earlier crises, including the pandemic, supply chain fragility and rising geopolitical tensions. Nevertheless, the resilience of the global system has been remarkable. Contrary to expectations, the anticipated recession did not materialise last year, and financial markets demonstrated notable stability. Despite this, the future holds a veil of uncertainty.

As we navigate through extreme climatic events since the start of 2024, our commitment to sustainability becomes even more crucial. At SGIN, we believe that fostering a sustainable world is vital for long-term competitiveness, creating an optimal environment for teams to thrive and promoting the development of a corporate risk culture aligned with Sustainable Development Goals (SDGs). Furthermore, in line with the Group's Sustainability Strategic Plan, SGIN is proactively incorporating sustainable practices into its operations, products and services to tackle climate change and address environmental issues. 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.

The recent adoption of IFRS 17 – Insurance Contracts marks a significant stride towards enhanced financial transparency and accuracy, aligning with our core values. This new accounting standard is a pivotal milestone for the insurance industry, offering a more comprehensive and consistent approach to accounting for insurance contracts. To ensure the smooth adoption and implementation of IFRS 17, the Risk department has conducted a comprehensive risk assessment on key areas such as technical integration, model accuracy, compliance, business continuity and overreliance on key personnel. Despite the obvious challenges for IFRS 17 implementation such as complexity, system and process changes, data and information management, model risk, cost of implementation and lack of experienced technical resources, the new standard also presents opportunities. At SGIN, we have capitalised on this shift to improve our existing processes for data collection, analysis and reporting and have invested in automation tools to streamline our processes, thereby reinforcing our commitment to excellence and innovation in our financial practices.

Brain drain presents a significant challenge to employers in Mauritius, hindering talent retention and innovation. During the past decade, the island has seen a notable outflow of skilled professionals, including actuaries, underwriters, accountants and IT professionals, seeking better opportunities overseas. This phenomenon not only depletes the talent pool available to insurers

Risk Management Report

but also hampers knowledge transfer and continuity within the industry. To counteract these effects, the Company has enacted talent retention strategies that emphasise upskilling and cultivate a supportive work environment. These initiatives are designed to nurture and retain top talent, thereby sustaining our competitive edge and fostering long-term organisational resilience.

Throughout this financial year, traditional challenges such as inflation, trade wars and geopolitical tensions have continued to shape the economic landscape. Although inflation is moderating in many parts of the world, it remains high and is always subject to volatility and changes in governmental economic policy. Amongst other impacts, shifts in inflation and interest rates have affected insurer appetite and pricing. In response to these economic pressures, measures such as adjustments in premium pricing, strategies to offset higher claims cost, more predictable claims cycles and improved returns on interest-rate-sensitive investments have collectively contributed to an enhanced profitability. However, in the face of macroeconomic uncertainty, business resilience remains a critical goal due to the impact of sustained shocks from high inflation on our reserves. Our commitment to risk management extends beyond internal processes and includes strong partnerships with other stakeholders, customers, regulators and industry peers. Through solid risk management practices such as proactive risk assessment, dynamic stress testing and strategic planning to mitigate these risks effectively, we are confident in our ability to remain adaptable and prepared for potential disruptions.

Cyber threats continue to pose a direct risk to the capacity to deliver efficient stakeholder services, thereby posing a direct potential risk to operational effectiveness. Strengthening our cyber defences continues to be a key focus area for the Group. In line with the FSC guideline on cloud computing which focuses on risk management, cybersecurity and regulatory compliance, SGIN has taken significant steps to comply, ensuring a secure cloud environment. Additionally, SGIN has conducted assessments of cyber risks associated with its business initiatives, identifying specific threats and vulnerabilities for each project. By systematically assessing and documenting these risks, the Company proactively mitigates threats and strengthens the overall cybersecurity of its initiatives. Despite these challenges, AI-driven technologies present significant opportunities to optimise operations, enhance efficiency and improve customer experience through digital platforms and mobile applications, making them crucial for SGIN's growth.

Our objective is to minimise risks across the Company, 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.

Risk Management Report

We view enterprise risk management from both a holistic, big-picture perspective and a detailed view of the Company. This allows us to identify and assess risks across various dimensions, including operational, financial, strategic and reputational risks.

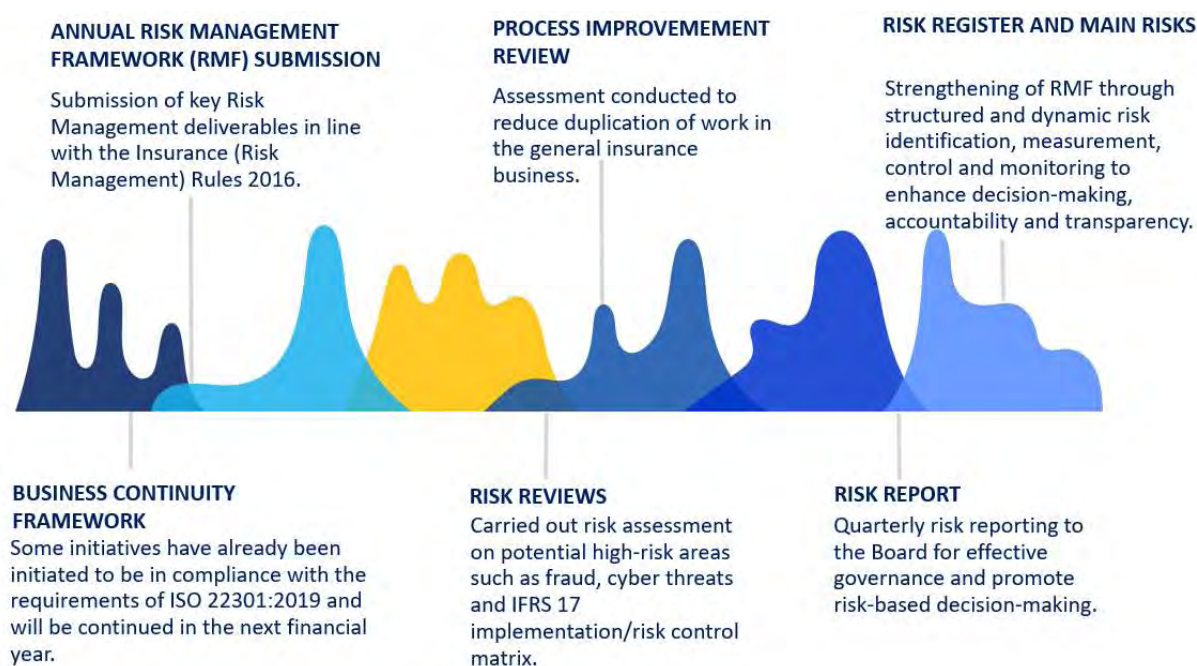
Every employee bears the responsibility of identifying risks and contributing to the Risk Management Process (“RMP”). By fostering a culture of awareness and accountability, we empower our teams to proactively identify potential risks and implement appropriate mitigation measures. Adopting a comprehensive 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. Moreover, we maintain a vigilant stance against emerging threats, including cyber-attacks, natural disasters and supply chain disruptions.

Through a comprehensive risk management framework and a steadfast commitment to sustainability, we are committed to navigating uncertainties, seizing opportunities and driving long-term success for SGIN and its stakeholders.

What We Achieved

In today's dynamic business environment, effective risk management is vital for the Company's resilience and success. This year, we are proud to highlight several significant achievements in our risk management practices, which have not only safeguarded our operations but also driven by our strategic goals. These achievements highlight our dedication to maintaining a risk management framework that not only protects but also enhances the Company's value. As we look ahead, we remain committed to continuous improvement and innovation in our risk management practices, ensuring that we are well-equipped to navigate the complexities of an ever-evolving business landscape.

Risk Management Report



Reflecting on our Risk Strategy and Road Map

Reflecting on our risk management strategy provides us with the opportunity to evaluate the effectiveness of our initiatives and chart a forward-looking roadmap. As we navigate an increasingly risky and unpredictable business environment, the insights gained from our past experiences are invaluable in shaping our future direction. This reflection underscores our commitment to a robust, adaptive, and forward-thinking risk management framework that not only mitigates risks but also transforms them as opportunities for growth and innovation.

Risk Management Report

For the upcoming year, we will focus on the following areas:



Cybersecurity and Data Protection

Enhance defences against cyber threats and securing sensitive data through robust cybersecurity measures, regular vulnerability assessments, and compliance with data protection regulations.



Induction of Risk Management

Develop awareness among employees to familiarise specific risks that could affect the Company.



Risk Assessment

Conduct more frequent and rigorous reviews on potential high-risk areas and fraud risks related activities.



Business Continuity Management Framework

Compliance with ISO 22301:2019 by June 2025.

Managing Risk in Line with our Strategy

Our Management team, under the oversight of the Board and 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 ensuring that potential threats are mitigated and opportunities are maximised.

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 proactively manage the Company's risk 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.

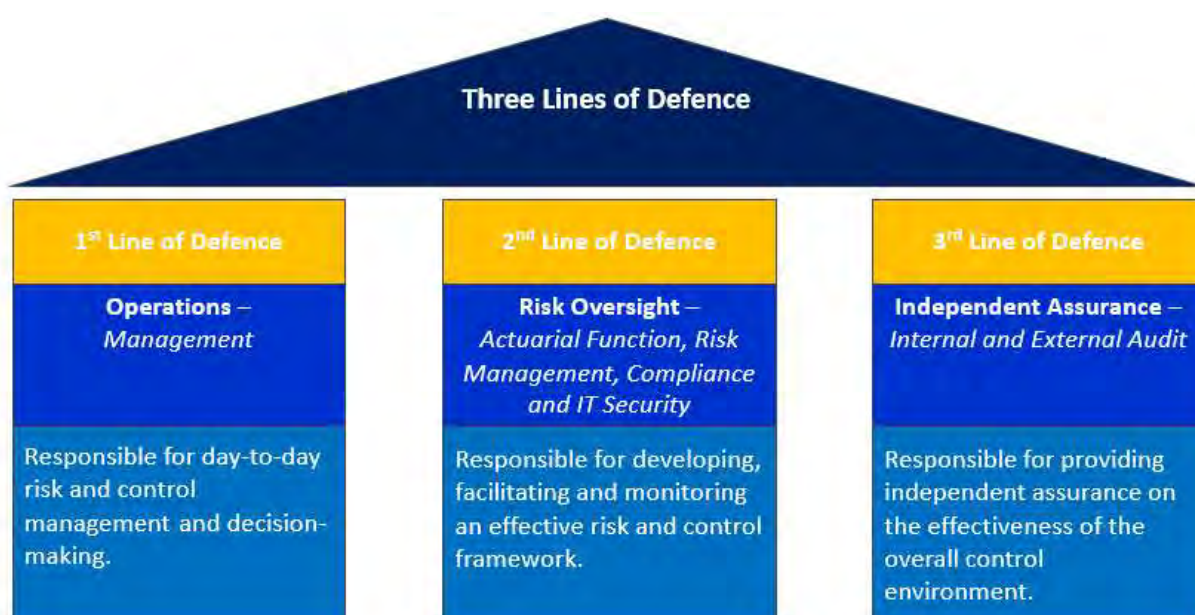
Risk Management Report

Within the framework lies the RMP, 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. This comprehensive approach ensures that potential threats are effectively mitigated while remaining well-prepared to capitalise on emerging opportunities.

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



Our Risk Management Process

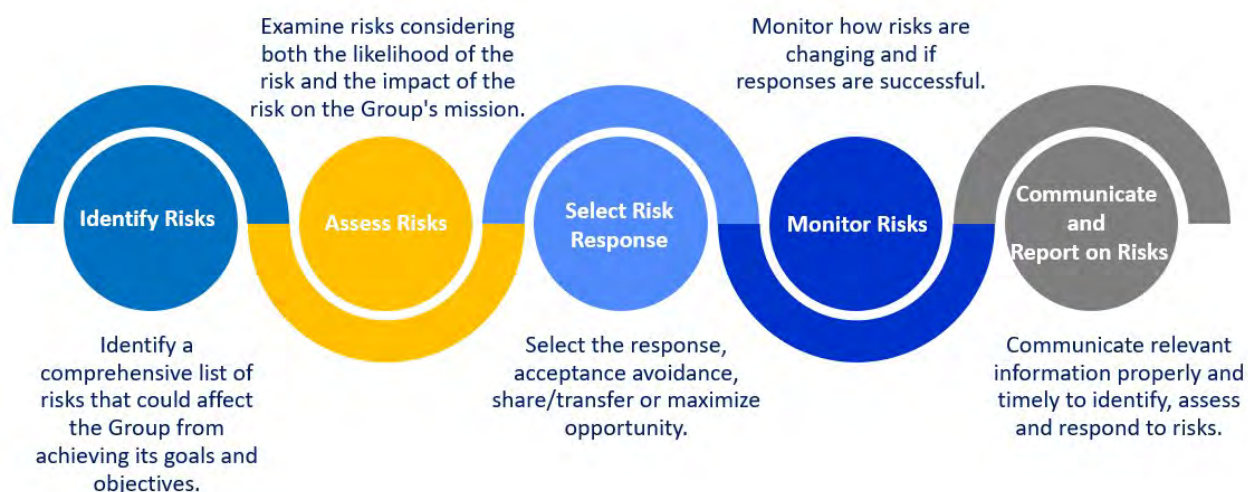
Our business thrives and creates long-term value for all stakeholders through a robust risk management system. Our ongoing RMP involves vigilant monitoring of both internal and external factors, enabling us to promptly identify and mitigate potential risks. By aligning with our risk appetite, we effectively 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. The diagram below outlines 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.

Risk Management Report



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 key risk indicators from the risk appetite statements to drive and monitor risk-aware decision-making; and
- incorporating qualitative and quantitative risk statements that are both forward and backward-looking.

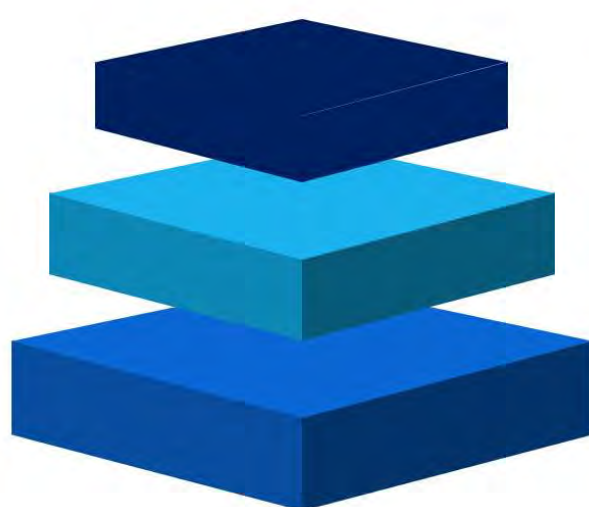
We review our risk appetite statements and key risk indicators annually for submission to the FSC.

Overarching Risk Objective

In today's rapidly evolving business environment, understanding and managing risk is critical to achieving our strategic goals and ensuring long-term sustainability. Our overarching risk objectives form the foundation of our risk management framework, guiding our approach to identifying, assessing, and mitigating potential risks. These objectives are designed to align with our corporate strategy, promoting resilience, enhancing decision-making, and safeguarding our assets and reputation.

Risk Management Report

By establishing clear risk objectives, we ensure that risk management is integrated into every aspect of our operations, from day-to-day activities to long-term strategic planning. This proactive approach enables us to navigate uncertainties, capitalize on opportunities, and maintain a competitive edge. Our commitment to rigorous risk management underscores our dedication to creating value for our stakeholders while maintaining the highest standards of governance and ethical conduct. 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 Company'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:



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.

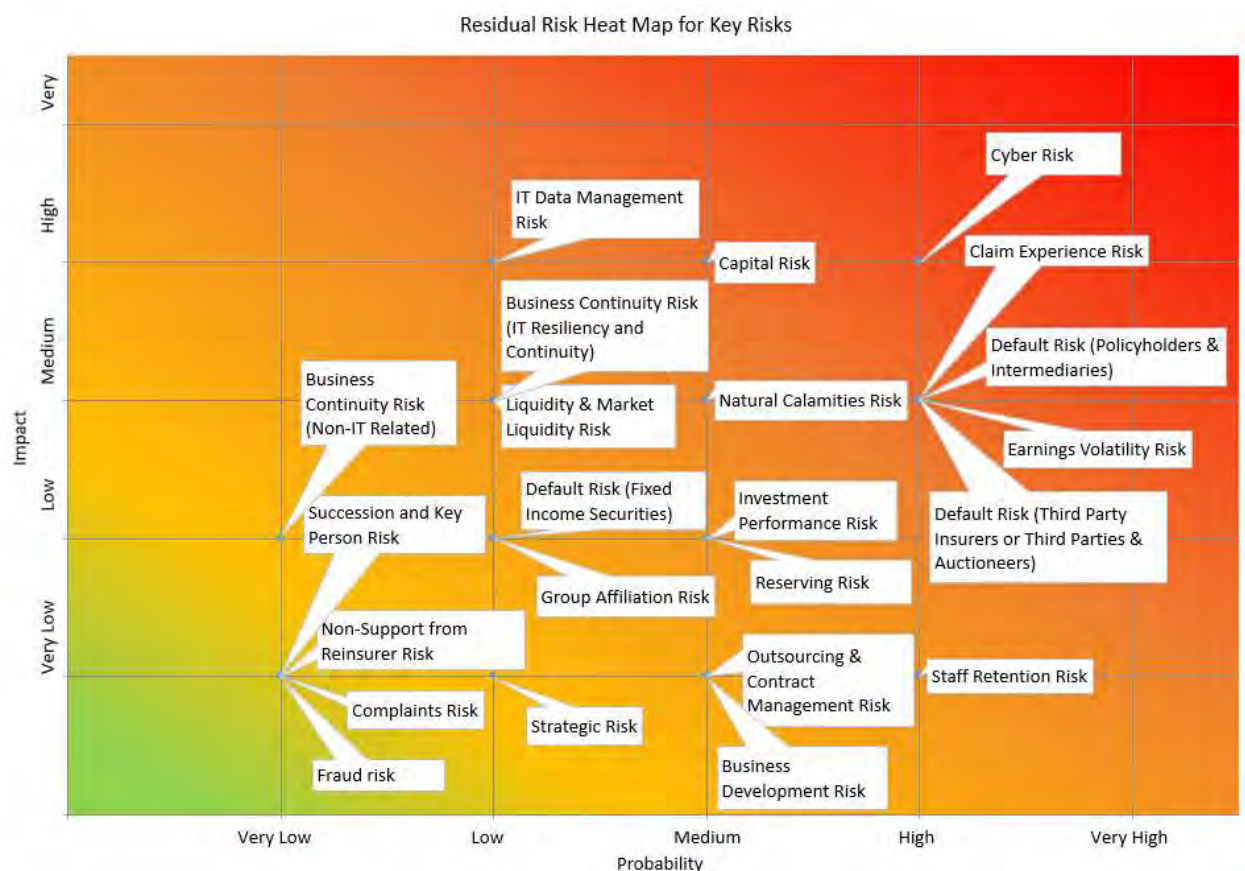
RISK AND AUDIT COMMITTEE (At Company Level)	INTERNAL RISK COMMITTEE (At Group Level)	CYBER SECURITY COMMITTEE (At Group Level)	CRISIS COMMITTEE (At Group Level)
<ul style="list-style-type: none">• Assists the Board in its oversight responsibilities.• Reviews and recommends the ERM Policy, Own Risk Solvency 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.	<ul style="list-style-type: none">• Reports to the Risk Committee of the Board.• Has an understanding of the key risks to which the Group 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.	<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• Coordinates and ensures smooth intervention of any required action.• Ensures that physical infrastructures are secured and to ensure prompt intervention wherever required.• Ensures that IT Infrastructure is secured to ensure prompt intervention wherever required.• Communicate with staff of any decision taken.• Provide regular updates to the Senior Management.• Identify lessons learnt.• Activate crisis management plan.

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.

Risk Management Report











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



























Principal Risks











The symbols in the table below indicate the perceived change in risk profile of the main risks faced during financial year 2023-2024:

<div> Very high High Medium Low Very Low → After Control Measure </div>			
	RISK NAME AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION
Market and Investment Risks	Investment Performance Risk	Managed through strategic asset allocation and active market oversight.	
	Due to market volatility, changes in economic conditions, misalignment of Fund's asset allocation relative to its composite benchmark, excess cash holding, currency valuation fluctuations and unbalanced/undiversified portfolio, SGIN may be exposed to the risk that actual investment return are lower than market indices/composite benchmarks stipulated in Investment Guidelines which could negatively affect shareholder confidence in terms of dividend pay-out and if injections are required to maintain/ increase capital adequacy.		→

	RISK NAME AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION
	Liquidity & Market Liquidity Risk Due to a lack of buyers or an inefficient market, SGIN may be unable to convert an asset into cash without giving up capital and income which could result in inability to meet payment obligations and financial losses from selling assets at depressed market values to meet cash outflows.	Addressed by prudent liquidity management and maintaining adequate liquid reserves.	 → 
Counterparty Default Risk	Default Risk (Fixed Income Securities) As a result of reduced repayment capacity arising from economic instability, deteriorating economic/operating environment and poor assessment of issuer's financial health, SGIN may be exposed to the risk that issuers default on coupon payments and maturity proceeds which may lead to financial losses and cash flows disruption.	Managed through rigorous financial assessments, strategic selection of counterparties with strong credentials and ongoing monitoring of financial covenants.	 → 
	Default Risk (Policyholders & Intermediaries) As a result of reduced repayment capacity arising from economic instability and poor underwriting/due diligence procedures, SGIN may be exposed to the risk that policyholders and intermediaries default on their contractual obligations which may lead to an increase in collection costs, financial losses, cash flows disruption, reduction in investment income and worsen solvency position.	Policyholders: Managed through comprehensive premium recovery procedures. Intermediaries: Payments from intermediaries brokers and agents are constantly monitored and in the event of premium being in arrears, recovery procedures are implemented.	 → 
	Default Risk (Third Party Insurers or Third Parties & Auctioneers) As a result of insolvency or reduced repayment capacity arising from economic instability, SGIN may be exposed to the risk that Third Party Insurers or Third Parties and auctioneers default on their contractual obligations which may lead to an increase in collection costs, financial losses, cash flows disruption, reduction in investment income and worsen solvency position.	Third Party Insurers or Third Parties: Managed through dedicated recovery functions and regular interactions with third parties. Auctioneers: Auctioneers are required to submit a bank guarantee.	 → 
	Claim Experience Risk Due to extreme/exceptional events or accumulation of risk arising from natural calamities, new legal precedence/judgements for liability claims and non-CAT event (e.g. inflation, depreciation of rupee, further abuse of the monopoly situation of car dealers and over-billing by private clinics), SGIN may be exposed to losses/claims which could lead to an increase in claims reserves, adversely impacting the solvency position.	Managed via comprehensive reinsurance arrangements and proactive claims management.	 → 
General Underwriting Risks			

	RISK NAME AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION
	Reserving risk Due to inadequate reserving for both IBNR and OCR and unprecedented legal judgements for liability claims, SGIN may be exposed to the risk of higher pay-out than originally provisioned which could lead to a financial strain and solvency position.	Controlled by systematic reserve reviews and actuarial oversight.	 → 
	Natural Calamities Risk Due to the aggregation of claims from one major climatic event such as cyclone, tsunami, flood and other natural calamities, SGIN may be exposed to the risk that multiple claims arise across different business lines (reinsurance treaties) which could lead to financial strain associated with accumulation of claim/risk and increase in reinsurance cost.	Addressed through strategic reinsurance programs and catastrophe modelling.	 → 
	Non-support from reinsurer Risk Due to lack of reinsurance support, SGIN may be exposed to the risk of withdrawal of facultative reinsurance coverage or unresponsive facultative reinsurance coverage which could result in financial loss and reputational loss.	Follow-up of Premium Payment Warranty through a reminder system involving more than one staff.	 → 
Operations Risks	Earnings Volatility Risk Due to increase in support cost and adverse changes in market conditions such as changes in interest rates and monetary/fiscal policy, SGIN may be exposed to the risk that actual Profit Before Tax is subject to excessive volatility which could result in significant deviation from budgeted profit, long-term impact on reserves and a reduction in shareholder value and/or confidence.	Controlled by consistent financial monitoring and strategic cost management.	 → 
	Staff Retention Risk Due to better conditions of employment offered by other institutions, SGIN may be exposed to the risk of failing to retain employees which could lead to loss of competency.	Flexibility in reviewing conditions of service.	 → 
	Succession and key person risk Due to wide skills gap, SGIN may be exposed to the risk of poor succession planning which could lead to the loss of know-how and knowledge to drive results, disruption of business continuity and a decrease in customer satisfaction or client base.	On-the-job training or other developmental initiatives including coaching.	 → 
	Fraud risk As a result of employees with poor integrity and non-adherence to payment processing procedures, SGIN may be exposed to the risk of embezzlement and fraudulent claims including false billing by sourcing partners or other-third party which could lead to financial losses and adverse reputational, legal and regulatory impact.	Managed through robust internal controls, integrity promotion and regular staff training.	 → 

	RISK NAME AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION
	Outsourcing & Contract Management Risk Due to inadequate due diligence on potential service providers, poor contract terms drafting, non-compliance with contractual terms, disputes and absence of ongoing monitoring of service providers' performance, SGIN may be exposed to the risk of poor third-party contract management and non-performance or poor performance by service providers under outsourcing arrangements which could result in operational failures unforeseen and hidden costs, adverse legal, reputational and regulatory impacts and delay in project completion.	Mitigated through careful supplier selection and continuous performance monitoring.	 → 
	Cyber Risk Due to increased sophistication of cyber criminals, employee inattention/negligence, insufficient/outdated security measures and insufficient external activity monitoring, SGIN may be exposed to the risk of cyber- attacks on critical systems or related infrastructure including telecommunication systems which could lead to shutdown of IT systems, severe disruption of ICT services or loss of vital organisational records for a prolonged period of time, loss/corruption of data, stolen identities, loss of intellectual property or unavailability of critical systems/services, misuse of information assets to attack third party systems or to communicate inappropriate information and ransom demands.	Addressed through comprehensive cybersecurity frameworks, regular assessments and staff awareness programs.	 → 
	IT Data management risk Due to data breaches arising from hacking and cyber-attacks, human error during file migration, damage to or misuse of IT equipment/systems, SGIN may be exposed to the risk of customer and confidential corporate data losses which could lead to reputational damage, legal fines, regulatory sanctions and loss of client.	Controlled via robust data protection policies, regular audits and comprehensive security measures.	 → 
	Business Continuity Risk (IT Resiliency and Continuity) As a result of computer or data system failure and security breaches, SGIN may be exposed to the possibility of critical business operation disruptions which could result in financial losses, and reputational damage.	Managed through resilient IT backup systems, disaster recovery processes and cloud solutions.	 → 
	Business Continuity Risk (Non-IT Related) As a result of power failure, restricted/no access to work areas, damage to work equipment and loss of key staff arising from natural calamities or man-made disasters, SGIN may be exposed to critical business operation	Addressed through structured business continuity planning and flexible remote working solutions	 → 

	RISK NAME AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION
	disruptions. It could result in financial losses and reputational damage.		
	Complaints Risk Due to poor product/service performance, SGIN may be exposed to the risk of receiving and poor handling of valid complaints from clients which could lead to regulatory queries, reputational damage and loss of business.	Complaints handling policy and procedure in place.	 → 
Strategic & Environmental Risk	Capital Risk Due to increase in top line, inaccurate model/assumption for business planning and solvency projections as well as stress testing scenario selection to assess resilience from a capital and liquidity perspective, SGIN may be exposed to the risk of insufficient capital to support new business plans, failure to meet regulatory solvency, stress test and future capital requirements which could lead to financial, reputational and regulatory impacts.	Mitigated through regular capital adequacy reviews and solvency assessments.	 → 
	Group Affiliation Risk As a result of volume and value of intercompany transactions, inadequate support from Holding Company and poor performance of companies within the Group, SGIN may be exposed to group affiliation risk which could lead to financial losses, business operation disruption, loss of vendors and clients, regulatory sanctions and negative brand image.	Controlled via consolidated governance practices and group-level oversight.	 → 
	Business Development Risk Due to the inability to keep pace with technological advancements, increasing competition, lack of innovative products, soft insurance cycle, change in legislation, inadequate responses to business opportunities, absence of right skillset/agile structure and poor economic conditions, SGIN may be exposed to the risk of slow or no business expansion which could lead to low revenue growth and negatively impact brand image.	Managed through proactive market analysis, product innovation and strategic agility.	 → 
	Strategic Risk Due to deviation from strategic assumptions, unclear or poor strategic planning, change in senior management and leadership, failure to adapt to market/industry changes, financial challenges and reputational damage, SGIN may be exposed to the risk of failing to achieve strategic business objectives which could lead to financial, reputational and regulatory impacts.	Addressed by regular strategy reviews and adaptive management practices.	 → 

Risk Management Report

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.

The Risk Register undergoes a comprehensive annual review serving as a central source of identified risks within the Company 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

In 2024, SGIN continues its risk monitoring process, evaluating residual risks quarterly by aligning them with Risk Appetite Statements, monitoring Key Risk Indicators, and assessing the risk levels against predefined 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.

Risk Management Report

Residual Risks (continued)

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.

Strategies to Address Key Risks

SGIN continues to prioritise effective risk management as a critical component of the strategic framework. Management plays a practical role in identifying and implementing risk mitigation strategies that are fitted to the specific risks faced by the Company. 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 Risk 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 Company 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 about 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 Company'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 2027, this has been selected as the most suitable period for the Board to review the Company's viability.

Risk Management Report

Business Planning and Own Risk and Solvency Assessment (continued)

The Company'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.

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 the unpredictable and ever-evolving landscape, maintaining a robust and effective business continuity strategy is crucial for sustaining operations and driving success. The year 2023 brought significant challenges, from global economic uncertainties to unprecedented natural disasters and escalating cyber threats. As these disruptions continue to grow in scale and scope in 2024, it is imperative that financial institutions strengthen their risk management programs and resilience.

The Company recognises the critical importance of business continuity as a key element of our comprehensive management framework. This is designed to ensure the ongoing viability of essential business functions in the event of disruptions or emergencies.

Risk Management Report

Business Continuity (continued)

With this goal in mind, SGIN is implementing a tailored approach to business continuity management that matches the nature and scale of our operations. Our strategy enhances our resilience against disruptions from both internal and external events potentially reducing the impact on our business operations, reputation, profitability, policyholders and other stakeholders.

Climate Change

Climate change poses a direct threat to our daily lives and economic stability, and at SGIN, we are acutely aware of our vulnerability to its effects. Recognising the substantial impact on our financial health, operations and offerings, it is critical to both adapt to these changes and aggressively pursue mitigation strategies. Transitioning to a low-carbon, ecologically diverse model is imperative and has become an integral part of our strategic and operational planning.

In response to increasing regulatory expectations, SGIN is proactively enhancing the frameworks to manage climate-related risks. Regulatory bodies are emphasising the need for rigorous risk management processes that incorporate climate scenarios into long-term planning. Our commitment extends beyond compliance aiming to set industry benchmarks for managing and reporting on climate risks.

Our strategies for addressing climate change include reducing our carbon footprint, increasing our use of renewable energy, improving energy efficiency, managing a sustainable supply chain, enhancing climate resilience, and engaging in transparent reporting and collaborative efforts. These measures are fully integrated into our risk management framework, ensuring that we not only meet regulatory requirements but also contribute positively to the global fight against climate change.

Risk Management Report

Emerging Risks

The ongoing transformation of global operational landscapes offers a wide range of possibilities, risks or disturbances for businesses. To effectively navigate this uncertain environment, the Company is committed to developing 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:

- **Cyber Threats**

Despite the numerous controls such as robust patch management process, endpoint detection and response, and Multifactor Authentication prioritised and implemented to mitigate cyber-attacks, cyber threats continue to be one of the top risks on business leaders' minds. Many cyber-attacks observed in recent years; however, have sidestepped cyber controls as attackers leveraged basic and sophisticated attack methods to take control over systems and information, causing many business disruptions and brand damage. As companies adapt and explore AI and other emerging technologies, new challenges will emerge related to cyber security, data privacy and governance. Investment in and commitment to risk management around new technologies will be critical to manage risk effectively.

Risk Management Report

Our Areas of Focus (continued)

- **Supply Chain Fragility**

Disruptions are not only occurring with goods but also with services across the region and industries. Local businesses, including insurers, are feeling the reverberations of global events, with climate-related occurrences like floods and extreme temperatures capable of disrupting entire supply chains or the provision of services. Moreover, the anticipated rise in social and geopolitical risks adds another layer of threat to the already fragile supply chain which could further increase claim costs for non-life insurers and impact profitability, liquidity and solvency positions.

- **Cloud Concentration Risk**

This risk arises from excessive reliance on a single cloud service provider for critical business functions, which could lead to significant disruptions during provider outages. Key factors include increased regulatory scrutiny, limited vendor choices, and restricted access to

essential microchips for GenAI and cloud services. Potential impacts include operational disruption arising from regulatory efforts to mitigate cloud concentration due to sudden changes in cloud service providers. Furthermore, greater dependency on a single provider increases the scope and severity of disruptions, heightening business continuity risks. Lastly, heavy reliance on a specific provider could restrict an organisation's technological flexibility and give significant control to the vendor.

- **Natural Disasters**

The escalating frequency and severity of natural disasters, driven by climate change, have highlighted the fundamental role of the non-life insurance industry in mitigating risks and providing financial protection. Insurance companies are essential in helping affected parties recover by offering financial support to rebuild and restore their lives and operations, as witnessed during the aftermath of the cyclone Belal. By absorbing financial shocks and promoting resilience, the insurance industry not only supports immediate recovery efforts but also incentivises risk reduction practices and sustainable development. Moreover, insurers play a vital role in spreading awareness about risk management and climate adaptation strategies, ensuring that communities and businesses are better prepared for future disasters. As the threat of natural disasters grows, the insurance industry's proactive engagement in climate risk modelling, comprehensive coverage offerings and collaboration with governments and stakeholders becomes increasingly indispensable.

Risk Management Report

Our Areas of Focus (continued)

- **Social Risks**

Emerging social trends are shaping insurance needs, compelling insurers to adapt and develop products that address these evolving demands. The COVID-19 pandemic has highlighted the necessity for pandemic-specific coverage, such as health insurance adaptations for telehealth services and business interruption policies that account for pandemic-related shutdowns. Furthermore, the large and growing cohort of people in non-traditional working arrangements is well attuned to the need for financial security and would be open to a range of solutions from insurers, including income protection, retirement savings and healthcare solutions. Societal shifts such as an ageing population, increasing urbanisation and growing environmental awareness call for long-term care insurance, micro-mobility coverage and green insurance products respectively. By proactively developing these targeted insurance products, insurers could remain relevant, meet policyholders' comprehensive needs and enhance customer satisfaction.

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 that fairly present the state of affairs of the Company as at the end of the financial year 2023/2024 and the results of its operations and cash flows for that period and which comply with IFRS Accounting Standards as issued by IASB; and
- (iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

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) responsible for safeguarding the assets of the Company;
- (iii) reasonable steps have been taken for the prevention and detection of fraud and other irregularities;
- (iv) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently; and
- (v) IFRS Accounting Standards as issued by IASB have been adhered to.

Signed on behalf of the Board of Directors.



RAMDEWAR Nandita
Director



ANCHARAZ Surendranath
Director

Date: **23 May 2025**

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 79 to 148, which comprise the statement of financial position as at 30 June 2024, 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2024, and of its financial performance and cash flows for the year then ended in accordance with IFRS accounting standards as issued by International Accounting Standard Board (IASB) 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 Standards 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
Transition from IFRS 4 - Insurance contracts ('IFRS 4') to IFRS 17 - Insurance contracts ('IFRS 17').	
<p>The Company has applied IFRS 17 Insurance Contracts (effective 1 July 2023 with a transition date of 1 July 2022) to insurance and reinsurance contracts it holds, which has resulted in significant changes to its reporting processes and to the financial statements.</p> <p>All contracts were accounted for under the modified retrospective approach at transition date.</p> <p>Note 2.2 and 31 to the financial statements provide qualitative and quantitative information on the impact of the adoption of IFRS 17 and critical accounting policies chosen, and judgement made.</p> <p>The adoption of the new accounting standard has required:</p> <ul style="list-style-type: none"> the restatement of the statement of financial position amounts related to insurance contracts at the transition date of 1 July 2022 and of the statement of financial position and statement of profit or loss as at 30 June 2023 prepared for comparative figures; The development of complex valuations and estimates, subjective by their very nature, for the identification, measurement and recognition of insurance contracts. 	<p>We evaluated the IFRS 17 key design decisions and implementation and tested the operating effectiveness of management's controls over the transition to IFRS 17, including approval of the IFRS 17 accounting policies and design decisions and their application by the Company.</p> <p>With the support of our internal IFRS 17 and actuarial specialists, our audit procedures regarding transition to IFRS 17 included:</p> <ul style="list-style-type: none"> Assessing whether the Company's chosen accounting policies, design decisions and methodologies were in compliance with IFRS 17 and that the nature and substance of the policies issued by the Company supported the policy elections made on transition. Assessing the appropriateness of the methods and judgments made by management and their compliance with IFRS 17 at the transition. Assessing the transition models adopted, checking on a sample basis, the appropriateness of methodologies and the reasonableness of assumptions, of the input data and parameters used to determine insurance contract assets and liabilities, at the transition date.

**Independent auditor's report to the Shareholder of
SICOM General Insurance Ltd (Continued)**

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Transition from IFRS 4 - Insurance contracts ('IFRS 4') to IFRS 17 - Insurance contracts ('IFRS 17')(continued).	
For the above reasons, we believe that the transition to IFRS 17 is a key audit matter.	<ul style="list-style-type: none"> Analyzing the process for the recognition of insurance contracts and checking, on a sample basis, the criteria used for their aggregation at the transition date. Checking, on a sample basis, the measurement models adopted, the appropriateness of methodologies and the reasonableness of the assumptions, of the input data and parameters used to determine insurance contract assets and liabilities. Where the Premium Allocation Eligibility criteria was applied, assessed the appropriateness of the criteria applied. Assessing the reasonability and appropriateness of the profitability criteria applied. Assessing the appropriateness of management's data and assumptions applied in valuing insurance contract liability balances as at the transition date and related opening adjustment in retained earnings for groups of contracts. Reviewing the adequacy of the transition-related disclosures in the financial statements to ensure compliance with the disclosure requirements of IFRS 17.
Valuation of insurance contract liability balances	
<p>As at 30 June 2024, the value of Insurance contract liabilities balances was Rs 1.05 billion for the Company. The insurance contract liability balance reflects, within the Liability for Remaining Coverage (LRC) component, the premiums received for which insurance cover should still be provided and outstanding premiums for which cover has already been provided. It also includes a Liability for Incurred Claims (LIC) element, which represents the discounted estimate of unsettled claims for which the insured event has occurred plus a risk adjustment for non-financial risk.</p> <p>In valuing the insurance contract liability balances, management applied significant judgment. Various assumptions are made including best estimate assumptions regarding the expected claims on insurance contracts, expected expenses, commission and charges. Changes to these assumptions may result in material changes to the valuation.</p>	<p>We tailored our testing of the insurance contract liability balances with reference to the various portfolios of contracts and the various measurement models applied, as audited during transition. With the assistance of our internal IFRS 17 and actuarial specialists the procedures included:</p> <ul style="list-style-type: none"> Assessing the valuation methodology for the LRC and reviewed assumptions for compliance against the requirements of the Standard, generally accepted actuarial principles, applicable legislation and approved Company's policies. Assessing the valuation methodology of the LIC, focusing on reasonability of key assumptions and the valuation methodologies applied. For the valuation of the Liability for Incurred Claims (LIC) for PAA contracts across the Company, we assessed management's valuation models. We assessed the adequacy of the assumptions applied by management, e.g., claims ratio, claims triangles, reinsurance recovery rates, and assessed the adequacy of the year-end valuation with reference to prior years and key ratios.

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

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liability balances (continued)	
<p>The most significant assumptions made in the valuation of insurance contract liability balances arising from the Company's insurance contracts relate to:</p> <ul style="list-style-type: none"> Discount rates. Confidence levels applied in determining the risk adjustment for non-financial risk. <p>We considered the valuation of insurance contract liability balances (including the transition from IFRS 4 to IFRS 17) to be a key audit matter in our audit of the financial statements because of the following:</p> <ul style="list-style-type: none"> The judgment applied in determining the transition approach and balances as a consequence of the transition from IFRS 4 to IFRS 17. The significant judgments and high degree of estimation uncertainty relating to the magnitude and timing of the projected cash flows and the use of significant unobservable assumptions applied in valuing it; and The material nature of the insurance contract liability balances on the Company's statement of financial position and resultant impact on the statement of profit or loss and other comprehensive income for the year ended 30 June 2024. 	<ul style="list-style-type: none"> Challenging the assumptions around the discount rate and the confidence levels applied in the determination of the risk adjustment for non-financial risk. Assessing the appropriateness of management's allocation of groups of contracts into the various measurement buckets as required by IFRS 17. Where management applied the Premium Allocation Approach (PAA) to measure a group of contracts, we also assessed the coverage period of these groups with the eligibility criteria in IFRS 17. Evaluating the reasonability of the risk adjustment, including calculation method, and its related release.

Other information

The directors are responsible for the other information. The other information comprises Corporate Profile, Directors' Report, 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 IFRS accounting standards as issued by IASB 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.

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

Responsibilities of directors for the Financial Statements (continued)

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.
- 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.

**Independent auditor's report to the Shareholder of
SICOM General Insurance Ltd (Continued)**

Report on other legal and regulatory requirements (continued)

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.

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.

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

Chartered Accountants

30 May 2025




R, Srinivasa Sankar, FCA

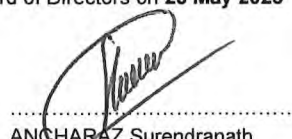
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SICOM GENERAL INSURANCE LTD
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Notes	2024 Rs'000	2023 Rs'000 <i>Restated</i>	2022 Rs'000 <i>Restated</i>
NON-CURRENT ASSETS				
Equipment	6	2,943	3,943	5,340
Intangible assets	7	33,304	35,414	33,690
Right of use assets	8 (a)	70,049	63,030	71,077
Equity Instruments at FVTPL	9 (b)	45,538	40,501	42,891
Debt Instruments at FVTPL	9 (c)	931,311	911,548	852,657
Loans and advances	10	7,634	7,840	9,565
Deferred tax assets	11	35,295	37,598	29,726
		1,126,074	1,099,874	1,044,946
CURRENT ASSETS				
Loans and advances	10	2,382	2,235	2,207
Other receivables	12	18,714	16,788	16,311
Insurance contract assets	16 (b)	16,502	11,785	127
Reinsurance contract assets	16 (c)	556,942	430,209	480,200
Cash and cash equivalents		256,861	99,566	177,614
		851,401	560,583	676,459
TOTAL ASSETS		1,977,475	1,660,457	1,721,405
EQUITY AND LIABILITIES				
Stated capital	20	25,000	25,000	25,000
Reserves	21	160,637	98,786	135,835
Subordinated loan	22	341,625	341,625	341,625
TOTAL EQUITY		527,262	465,411	502,460
NON-CURRENT LIABILITIES				
Lease liabilities	8 (b)	61,228	58,571	62,882
Pension benefit obligations	23	212,223	227,811	189,925
		273,451	286,382	252,807
CURRENT LIABILITIES				
Insurance contract liabilities	16 (a)	1,047,179	839,954	834,246
Reinsurance contract liabilities	16 (d)	22,111	11,875	9,352
Other payables	18	77,469	46,911	56,508
Lease liabilities	8 (b)	9,057	7,234	9,856
Dividend payable	19	17,397	-	51,713
Current tax liabilities	17 (a)	3,549	2,690	4,463
TOTAL CURRENT LIABILITIES		1,176,762	908,664	966,138
TOTAL LIABILITIES		1,450,213	1,195,046	1,218,945
TOTAL EQUITY AND LIABILITIES		1,977,475	1,660,457	1,721,405

These financial statements have been approved for issue by the Board of Directors on **23 May 2025**


RAMDEWAR Nandita
Director


ANCHARAZ Surendranath
Director

The notes on pages 84 to 148 form an integral part of these financial statements.
Auditors' report on pages 74 to 78

SICOM GENERAL INSURANCE LTD
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 Rs'000	2023 Rs'000 <i>Restated</i>
Insurance revenue	13 (a)	1,880,602	1,560,299
Insurance service expenses	13 (b)	(1,551,565)	(1,043,149)
Net expenses from reinsurance contracts held	13 (c)	(291,590)	(493,689)
Insurance service result		37,447	23,461
Interest Income using effective interest rate	24	44,957	40,475
Other Investment income	24	2,418	2,901
Net gain/ (loss) on financial assets at fair value through profit or loss		26,382	(40,453)
Net investment income		73,757	2,923
Finance (expenses)/ income from insurance contracts issued	14 (a)	(21,652)	263
Finance income/ (expenses) from reinsurance contracts held	15 (a)	13,613	(941)
Net insurance finance expenses		(8,039)	(678)
Net insurance and investment result		103,165	25,706
Other income/ (expenses)	25	10,153	(405)
Revenue from contract with customers	26	350	1,709
Non attributable expenses	27	(29,693)	(19,318)
PROFIT BEFORE TAX		83,975	7,692
Income tax expenses	17 (b)	(14,387)	(6,347)
PROFIT FOR THE YEAR		69,588	1,345

The notes on pages 84 to 148 form an integral part of these financial statements.
Auditors' report on pages 74 to 78

SICOM GENERAL INSURANCE LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		Rs'000	Rs'000 <i>Restated</i>
Profit for the year		69,588	1,345
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit obligations	(23 (a)(vii) & 23 (b)(vi))	11,638	(46,257)
Deferred tax relating to components of other comprehensive income	11	(1,978)	7,863
Other comprehensive income/ (loss)		9,660	(38,394)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR		79,248	(37,049)

The notes on pages 84 to 148 form an integral part of these financial statements.
Auditors' report on pages 74 to 78

SICOM GENERAL INSURANCE LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	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 2023 (as restated)		25,000	256,118	(157,332)	-	341,625	465,411
Profit for the year		-	69,588	-	-	-	69,588
Other comprehensive income for the year		-	-	9,660	-	-	9,660
Total comprehensive income			325,706	(147,672)	-		178,034
Dividend	19	-	(17,397)	-	-	-	(17,397)
Balance at 30 June 2024		25,000	308,309	(147,672)	-	341,625	527,262
Balance at 01 July 2022		25,000	254,474	(118,938)	(321)	341,625	501,840
Effect of adoption of IFRS 17	31(a) & 32(a)		299				299
Fair value reserve reclassification					321		321
Balance at 01 July 2022 (as restated)		25,000	254,773	(118,938)	-	341,625	502,460
Profit for the year (as restated)			1,345				1,345
Other comprehensive loss for the year		-	-	(38,394)		-	(38,394)
Total comprehensive income		-	256,118	(157,332)	-	-	98,786
Balance at 30 June 2023 (as restated)		25,000	256,118	(157,332)	-	341,625	465,411

* Refer to Note 22 of the financial statements.

The notes on pages 84 to 148 form an integral part of these financial statements.
Auditors' report on pages 74 to 78

SICOM GENERAL INSURANCE LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024	2023
		Rs'000	Rs'000
			<i>Restated</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		83,975	7,692
<i>Adjustments for:</i>			
Depreciation of Equipment	6 (a)	1,131	1,547
Equipment written off	6	16	36
Depreciation of right of use assets	8(c)	8,413	8,047
Interest expense on lease liabilities	8(c)	2,705	2,923
Amortisation of intangible assets	7 (a)	5,415	2,587
Intangible written off	7 (a)	250	4
Pension benefit obligations	23(a)(vi) & 23(b)(v)	21,578	17,130
Net gain/ (loss) on Financial assets at Fair Value Through Profit or Loss		(26,382)	40,453
Investment income	24	(47,375)	(43,376)
Operating cash flows before working capital changes		49,726	37,043
(Increase) in insurance and other receivables and prepayments		(1,926)	(477)
(Increase)/Decrease in reinsurance assets		(126,733)	49,991
(Increase) in insurance assets		(4,717)	(11,658)
Increase/(Decrease) in trade and other payables		30,558	(9,597)
Increase in reinsurance contract liabilities		10,236	2,523
Increase in insurance contract liabilities		207,225	5,708
Net cash flows generated from operations		164,369	73,533
Interest received		44,957	40,473
Dividend received		2,418	2,901
Income tax paid	17(a)	(13,203)	(8,128)
Contribution paid on pension benefit obligations	23(a)(ii) & 23(b)(ii)	(25,528)	(25,501)
Net cash flows generated from operating activities		173,013	83,278
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Equipment	6 (a)	(147)	(186)
Purchase of intangible assets	7 (a)	(3,555)	(4,315)
Purchase of Lease		(3,473)	-
Proceeds on disposal /maturity of financial assets - Debts	9(c)	493,754	712,581
Purchase of financial assets - Debts	9(c)	(492,172)	(808,646)
Additions of financial assets through FVTPL - Equity	9(b)	-	(5,646)
Proceeds on disposal /maturity of financial assets through FVTPL - Equity	9(b)	-	4,758
Loans advanced	10	(4,161)	(1,330)
Loans repaid	10	4,220	3,027
Net cash flows used in investing activities		(5,534)	(99,757)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal portion - lease liabilities	8(b)	(10,184)	(9,856)
Dividend paid	19	-	(51,713)
Net cash flows used in financing activities		(10,184)	(61,569)
Net increase/ (decrease) in cash and cash equivalents		157,295	(78,048)
CASH AND CASH EQUIVALENTS AT 01 JULY		99,566	177,614
CASH AND CASH EQUIVALENTS AT 30 JUNE		256,861	99,566
CASH AND CASH EQUIVALENTS			
Bank and cash balances		256,861	99,566

The notes on pages 84 to 148 form an integral part of these financial statements.
Auditors' report on pages 74 to 78

1. GENERAL INFORMATION

SICOM General Insurance Ltd ("the Company", "SGIN") 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. MATERIAL ACCOUNTING POLICY INFORMATION

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, 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 17 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 has implemented IFRS 17 in the current financial year ended 30 June 2024.

Statement of compliance

The financial statements of the Company have been prepared in accordance with 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 IFRS

IFRS 17 Insurance Contracts

IFRS 17 - Insurance Contracts replaces IFRS 4 Insurance Contracts and is effective as from 1 January 2023. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objectives of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The requirements of IFRS 17 lead to significant changes in the accounting for insurance contracts for the Company. The Company has restated the comparatives on initial application of IFRS 17 on 1 July 2023 and details of the transitional disclosures are provided in the financial statements. Changes in prior years have been recognized in equity. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. For details of prior year adjustments, refer to note 31 to 33.

The Company adopted IFRS 9 on 01 July 2018 and measured its financial assets at fair value through profit or loss, amortised cost, or fair value through OCI. As permitted by IFRS 17, the Company has reassessed/revoked the previous designation of financial assets at amortised cost and reclassified them under fair value through profit or loss

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

IFRS 17 Insurance Contracts (Continued)

with a view to eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The impact of initial application of IFRS 17 and re-remeasurement of financial assets under IFRS 9 on the Company financial statements as from 01 July 2022 is detailed in note 31 and 33. The impact on equity as a result of transition to IFRS 17 arises because of the different requirements of IFRS 17 compared to the accounting policies and actuarial methodologies used under IFRS 4.

The Company has also provided the restated comparatives information for 2022 and 2023.

INSURANCE CONTRACTS

A. Key types of insurance contracts issued and reinsurance contracts held

The Company issues the following type of contracts that are accounted for in accordance with IFRS 17 Insurance Contracts.

- General insurance policies:

Except for the contracts such as Inherent Defects Insurance (IDI) policy, Single project professional Indemnity (SPPI) Insurance, Contractors All Risks (CAR) Insurance, Security Bonds and contingency – Kidnap and Ransom (K&R) Insurance, all other insurance contracts held by SGIN are annual in nature (with provision for extension of odd period not exceeding 15 months). IFRS 17 allows for the choice of simplifying the Liability for Remaining Coverage ('LFRC') calculation using the Premium Allocation Approach (PAA) for such contracts.

The Company accounts for these contracts applying PAA as they have passed the PAA eligibility testing.

The Company also holds the following types of reinsurance contracts to mitigate risk exposure.

For general insurance business, the Company reinsures either on a treaty basis (proportional or non- proportional) or on a facultative basis, both accounted for applying the PAA.

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.

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

B. Definitions and classifications

Products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

INSURANCE CONTRACTS (CONTINUED)

B. Definitions and classifications (Continued)

The Company determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

C. Separating components from insurance and reinsurance contracts

An insurance contract may contain one or more components that would be within the scope of another standard if they were separate contracts. For example, an insurance contract may include an investment component or a service component.

Towing services

The travel (road) assistance service provided to all comprehensive private motor vehicles and commercial comprehensive vehicles (less than 2.5 tons) forms part of the claim handling. Therefore, the cash flows and risks are highly interrelated with those of the insurance benefits and the company is providing a significant service in integrating the assistance with the insurance benefits.

Towing services are not distinct and has been accounted as per IFRS 17.

Investment components

The Company has neither distinct nor non-distinct investment components for the underlying insurance contracts.

The non-proportional reinsurance treaties and/ or other reinsurance contracts do not have either distinct or non-distinct investment components.

D. Level of aggregation

The Company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Company considers the similarity of risks rather than the specific labelling of product lines. The Company has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.

At initial recognition, the Company segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
- Any remaining contracts

The Company has considered existing loss ratios, historical data and performance analysis to assess profitability of contracts and has also considered the effect under IFRS 17 arising from a more accurate allocation of expenses.

For general insurance contracts accounted for applying the PAA, the Company determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. The Company assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

INSURANCE CONTRACTS (CONTINUED)

D. Level of aggregation (Continued)

If facts and circumstances indicate that some contracts may be onerous at initial recognition or the group of contracts has become onerous, the Company will perform a quantitative assessment to assess whether the carrying amount of the liability for remaining coverage determined applying the PAA is less than the fulfilment cash flows related to remaining coverage determined applying the General Model. If the fulfilment cash flows related to remaining coverage determined applying the General Model exceed the PAA carrying amount of the liability for remaining coverage, the difference is recognised in profit or loss and the liability for remaining coverage is increased by the same amount.

E. Recognition

The Company recognises groups of insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received)
- The date when a group of contracts becomes onerous

F. Contract boundaries

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group.

The contract boundary of the Company's products was deemed to be the full policy term. For most of the policies, the term, and thus the contract boundary, is one year. There are some products with terms more than one year. Their contract boundaries will be as per the respective policy term.

In some contracts, the Company has a right to cancel the contract after 30 days of non-payment of premium. This right arises from the Mauritius Civil Code. This law allows an insurer to cancel a contract after 30 days in the event of non-payment of premium, or to review or cancel the policy in the case of aggravation of risk. Therefore, this is dependent on the policyholder's behaviour and does not represent a unilateral right of the Company. As such, the existence of the 30-days cancellation does not create a contract boundary. The Company's obligation is for the term of the policy and that will be the contract boundary.

The Company assesses the contract boundary at initial recognition and at each subsequent reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations.

G. Measurement of insurance contracts issued

Discount rates

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognised in profit or loss at the end of each reporting period unless the Company has elected the accounting policy to present the time value of money separately in profit or loss and other comprehensive income.

Cash flows varying with underlying items are not applicable for SGIN. The yield curve was derived using the Nelson-Siegel-Svensson (NSS) model and secondary market rates at the relevant date.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

INSURANCE CONTRACTS (CONTINUED)

G. Measurement of insurance contracts issued (Continued)

Risk adjustment for non-financial risk

The Company measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk. The Company uses the SAM (Solvency and Assessment Management) model calibrated at the 85% Confidence Interval. The chosen confidence level is expected to be influenced by the following:

- The risk appetite of the various business units;
- The expected emergence of profit over time; and
- Evolving market practice (for example the confidence level disclosed by market participants could converge over time).

Insurance acquisition cash flows

The Company includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

The Company identifies at a portfolio level, insurance acquisition cash flows which are allocated to the group of insurance contracts. The remaining expenses are classified between Attributable maintenance expenses, claims handling expenses and non-attributable expenses.

All the acquisition expenses (commission and management expenses) are deferred as per coverage period of the contract.

Changes in fulfilment cash flows

At the end of each reporting period, the Company updates the fulfilment cash flows for LIC to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variables.

The Company has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non-financial assumptions, changes in discount rates and financial assumptions. The Company first calculates the changes in discount rates and financial assumptions on the fulfilment cash flows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions.

Experience adjustments are the difference between:

- The expected cash flow estimate at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes)
- The expected cash flow estimate at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses).

Experience adjustments relating to current or past service are recognised in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

INSURANCE CONTRACTS (CONTINUED)

G. Measurement of insurance contracts issued (Continued)

Contracts with cash flows not dependent on underlying items

In determining the number of coverage units, the Company applies the following method:

- The general insurance contracts are accounted for using the PAA.
- For facultative (excess of individual loss) reinsurance contracts held, a straight-line allocation over the passage of time represents the quantity of coverage units over each period. This is because the amount that can be claimed under the contract is the same in each period.

On initial recognition, the Company measures the LFRC at the amount of premiums received in cash and the acquisition costs. Contracts of terms greater than one year have been tested for PAA eligibility and passed the test. Accordingly all contracts are measured under PAA.

Commission payable to intermediaries, receivable from reinsurers and acquisition management expenses are deferred as per coverage period of the contract.

Premiums due to the Company for insurance contract services already provided in the period but not yet received at the end of the reporting period, the provision for bad debts and Deferred Acquisition cost are included in the LFRC. The carrying amount of the LFRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received, the acquisition costs in the period and the amount recognised as insurance revenue for insurance contract services provided in that period.

The Company has determined that there is no significant financing component in general insurance contracts and does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

The Company also applies the PAA to the all-quota share, surplus and Facultative general insurance and reinsurance contracts held. The coverage period of such reinsurance contracts held is usually one year or less. For contracts where coverage period exceeds one year, the Company at initial recognition assesses whether the PAA is a reasonable approximation of the General Model.

For General insurance contracts issued and reinsurance contracts held, the carrying amount of the LIC is measured applying the PAA:

- The Company adjusts its future cash flows for the time value of money and the effects of financial risks on all outstanding claim reserves.

Applying the PAA, the insurance revenue is measured at the amount allocated from the expected premium receipts excluding any investment component. The allocation is done on the basis of the passage of time.

When facts and circumstances indicate that a group of contracts has become onerous, the Company performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Company recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

INSURANCE CONTRACTS (CONTINUED)

G. Measurement of insurance contracts issued (Continued)

Onerous contracts

The Group considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

The Company has considered existing loss ratios, historical data and performance analysis to assess profitability of contracts and has also considered the effect under IFRS 17 arising from a more accurate allocation of expenses.

H. Reinsurance contracts held

H.1 Recognition

The Company uses facultative and treaty reinsurance to mitigate some of its risk exposures. Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

Reinsurance contracts held are accounted for separately from underlying insurance contracts issued and are assessed on an individual contract basis. In aggregating reinsurance contracts held, the Company determines portfolios in the same way as it determines portfolios of underlying insurance contracts issued. The Company considers that each product line reinsured at the ceding entity level to be a separate portfolio. The Company disaggregates a portfolio of its reinsurance contracts held into three groups of contracts

- Contracts that on initial recognition have a net gain
- Contracts that, on initial recognition, have no significant possibility of resulting in a net gain subsequently
- Any remaining reinsurance contracts held in the portfolio

For general quota share, surplus and Facultative reinsurance contracts held accounted for applying the PAA, the Company assumes that all reinsurance contracts held in each portfolio will not result in a net gain on initial recognition, unless facts and circumstances indicate otherwise.

In determining the timing of initial recognition of a reinsurance contract held, the Company assesses whether the reinsurance contract's terms provide protection on losses on a proportionate basis. The Company recognises a group of reinsurance contracts held that provides proportionate coverage:

- At the start of the coverage period of that group of reinsurance contracts held
 - At the initial recognition of any of the underlying insurance contracts, whichever is later
- The Company recognises a group of reinsurance contracts at the earliest of the beginning of the coverage period of the group or the date an underlying onerous group of contracts is recognised.

The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract held. This includes cash flows from insurance contracts that are expected to be issued by the Company in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held.

Cash flows are within the boundary of a reinsurance contract held, if they arise from the substantive rights and obligations of the cedant that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

INSURANCE CONTRACTS (CONTINUED)

H.2 Reinsurance contracts held measured under the PAA

The Company measures quota share, surplus and Facultative General insurance reinsurance contracts by applying the PAA.

Under the PAA, the initial measurement of the asset for remaining coverage equals the reinsurance premium paid.

The Company measures the amount relating to remaining service by allocating the premium paid over the coverage period of the group. For all reinsurance contracts held, the allocation is based on the passage of time.

Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Company adjusts the carrying amount of the asset for remaining coverage and recognises a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

I. Modification and derecognition

The Company derecognises the original contract and recognises the modified contract as a new contract, if the terms of insurance contracts are modified and the following conditions are met:

- If the modified terms were included at contract inception and the Company would have concluded that the modified contract:
 - Is outside of the scope of IFRS 17
 - Results in a different insurance contract due to separating components from the host contract
 - Results in a substantially different contract boundary
 - Would be included in a different group of contracts
- The original contract was accounted for applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach

If the contract modification meets any of the conditions, the Company performs all assessments applicable at initial recognition, derecognises the original contract and recognises the new modified contract as if it was entered for the first time.

If the contract modification does not meet any of the conditions, the Company treats the effect of the modification as changes in the estimates of fulfilment cash flows.

For insurance contracts accounted for applying the PAA, the Company adjusts insurance revenue prospectively from the time of the contract modification.

The Company derecognises an insurance contract when, and only when the contract is:

- Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled)
- Modified and the derecognition criteria are met.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

INSURANCE CONTRACTS (CONTINUED)

J. Presentation

The Company has presented in the statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities.

The Company disaggregates the amounts recognised in the statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total. The Company will present separately the amounts recovered from the reinsurer and an allocation of the premiums paid in line items separate from insurance revenue and insurance service expenses.

The Company includes any assets for insurance acquisition cash flows recognised before the corresponding groups of insurance contracts are recognised in the carrying amount of the related portfolios of insurance contracts issued.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and nonfinancial portion. It includes the entire change as part of the insurance service result.

J.1 Insurance revenue

As the Company provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the Company expects to be entitled to in exchange for those services.

When applying the PAA, the Company recognises insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, the premium receipts are allocated based on the expected pattern of incurred insurance service expenses.

At the end of each reporting period, the Company considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

J.2 Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:

- Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- Other directly attributable insurance service expenses incurred in the period
- Amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue
- Loss component of onerous groups of contracts initially recognised in the period
- Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

INSURANCE CONTRACTS (CONTINUED)

J. Presentation (Continued)

J.3 Income or expenses from reinsurance contracts held

The Company presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately.

The Company presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The Company establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component adjusts the CSM of the group of reinsurance contracts held. The loss recovery component is then adjusted to reflect:

- Changes in the fulfilment cash flows of the underlying insurance contracts that relate to future service and do not adjust the CSM of the respective groups to which the underlying insurance contracts belong to
- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

J.4 Insurance finance income and expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held.

The use of OCI presentation for insurance finance income and expenses

The Company has an accounting policy choice to present all of the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). When considering the choice of presentation of insurance finance income or expenses, the Company examines the assets held for that portfolio and how they are accounted for. The accounting policy choice not to disaggregate insurance finance income or expenses so that part is recognised in profit or loss and part in OCI is applied on a portfolio-by-portfolio basis.

For PAA contracts

When applying the PAA, the Company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for general insurance policies. However, claims payable are discounted applying the discount rate at the time the incurred claim is initially recognised.

For reinsurance contracts held

For all general reinsurance contracts held measured applying the PAA, the Company does not disaggregate total insurance finance income or expenses. The amount presented in profit or loss is based on a systematic allocation of the expected total insurance finance income or expenses over the duration of the contracts in the group.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

INSURANCE CONTRACTS (CONTINUED)

J. Presentation (Continued)

J.4 Insurance finance income and expenses (Continued)

Exchange differences

Exchange differences arising from changes in the carrying amount of groups of insurance contracts issued and reinsurance contracts held are recognised in profit or loss in the period in which they arise.

Exchange differences arising from changes in the carrying amount of groups of insurance contracts issued and reinsurance contracts held included in other comprehensive income, if any, are recognised in other comprehensive income.

The group of insurance contracts with cash flows in different foreign currencies is assessed to be denominated in a single currency.

At the end of each reporting period, the carrying amount of the group of insurance contracts denominated in a foreign currency is translated into the functional currency.

The amounts arising from changes in exchange rates between the currency of the cash flows and the currency of the group of contracts are considered as changes in financial risk and are accounted for as insurance finance income or expenses.

The amounts arising from changes in exchange rates between the currency of the group of contracts and the functional currency are considered as exchange differences and are recognised in profit or loss in the period in which they arise.

K. Contracts existing at transition date

The Company has applied the Modified Retrospective Approach as per the transition requirements due to impracticability reason.

PAA eligibility assessment has also been undertaken and confirmed successful for both insurance and reinsurance contracts having a coverage period of more than one year.

L. Critical accounting judgements and key sources of estimation uncertainty

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

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

M. Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (addressed separately below), that the directors have made in the process of applying the Company's accounting policies and that will have the most significant effect on the amounts recognised in the financial statements:

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

INSURANCE CONTRACTS (CONTINUED)

M. Critical judgements in applying the company's accounting policies (Continued)

- **Assessment of significance of insurance risk:** The Company applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk.

A contract transfers significant insurance risk only if an insured event could cause the Company to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely.

The assessment of whether additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis.

The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the latter being the smaller benefit provided.

- **Consideration whether there are investment components:** The Company considers all terms of contracts it issues to determine whether there are amounts payable to the policyholder in all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of an insured event. Some amounts, once paid by the policyholder, are repayable to the policyholder in all circumstances.

The Company considers such payments to meet the definition of an investment component, irrespective of whether the amount repayable varies over the term of the contract as the amount is repayable only after it has first been paid by the policyholder.

- **Determination of the contract boundary:** The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices.

Cash flows are considered to be outside of the contract boundary if the Company has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. The Company applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio. The Company considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance.

- **Identification of portfolios:** The Company defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement.

Where similar products are issued by different entities within a group, they are considered to be separate portfolios. Despite the oversight provided by management at the group level, the Company determines that these contracts are managed at the local issuing entity level. For some product lines, the group acquires insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Company considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

INSURANCE CONTRACTS (CONTINUED)

M. Critical judgements in applying the group's accounting policies (Continued)

- **Level of aggregation:** The Company applies judgement when distinguishing between contracts that have no significant possibility of becoming onerous and other profitable contracts
- **Assessment of directly attributable cash flows:** The Company uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. When estimating fulfilment cash flows, the Company also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of insurance contracts.
- **Assessment of eligibility for PAA:** For insurance contracts, quota share, surplus and Facultative general reinsurance contracts with a coverage period extending beyond one year, the Company elects to apply the PAA if at the inception of the group, the Company reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model. The Company exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition.
- **Assessment of significance of modification:** the Company derecognises the original contracts and recognises the modified contract as a new contract, if the derecognition criteria are met. The Company applies judgement to assess whether the modified terms of the contract would result in the original contract meeting the criteria for derecognition
- **Level of aggregation for determining the risk adjustment for non-financial risk:** IFRS 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and requires judgement. The Company considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of insurance contracts for which it has been considered in aggregate. The Company considers that the risk adjustment for non-financial risk allocated to any individual group, as the cost of uncertainty, cannot be negative. Accordingly, when determining the allocation, correlations of non-financial risk between groups are ignored. This is because they have already been considered as part of the diversification benefits in determining the overall entity-level risk adjustment. The Company uses the confidence level to determine the risk adjustment for non-financial risk.
- **Selecting a method of allocation of coverage units:** IFRS 17 establishes a principle for determining coverage units, not a set of detailed requirements or methods. The selection of the appropriate method for determining the amount of coverage units is not an accounting policy choice. It involves the exercise of significant judgement and development of estimates considering individual facts and circumstances. The Company selects the appropriate method on a portfolio-by-portfolio basis. In determining the appropriate method, the Company considers the likelihood of insured events occurring to the extent that they affect expected period of coverage in the group, different levels of service across the period and the quantity of benefits expected to be received by the policyholder.

Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

INSURANCE CONTRACTS (CONTINUED)

Insurance contract assets and liabilities and reinsurance contract assets and liabilities

By applying IFRS 17 to measurement of insurance contracts issued and reinsurance contracts held, the Company has made estimations in the following key areas. They form part of the overall balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:

- Future cash flows
- Discount rates
- Allocation rate for insurance finance income or expenses
- Risk adjustment for non-financial risk
- Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

Every area, including the Company's estimation methods and assumptions used and other sources of estimation uncertainty are discussed below. At 30 June 2024 the Company's total carrying amount of:

- Insurance contracts issued that are assets was Rs 16,502,000
- Insurance contracts issued that are liabilities was Rs 1,047,179,000
- Reinsurance contracts issued that are assets was Rs 556,942,000
- Reinsurance contracts issued that are liabilities was Rs 22,111,000

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:

- IFRS 7 - Financial Instruments: Disclosures - Amendments regarding the classification and measurement of financial instruments (effective 1 January 2026)
- IFRS 9 – Financial Instruments - Amendments regarding the classification and measurement of financial instruments (effective 1 January 2026)
- IFRS 18 - Presentation and Disclosures in Financial Statements - Original issue (effective 1 January 2027)
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures- Original Issue (effective 1 January 2027)

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.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

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.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements Disclosure of Accounting Policies

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.

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.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

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.

2.4 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Right-of-use assets (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. MATERIAL ACCOUNTING POLICY INFORMATION (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 fair value through profit or loss.

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. 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 17 Insurance Contracts and are outside the scope of IFRS 9.

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 as Financial assets at fair value through profit or loss.

Equity instruments at fair value through profit or loss

Upon initial recognition, the Company elects to classify irrevocably its investment in equity securities as equity instruments at FVTPL 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 recognised through 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 Profit and loss account.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Financial assets (Continued)

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.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Financial assets (Continued)

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.

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. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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.

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 has reclassified its financial assets from fair value through OCI and Amortised cost to Fair Value Through Profit or Loss (FVTPL) at reporting date which 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Fair value measurement (Continued)

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.

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.

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. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.14 Taxation (Continued)

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.

Corporate Climate Responsibility (CCR) Levy

In line with the definition within the Income Tax Act 1995, Corporate Climate Responsibility (CCR) Levy 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 CCR Levy applies to companies having a turnover exceeding MUR 50 million.

The CCR Levy is applicable at the rate of 2% of a company's chargeable income. The CCR Levy applies as from the year of assessment beginning 1 July 2024.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Pension benefit obligations (Continued)

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.

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) Investment and other income

Investment and other 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.18 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. As per IFRS 17, expenses are classified into four categories namely Attributable Acquisition expense, Attributable Maintenance expense, Claims Handling expense and Non Attributable expense. The Attributable acquisition expenses are deferred as per the coverage period of the contract.

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

3. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

3.1 Insurance risk (Continued)

3.1.2 Sources of uncertainty

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

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.

	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
2024					
Average claim cost	10%	78,659	45,960	32,699	27,140
	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
2023					
Average claim cost	10%	72,546	42,810	29,736	24,681

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
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3. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

3.1 Insurance risk (Continued)

3.1.3 Gross claims development

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the below claims development disclosure on gross of reinsurance basis as at 30 June 2024

	2019	2020	2021	Accident year 2022	2023	2024	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimate of ultimate claim costs (gross of reinsurance, undiscounted)							
At end of accident year	641,955	634,974	682,316	816,017	847,146	1,224,443	4,846,851
1 year later	529,973	546,404	630,341	824,370	841,132		3,372,220
2 years later	476,195	543,212	640,676	815,388			2,475,471
3 years later	452,088	525,080	654,089				1,631,257
4 years later	450,800	521,613					972,413
5 years later	488,213						488,213
Cumulative gross claims and other directly attributable expenses paid	(440,182)	(504,064)	(535,003)	(785,569)	(851,852)	(906,367)	(4,023,037)
Gross cumulative claims liabilities - accident years from 2019 to 2024	48,031	17,549	119,086	29,819	(10,720)	318,076	521,841
Gross cumulative claims liability - prior accident years							60,290
Effect of discounting							(16,814)
Effect of risk adjustment margin for non financial risk							54,460
Gross LIC for the contracts originated							619,777

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

3. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

3.1 Insurance risk (Continued)

3.1.4 Net claims development

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the below claims development disclosure on net basis as at 30 June 2024

	Accident year						
	2019	2020	2021	2022	2023	2024	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimate of ultimate claim costs (gross of reinsurance, undiscounted)							
At end of accident year	315,009	341,381	411,519	557,964	694,239	823,453	3,143,565
1 year later	306,700	320,690	383,381	595,679	717,101		2,323,551
2 years later	308,389	324,646	386,846	606,839			1,626,720
3 years later	314,617	317,961	391,542				1,024,120
4 years later	312,191	316,765					628,956
5 years later	319,705						319,705
Cumulative gross claims and other directly attributable expenses paid	(305,985)	(300,510)	(372,180)	(599,378)	(748,874)	(717,478)	(3,044,405)
Gross cumulative claims liabilities - accident years from 2019 to 2024	13,720	16,255	19,362	7,461	(31,773)	105,975	131,000
Gross cumulative claims liability - prior accident years							10,321
Effect of discounting							(5,895)
Reinsurer's Risk of Non-Performance							4,114
Effect of risk adjustment margin for non financial risk							31,505
NET LIC for the contracts originated							171,045

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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, insurance liabilities and reinsurance assets, which are exposed to foreign currency risks, consist mainly of deposits, trade receivables, deferred assets, unearned premium, outstanding claim reserves, IBNR and reinsurance premium payables. 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:

	2024	2023
	Rs'000	Rs'000
<u>Financial assets</u>		
MUR	989,513	946,115
USD	267,094	129,438
GBP	387	60
EUR	4,390	1,778
	<u>1,261,384</u>	<u>1,077,391</u>
<u>Financial liabilities</u>		
MUR	<u>149,918</u>	<u>111,470</u>

Insurance and reinsurance contracts

	Insurance contracts issued		Reinsurance contracts held	
	In asset position	In liability position	In asset position	In liability position
	Rs'000	Rs'000	Rs'000	Rs'000
<u>30 June 2024</u>				
MUR	9,692	949,200	516,248	11,289
USD	2,576	70,280	18,672	6,441
GBP	-	13	56	-
EUR	4,234	27,686	21,966	4,381
	<u>16,502</u>	<u>1,047,179</u>	<u>556,942</u>	<u>22,111</u>

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

4. FINANCIAL RISK (CONTINUED)

4.1 Market risk (Continued)

4.1.1 Foreign currency risk (Continued)

	Insurance contracts issued		Reinsurance contracts held	
	In asset position	In liability position	In asset position	In liability position
	Rs'000	Rs'000	Rs'000	Rs'000
<u>30 June 2023</u>				
MUR	462	720,916	329,552	5,275
USD	10,234	86,382	60,484	5,648
GBP	48	-	-	-
AUD	-	1	1	-
EUR	1,041	26,481	23,160	953
	<u>11,785</u>	<u>833,780</u>	<u>413,197</u>	<u>11,876</u>

Categories of financial instruments

	Financial assets at FVTPL	Financial liabilities at Amortised Cost	Total
	Rs'000	Rs'000	Rs'000
As at 30 June 2024			
Financial assets at Fair Value Through Profit and Loss (Note 9 (b) &(c))	976,849	-	976,849
Loans and advances (Note 10)	10,016	-	10,016
Other receivables (Note 12)	17,658	-	17,658
Cash and Cash equivalents	256,861	-	256,861
	<u>1,261,384</u>	<u>-</u>	<u>1,261,384</u>
Reinsurance contracts assets	556,942	-	-
Insurance contracts assets	16,502	-	-
Lease liabilities (Note 8)	-	70,285	70,285
Other payables	-	62,236	62,236
Dividend payable (Note 19)	-	17,397	17,397
	<u>573,444</u>	<u>149,918</u>	<u>149,918</u>
Insurance contracts liabilities	-	1,047,179	1,047,179
Reinsurance contracts liabilities	-	22,111	22,111
	Financial assets at FVTPL	Financial liabilities at Amortised Cost	Total
	Rs'000	Rs'000	Rs'000
As at 30 June 2023			
Financial assets at Fair Value Through Profit and Loss (Note 9(c))	952,049	-	952,049
Loans and advances (Note 10)	10,075	-	10,075
Other receivables	15,701	-	15,701
Cash and Cash equivalents	99,566	-	99,566
	<u>1,077,391</u>	<u>-</u>	<u>1,077,391</u>
Reinsurance contracts assets	413,197	-	-
Insurance contracts assets	11,785	-	-
Lease liabilities (Note 8)	-	65,805	65,805
Other payables	-	45,665	45,665
	<u>-</u>	<u>111,470</u>	<u>111,470</u>
Insurance contracts liabilities	-	833,780	833,780
Reinsurance contracts liabilities	-	11,876	11,876

SICOM GENERAL INSURANCE LTD
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4. FINANCIAL RISKS (CONTINUED)

4.1. Market risk (Continued)

4.1.1 Foreign currency risk (Continued)

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 including net insurance contracts 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.

		2024		2023	
	Changes in variables	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
		Rs' 000	Rs' 000	Rs' 000	Rs' 000
USD	+5%	13,355	13,355	6,472	6,472
	-5%	(13,355)	(13,355)	(6,472)	(6,472)
GBP	+5%	19	19	3	3
	-5%	(19)	(19)	(3)	(3)
EUR	+5%	219	219	89	89
	-5%	(219)	(219)	(89)	(89)

The following analysis is performed to show the Company's sensitivity to a 5% increase/decrease of the USD, GBP, AUD and EUR, against the Mauritian Rupee on profit before tax and equity due to changes in net insurance and reinsurance contracts.

		2024		2023	
	Changes in variables	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
		Rs' 000	Rs' 000	Rs' 000	Rs' 000
USD	+5%	2,774	2,774	1,066	1,066
	-5%	(2,774)	(2,774)	(40)	(40)
GBP	+5%	-	-	-	-
	-5%	-	-	-	-
EUR	+5%	-	-	-	-
	-5%	-	-	-	-

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, insurance liabilities and reinsurance assets 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 and financing components of the liabilities for performance evaluation and better management.

The interest rate risk arises on Loan receivables, Mauritius Government securities, fixed deposits, Corporate Bonds, cash and cash equivalents, bank overdrafts, short term deposits, insurance liabilities and reinsurance assets.

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

4. FINANCIAL RISKS (CONTINUED)

4.1 Market risk (Continued)

4.1.2 Interest rate risk (Continued)

The interest rate profile of the Company at 30 June 2024 and 2023 was:

	2024	2023
	% per annum	% per annum
Government bonds	3.77 - 9.25	3.77 - 9.25
Treasury notes	2.02 - 3.92	1.60 - 2.02
Treasury Bills	3.22 - 4.11	4.45 - 4.73
BOM Certificate	-	Repo + 0.1
	Repo +	Repo +
Corporate bonds - Floating	(0.35 - 2.05)	(0.95 - 2.05)
Corporate bonds - Fixed	3.20 - 6.00	2.70 - 6.00
Fixed deposits - Local:		
Non-current	4.25 - 4.95	2.65 - 5.12
Current	3.50 - 5.12	4.65 - 4.76
Fixed deposits - Foreign - USD		
Non-Current	-	5.35 - 5.45
Current	4.65 - 5.70	3.75 - 5.25
Foreign currency call deposits:		
USD	0.50	0.50
GBP	0.50	0.50
EUR	0.25	0.25
Local call deposits:		
MUR	0.00 - 3.60	0.00 - 3.60

Interest rates on the above instruments vary from 0.50% to 6.55% p.a with maturities varying from 2024 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.

	2024		2023	
	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
<u>Changes in interest rate</u>	Rs' 000	Rs' 000	Rs' 000	Rs' 000
+ 250 basis points	188	188	120	120
- 250 basis points	(188)	(188)	(120)	(120)

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 2024 as compared to 30 June 2023

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.

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4. FINANCIAL RISKS (CONTINUED)

4.1 Market risk (Continued)

4.1.2 Interest rate risk (Continued)

Interest Rate Risk

	2024	Maturity Dates
Government Bonds	3.77 - 9.25	Aug 2024 - April 2034
	Repo + (0.35 - 2.05) (4.85 - 6.55)	
Corporate Bonds - Floating		Nov 2024 - Jun 2031
Corporate Bonds - Fixed	3.20 - 6.00	Oct 2024 - Jun 2032
Treasury Notes	2.02 - 3.92	Jul 2024 - Oct 2026
Treasury Bills	3.22 - 4.11	Aug 2024 - Nov 2024
Preference Shares	6.00 - 12.00	
Fixed Deposits Local		
Long Term	4.25 - 4.95	Jul 2026 - Mar 2027
Short Term	3.50 - 5.12	Oct 2024 - Mar 2025
Foreign Currency Fixed Deposits	4.65 - 5.70	Jul 2024 - Jul 2026
Foreign Currency Call Deposits		
USD	0.50	
GBP	0.50	
EUR	0.25	

Local Call Deposits

	2024	2023
Afrasia Bank Ltd	2.90 - 3.60	2.90 - 3.60
Absa Bank (Mauritius) Ltd	2.15	2.75
MauBank Ltd	2.55	2.55
SBI (Mauritius) Ltd	2.00 - 2.50	3.10
SBM Bank (Mauritius) Ltd	3.00	3.00

Interest rates on the above instruments vary from 2.02% to 12.00% p.a with maturities varying from 2024 to 2034.

	2024	2023
<u>Changes in discount rates</u>	Impact on contract assets and liabilities	Impact on contract assets and liabilities
	Rs' 000	Rs' 000
+1%	3,055	1,565
-1%	(3,226)	(1,578)

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:

	2024	2023
	Rs'000	Rs'000
Financial Assets at Fair Value Through Profit or Loss		
Quoted Equities	45,501	40,477
Quoted Preference Shares	252	256
Quoted Corporate Bonds	46,318	64,889
	92,071	105,622

4. FINANCIAL RISKS (CONTINUED)

Price risk (Continued)

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

	2024	2023
<u>Changes in share price</u>	Impact on equity	Impact on equity
	Rs' 000	Rs' 000
+5%	4,604	5,281
-5%	(4,604)	(5,281)

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	2024	2023
	Rs'000	Rs'000
Financial assets at FVTPL*	931,311	911,548
Loan receivables	10,016	10,075
Reinsurance assets**	556,942	430,209
Insurance contract assets	16,502	11,785
Other receivables***	17,658	15,701
Cash and bank balances	256,861	99,566
	1,789,290	1,478,884

* 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.

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4. FINANCIAL RISKS (CONTINUED)

4.3 Liquidity risk (Continued)

The table below summarises the Company's trading liabilities at amortised cost, categorised by the earlier of contractual repricing 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 2024	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance contract liabilities	1,047,179	-	-	-	-	1,047,179
Reinsurance contract liabilities	22,111					22,111
<u>Financial liabilities</u>						
Trade and other payables**	-	15,655	40,138	6,443	-	62,236
Lease liabilities ***	-	2,228	6,829	61,228	-	70,285
Dividend payable	-	-	17,397	-	-	17,397
Total liabilities	1,069,290	17,883	64,364	67,671	-	1,219,208
	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	839,954	-	-	-	-	839,954
Reinsurance contract liabilities	11,875					11,875
<u>Financial liabilities</u>						
Trade and other payables**	-	10,376	29,334	5,955	-	45,665
Lease liabilities ***	-	1,781	5,454	58,571	-	65,806
Total liabilities	851,829	12,157	34,788	64,526	-	963,300

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

*

** Excludes sundry deposits.

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 minimum 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.

4. FINANCIAL RISKS (CONTINUED)

4.5 Capital risk management (Continued)

The Company manages the minimum 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 minimum 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.

For the year ended 30 June 2024, 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

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

	2024	2023
	Rs'000	Rs'000
Equity Securities		
Quoted	45,501	40,477
Unquoted	37	24
	45,538	40,501
Debt Securities		
Quoted	46,262	64,431
Unquoted	885,049	847,117
	931,311	911,548

	Fair value hierarchy	Valuation approach	Observable input	Fair Value	
	2023-2024			2024	2023
				Rs'000	Rs'000
Loans and receivables:					
Loans and advances	Level 3	DCF	Floating market rate	10,016	10,075
Debt Instrument at FVTPL:					
Government and other bonds	Level 3	YTM		606,589	743,613
Term deposits	Level 3	YTM		324,722	167,935
				941,327	921,623
Debt Securities at FVTPL					
				2024	2023
				Rs'000	Rs'000
Government Bonds				408,033	491,624
BOM Certificate				-	13,013
Treasury Bills and Treasury Notes				110,964	133,679
Corporate Bonds and notes				87,340	105,041
Preference shares				252	256
Term Deposits				324,722	167,935
				931,311	911,548
Analysed between:					
Current				366,526	333,461
Non Current				564,785	578,087
				931,311	911,548

5. MATERIAL 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. MATERIAL 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 23.

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 10.2million for the year under review (2023: 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. MATERIAL 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
	Rs'000	Rs'000	Rs'000	Rs'000
(a) COST				
At 01 July 2022	3,221	654	7,241	11,116
Additions	27	51	108	186
Written off	-	-	(2,053)	(2,053)
At 01 July 2023	3,248	705	5,296	9,249
Additions	-	122	25	147
Written off	-	-	(171)	(171)
At 30 June 2024	3,248	827	5,150	9,225
DEPRECIATION				
At 01 July 2022	1,617	385	3,774	5,776
Charge for the year	328	94	1,125	1,547
Written off	-	-	(2,017)	(2,017)
At 30 June 2023	1,945	479	2,882	5,306
Charge for the year	326	112	693	1,131
Written off	-	-	(155)	(155)
At 30 June 2024	2,271	591	3,420	6,282
NET BOOK VALUE				
At 30 June 2024	977	236	1,730	2,943
At 30 June 2023	1,303	226	2,414	3,943

- (b) Depreciation charge of Rs 1,131,000 (2023: Rs 1,547,000) has been included in administrative and other expenses.

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7. INTANGIBLE ASSETS

		Computer Software	
		2024	2023
		Rs'000	Rs'000
(a)	COST		
	At 01 July	48,727	45,484
	Additions	3,555	4,315
	Scrapped	(1,479)	(1,072)
	At 30 June	50,803	48,727
	AMORTISATION		
	At 01 July	13,313	11,794
	Charge for the year	5,415	2,587
	Scrapped	(1,479)	(1,072)
	Written off	250	4
	At 30 June	17,499	13,313
	NET BOOK VALUE		
	At 30 June	33,304	35,414

- (b) Amortisation charge of Rs 5,415,000 (2023: Rs 2,587,000) 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	
		2024	2023
		Rs'000	Rs'000
	COST		
	At 30 June	80,465	80,465
	Addition	71,757	-
	Disposal	(56,325)	-
	At 30 June	95,897	80,465
	ACCUMULATED DEPRECIATION		
	At 01 July	17,435	9,388
	Charge for the year	8,413	8,047
	At 30 June	25,848	17,435
	NET BOOK VALUE		
	At 30 June	70,049	63,030

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 2022	72,738
Repayment	(9,856)
Accretion of interest	2,923
At 30 June 2023	65,805
Repayment	(10,184)
Accretion of interest	2,705
Addition	71,757
Disposal	(59,798)
At 30 June 2024	70,285

	Buildings	
	2024	2023
	Rs'000	Rs'000
Analysed as:		
Non-current	61,228	58,571
Current	9,057	7,234
	70,285	65,805

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	
	2024	2023
	Rs'000	Rs'000
Depreciation expense of right-of-use assets	8,413	8,047
Interest expense on lease liabilities	2,705	2,923
(d) Total amount recognised in profit or loss	11,118	10,970

The total cash outflow for leases in year ended 30 June 2024 was Rs 10,184,000 (2023: Rs 9,856,000) which includes principal portion of Rs 7,479,000 and interest portion of Rs 2,705,000.

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.

	2024	
	Impact on	Impact on
	profit before	equity
	tax	Rs'000
<u>Changes in interest rate</u>	Rs'000	Rs'000
+100 basis points	(111)	(111)
-100 basis points	111	111

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8. LEASES (CONTINUED)

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

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) Equity instruments at Fair Value Through Other Comprehensive Income (FVOCI)

	2024	2023
	Rs'000	Rs'000
At 1 July		38,133
Transfer to FVTPL	-	(38,133)
At 1 July as restated	-	-

(b) Equity instruments at Fair Value Through Profit or Loss (FVTPL)

	2024	2023
	Rs'000	Rs'000
At 1 July	40,501	4,758
Transfer from FVOCI	-	38,133
At 1 July as restated	40,501	42,891
Additions during the year	-	5,646
Disposals during the year	-	(4,758)
Increase/ (Decrease) in Fair Value	5,037	(3,279)
At 30 June	45,538	40,501

The Company has reclassified all its equity investments held at FVOCI as FVTPL following the adoption of IFRS 17.

During the current financial year, the Company did not purchase equity instruments through FVTPL (2023: 5,646,000). The net fair value gain amounted to Rs 5,037,000 (2023: loss Rs.3,279,000) and are disclosed in the Statement of Profit or Loss for the year.

(c) Debt instruments at Fair Value Through Profit or Loss

	2024	2023
	Rs'000	Rs'000
At 1 July	911,548	825,492
Interest adjustments		(9,062)
Fair value adjustments	-	36,227
At 1 July as restated	911,548	852,657
Additions during the year	492,172	808,646
Disposals during the year	(493,754)	(712,581)
Increase/ (Decrease) in Fair Value	21,345	(37,174)
At 30 June	931,311	911,548

The Company has reclassified all its debt instruments at FVTPL.

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9. FINANCIAL ASSETS (CONTINUED)

(d) Fair value measurements recognised in the statement of financial position

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
At 30 June 2024				
Financial assets at FVTPL				
Equity instruments:				
Equity securities (listed)	45,501	-	-	45,501
Equity securities (not Listed)	-	-	36	36
Debt instruments:				
Preference shares	252	-	-	252
Quoted Bonds	46,010	-	-	46,010
Other Debt instruments	-	-	885,049	885,049
	<u>91,763</u>	<u>-</u>	<u>885,085</u>	<u>976,848</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
At 30 June 2023				
Financial assets at FVTPL				
Equity instruments:				
Equity securities (listed)	40,477	-	-	40,477
Equity securities (not Listed)	-	-	24	24
Debt instruments:				
Preference shares	256	-	-	256
Quoted Bonds	64,174	-	-	64,174
Other Debt instruments	-	-	847,118	847,118
	<u>104,907</u>	<u>-</u>	<u>847,142</u>	<u>952,049</u>

(e) Reconciliation of Level 3 fair value measurements of financial assets

	Unquoted Equities 2024 Rs'000	Total 2024 Rs'000
Opening Balance	24	24
Issues	-	-
Settlements	-	-
Fair Value adjustments	12	12
Closing Balance	<u>36</u>	<u>36</u>

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

At 30 June 2024	Stage 1 Individual Rs'000	Stage 2 Individual Rs'000	Stage 3 Individual Rs'000	Total Rs'000
Performing high grade	931,311	-	-	931,311
Past due but not impaired	-	-	-	-
Non-performing	-	-	-	-
	<u>931,311</u>	<u>-</u>	<u>-</u>	<u>931,311</u>
At 30 June 2023				
Performing high grade	911,548	-	-	911,548
Past due but not impaired	-	-	-	-
Non-performing	-	-	-	-
	<u>911,548</u>	<u>-</u>	<u>-</u>	<u>911,548</u>

9. FINANCIAL ASSETS (CONTINUED)

(f) Financial assets at Fair Value Through Profit or Loss

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 2023	911,548	-	-	911,548
New assets purchased	492,172	-	-	492,172
Asset derecognised or matured	(493,754)	-	-	(493,754)
Interest adjustments	-	-	-	-
Fair Value adjustments	21,345	-	-	21,345
At 30 June 2024	931,311	-	-	931,311
	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
Interest adjustments	(9,063)	-	-	(9,063)
Transfer to FVTPL	36,227	-	-	36,227
Restated 2022	852,657	-	-	852,657
New assets purchased	808,646	-	-	808,646
Asset derecognised or matured	(712,581)	-	-	(712,581)
Fair Value adjustments	(37,174)	-	-	(37,174)
At 30 June 2023	911,548	-	-	911,548
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
ECL allowance at 1 July 2023	-	-	-	-
New assets purchased	-	-	-	-
Assets derecognised on maturity	-	-	-	-
Amortisation adjustment	-	-	-	-
ECL allowance at 30 June 2024	-	-	-	-

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9. FINANCIAL ASSETS (CONTINUED)

(f) Financial assets at amortised cost (Continued)

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)
Interest adjustments	(94)	-	-	(94)
Transfer to reserves	(544)			(544)
ECL allowance at 30 June 2023	-	-	-	-

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

10. LOANS AND ADVANCES

	Total
	Rs'000
At 01 July 2022	11,772
Additions	1,330
Repayments	(3,027)
At 30 June 2023	10,075
Additions	4,161
Repayments	(4,220)
At 30 June 2024	10,016
Analysed as follows:	Total
	Rs'000
2024	
Non-current	7,634
Current	2,382
	10,016
2023	
Non-current	7,840
Current	2,235
	10,075

During the year under review, the Company has provided loans to employees amounting Rs 4,161,000 (2023 : Rs 1,330,000) as per terms and conditions set in the contract of employment. The Loans are at preferential rates varying from 2% to 4% per annum.

10. LOANS AND ADVANCES (CONTINUED)

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 2023	10	-	-	10
Assets derecognised on maturity	(1)	-	-	(1)
ECL allowance at 30 June 2024	9	-	-	9

	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
Assets derecognised on maturity	(1)	-	-	(1)
ECL allowance at 30 June 2023	10	-	-	10

11. DEFERRED TAXATION

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 17% (2023: 17%).

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

	2024	2023
	Rs'000	Rs'000
At 01 July	37,598	29,727
Credited /debited to profit or loss (note 17(b))	(325)	8
Debited/ Credited to other comprehensive income	(1,978)	7,863
At 30 June	35,295	37,598

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11. DEFERRED TAXATION (CONTINUED)

	<u>2024</u>	<u>2023</u>
	Rs'000	Rs'000
Deferred tax liabilities	(2,469)	(2,659)
Deferred tax assets	37,764	40,257
	<u>35,295</u>	<u>37,598</u>

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.

Deferred tax assets and liabilities are attributable to the following:

	<u>2024</u>	<u>2023</u>
	Rs'000	Rs'000
<u>Deferred tax liabilities</u>		
Accelerated tax depreciation	<u>(2,469)</u>	<u>(2,659)</u>

	<u>2024</u>	<u>2023</u>
	Rs'000	Rs'000
<u>Deferred tax assets arise on:</u>		
Pension benefit obligations	36,078	38,727
Provision for expected credit loss	2	109
Provision for impairment of insurance receivables	1,187	924
Provision for credit impairment on reinsurer's receivables	497	497
	<u>37,764</u>	<u>40,257</u>

12. OTHER RECEIVABLES

	<u>2024</u>	<u>2023</u>
	Rs'000	Rs'000
Dividend receivables	820	701
Interest receivables	15,721	12,099
Prepayments	1,056	1,087
Amount due from shareholder	193	474
Other receivables	924	2,427
	<u>18,714</u>	<u>16,788</u>

The carrying amounts of other receivables approximate their fair values. Other receivables include study loans.

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13. INSURANCE SERVICE RESULT

	2024	2023
	Rs'000	Rs'000
Insurance revenue		
(a) Insurance revenue from contracts measured under the PAA	1,880,602	1,560,299
(b) Insurance service expenses		
Incurred claims and other directly attributable expenses	(1,321,331)	(959,152)
Changes that relate to past service - changes in the FCF relating to the LIC	29,463	94,645
Losses on onerous contracts and reversal of those losses	(31,090)	-
Insurance acquisition cash flows amortisation	(228,607)	(178,642)
Total insurance service expenses	(1,551,565)	(1,043,149)
(c) Net income/(expenses) from reinsurance contracts held		
Reinsurance expenses - contracts measured under the PAA	(673,210)	(592,621)
Effect of changes in the risk of reinsurers non-performance	(233)	(74)
Claims recovered	406,381	155,977
Recoveries of loss on recognition of underlying onerous contracts	8,413	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	(32,941)	(56,971)
Total expenses from reinsurance contracts held	(291,590)	(493,689)
Total insurance service result	37,447	23,461

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14 INSURANCE CONTRACTS ISSUED

		30 June 2024			
		<u>Liability for Remaining Coverage (LRC)</u>	<u>Liability for incurred Claims (LIC)</u>		
		<u>Excluding loss component</u>	<u>Loss component</u>	<u>Estimates of present value of future cash flows</u>	<u>Total</u>
		<u>Rs'000</u>	<u>Rs'000</u>	<u>RA Rs'000</u>	<u>Rs'000</u>
Insurance contract liabilities/assets as at 1 July 2023		319,895	-	465,606	828,169
Insurance Contract Liabilities as at 1 July 2023		331,988	-	465,318	839,954
Insurance Contract Assets as at 1 July 2023		(12,093)	-	288	(11,785)
Insurance revenue					
New contracts and contracts measured under the modified retrospective approach at transition		(1,880,602)	-	-	(1,880,602)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses		-	(14,440)	1,281,311	1,321,331
Changes that relate to past service - changes in the FCF relating to the LIC		-	-	13,205	(29,463)
Losses on onerous contracts and reversals of those losses		-	31,090	-	31,090
Insurance acquisition cash flows amortisation		228,607	-	-	228,607
Total insurance service expenses		228,607	16,650	1,294,516	1,551,565
Insurance service results		(1,651,995)	16,650	1,294,516	(329,037)
(a) Insurance finance (expenses)/ income		-	-	21,652	21,652
Total amounts recognised in statement of comprehensive income		(1,651,995)	16,650	1,316,168	(307,385)
Cash flows					
Premiums received		1,970,916	-	-	1,970,916
Claims and other directly attributable expenses paid		-	-	(1,216,455)	(1,216,455)
Insurance acquisition cash flows paid		(244,568)	-	-	(244,568)
Total cash flows		1,726,348	-	(1,216,455)	509,893
Insurance contract liabilities/assets as at 30 June 2024		394,248	16,650	565,319	1,030,677
Insurance contract liabilities as at 30 June 2024		457,945	16,650	524,369	1,047,179
Insurance contract assets as at 30 June 2024		(63,697)	-	40,950	(16,502)
Insurance finance income/(expenses)from insurance contracts issued					2024
					Rs'000
Interest accreted to insurance contracts using locked in rate					17,623
Effect of changes in interest rates and other financial assumptions					4,029
Total insurance finance income/(expenses)from insurance contracts issued					21,652

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14 INSURANCE CONTRACTS ISSUED (CONTINUED)

	<u>30 June 2023</u>				
	<u>Liability for Remaining Coverage (LRC)</u>		<u>Liability for Incurred Claims (LIC)</u>		
	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Estimates of present value of future cash flows</u>	<u>RA</u>	<u>Total</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
Insurance contract liabilities/assets as at 1 July 2022	<u>277,642</u>	<u>-</u>	<u>511,912</u>	<u>44,565</u>	<u>834,119</u>
Insurance contract liabilities as at 1 July 2022	277,769	-	511,912	44,565	834,246
Insurance contract assets as at 1 July 2022	(127)	-	-	-	(127)
Insurance revenue					
New contracts and contracts measured under the modified retrospective approach at transition	(1,560,299)	-	-	-	(1,560,299)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	916,484	42,668	959,152
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	(50,080)	(44,565)	(94,645)
Insurance acquisition cash flows amortisation	<u>178,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,642</u>
Total insurance service expenses	<u>178,642</u>	<u>-</u>	<u>866,404</u>	<u>(1,897)</u>	<u>1,043,149</u>
Insurance service results	<u>(1,381,657)</u>	<u>-</u>	<u>866,404</u>	<u>(1,897)</u>	<u>(517,150)</u>
(a) Insurance finance (expenses)/ income	<u>-</u>	<u>-</u>	<u>(263)</u>	<u>-</u>	<u>(263)</u>
Total amounts recognised in statement of comprehensive income	<u>(1,381,657)</u>	<u>-</u>	<u>866,141</u>	<u>(1,897)</u>	<u>(517,413)</u>
Cash flows					
Premiums received	1,630,513	-	-	-	1,630,513
Claims and other directly attributable expenses paid	-	-	(912,447)	-	(912,447)
Insurance acquisition cash flows paid	<u>(206,603)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(206,603)</u>
Total cash flows	<u>1,423,910</u>	<u>-</u>	<u>(912,447)</u>	<u>-</u>	<u>511,463</u>
Insurance contract liabilities/assets as at 30 June 2023	<u>319,895</u>	<u>-</u>	<u>465,606</u>	<u>42,668</u>	<u>828,169</u>
Insurance contract liabilities as at 30 June 2023	331,988	-	465,318	42,648	839,954
Insurance contract assets as at 30 June 2023	(12,093)	-	288	20	(11,785)
Insurance finance income/(expenses) from insurance contracts issued					<u>2023</u>
					<u>Rs'000</u>
Interest accreted to insurance contracts using locked in rate					3,396
Effect of changes in interest rates and other financial assumptions					(3,659)
Total insurance finance income/(expenses) from insurance contracts issued					<u>(263)</u>

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
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15. REINSURANCE CONTRACTS HELD

Reconciliation of the remaining coverage and incurred claims

		<u>30 June 2024</u>			
		<u>Remaining Coverage Component (RCC)</u>		<u>Incurred claims</u>	
		<u>Excluding loss recovery component</u>	<u>Loss recovery component</u>	<u>Present value of future cash flows</u>	<u>Risk adjustment for non-financial risk</u>
		<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
					<u>Total</u>
					<u>Rs'000</u>
Reinsurance contract assets/ liabilities as at 1 July 2023					
Reinsurance contract assets as at 1 July 2023		(79,788)	-	(323,412)	(418,334)
Reinsurance contract liabilities as at 1 July 2023		12,023	-	(323,269)	(430,209)
Net (income)/expenses from reinsurance contracts held					
Reinsurance expenses		673,210	-	-	673,210
Incurred claims recovery		-	3,908	(387,333)	(406,381)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery		-	-	17,807	32,941
Recoveries of loss on recognition of underlying onerous contracts		-	(8,413)	-	(8,413)
Effect of changes in non-performance risk of reinsurers		-	-	233	233
Net (income)/expenses from reinsurance contracts held		673,210	(4,505)	(369,293)	291,590
(a) Reinsurance finance income/(expenses)		-	-	(13,613)	(13,613)
Total amounts recognised in comprehensive income		673,210	(4,505)	(382,906)	277,977
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid		(675,016)	-	-	(675,016)
Recoveries from reinsurance		-	-	280,542	280,542
Total cash flows		(675,016)	-	280,542	(394,474)
Reinsurance contract assets/ liabilities as at 30 June 2024		(81,594)	(4,505)	(425,776)	(534,831)
Reinsurance contract assets as at 30 June 2024		(126,297)	(4,505)	(404,665)	(556,942)
Reinsurance contract liabilities as at 30 June 2024		44,703	-	(21,111)	22,111
Reinsurance finance income/(expenses) from reinsurance contracts held					2024
					Rs'000
Interest accreted to reinsurance contracts using locked in rate					(10,489)
Effect of changes in interest rates and other financial assumptions					(3,124)
Total reinsurance finance income/(expenses) from reinsurance contracts held					(13,613)

SICOM GENERAL INSURANCE LTD
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15. REINSURANCE CONTRACTS HELD (CONTINUED)

Reconciliation of the remaining coverage and incurred claims (Continued)

30 June 2023

	<u>Remaining Coverage Component (RCC)</u>		<u>Incurred claims</u>		
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	Rs'000	-	Rs'000	Rs'000	Rs'000
Reinsurance contracts held					
Reinsurance contract assets/ liabilities as at 1 July 2022	(87,725)	-	(366,437)	(16,686)	(470,848)
Reinsurance contract assets as at 1 July 2022	(98,531)	-	(365,107)	(16,562)	(480,200)
Reinsurance contract liabilities as at 1 July 2022	10,806	-	(1,330)	(124)	9,352
Net (income)/expenses from reinsurance contracts held					
Reinsurance expenses	592,621	-	-	-	592,621
Incurred claims recovery	-	-	(140,958)	(15,019)	(155,977)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	40,283	16,688	56,971
Effect of changes in non-performance risk of reinsurers	-	-	74	-	74
Net (income)/expenses from reinsurance contracts held	592,621	-	(100,601)	1,669	493,689
(a) Reinsurance finance income/(expenses)	-	-	941	-	941
Total amounts recognised in comprehensive income	592,621	-	(99,660)	1,669	494,630
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(584,684)	-	-	-	(584,684)
Recoveries from reinsurance	-	-	142,685	(117)	142,568
Total cash flows	(584,684)	-	142,685	(117)	(442,116)
Reinsurance contract assets/liabilities as at 30 June 2023	(79,788)	-	(323,412)	(15,134)	(418,334)
Reinsurance contract assets as at 30 June 2023	(91,811)	-	(323,269)	(15,129)	(430,209)
Reinsurance contract liabilities as at 30 June 2023	12,023	-	(143)	(5)	11,875

SICOM GENERAL INSURANCE LTD
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15. Reconciliation of the remaining coverage and Incurred claims (Continued)

Reinsurance finance income/(expenses)from reinsurance contracts held	2023
	Rs'000
Interest accreted to reinsurance contracts using locked in rate	(2,294)
Effect of changes in interest rates and other financial assumptions	3,235
Total reinsurance finance income/(expenses)from reinsurance contracts held	941

16. Statement of Financial Position

	2024	2023
	Rs'000	Rs'000
(a) Insurance contract liabilities	1,047,179	839,954
(b) Insurance contract assets	16,502	11,785
(c) Reinsurance contract assets	556,942	430,209
(d) Reinsurance contract liabilities	22,111	11,875

17. TAXATION

Income tax

Income tax is calculated at the rate of 17% (2023: 17%) on the profit for the year as adjusted for income tax purposes.

(a) Statement of financial position	2024	2023
	Rs'000	Rs'000
At 01 July	2,690	4,463
Income tax charge for the year (note 17(b))	13,985	5,455
Under provision of income tax	77	900
CSR paid during the year	(516)	(1,656)
Tax paid during the year	(12,687)	(6,472)
At 30 June	3,549	2,690
Analysed as follows:		
Current tax liabilities	3,549	2,690
(b) Statement of profit or loss	2024	2023
	Rs'000	Rs'000
Current tax expense	13,985	5,455
Under provision of income tax	77	900
Deferred tax (note 11)	325	(8)
	14,387	6,347

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17. TAXATION (Continued)

Tax reconciliation

	2024	2023
	Rs'000	Rs'000
Profit before taxation	83,975	7,692
Impact of adopting IFRS 17	(9,897)	49,610
Tax calculated at 17% (2023: 17%)	12,593	9,741
CSR	516	1,656
Income not subject to tax	(589)	(9,848)
Expenses not deductible for tax purposes	1,790	3,899
Under provision in previous year	77	900
Tax charge	14,387	6,347

The Finance (Miscellaneous Provisions) Act 2024 which was gazetted on the 27th of July 2024, introduced a new Corporate Climate Responsibility (CCR) Levy at 2% of chargeable income as from the year of assessment commencing on 1 July 2024. This new levy is not considered as substantively enacted as the reporting date within the meaning of IAS 12: Income Taxes and hence not provided for these in these financial statements. The amount payable in respect of year of assessment 2024-2025 which was paid in December 2024 was MUR 1,419,639.

18. OTHER PAYABLES

	2024	2023
	Rs'000	Rs'000
Other payables and accruals	67,201	40,895
Amount due to holding company	10,268	6,016
	77,469	46,911

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.

19. DIVIDEND PAYABLE

Dividend of Rs 17,397,252 has been proposed for the current financial year ended 30 June 2024 (2023 - NIL).

20. STATED CAPITAL

	2024	2023
	Rs'000	Rs'000
Issued and fully paid		
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.

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NOTES TO THE FINANCIAL STATEMENTS
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21. 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), effect of IFRS 17 adoption and the cumulative remeasurement of defined benefit obligations recognised in OCI.

22. 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.

23. PENSION BENEFIT OBLIGATIONS

	<u>2024</u>	<u>2023</u>
	Rs'000	Rs'000
Defined Benefit plan (Note (a))	190,183	205,647
Guaranteed Pension (Note (b))	22,040	22,164
	<u>212,223</u>	<u>227,811</u>

(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 2024 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:

	<u>2024</u>	<u>2023</u>
	Rs'000	Rs'000
Present value of funded obligations	440,486	431,429
Fair value of plan assets	(250,303)	(225,782)
Liability recognised in the statement of financial position	<u>190,183</u>	<u>205,647</u>

The movement of amounts recognised in the statement of financial position are as follows:

	<u>2024</u>	<u>2023</u>
	Rs'000	Rs'000
At 01 July	205,647	170,544
Profit or loss charge	19,635	15,525
Other comprehensive income charge	(9,831)	44,840
Contributions paid	(25,268)	(25,262)
At 30 June	<u>190,183</u>	<u>205,647</u>

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23. PENSION BENEFIT OBLIGATIONS (CONTINUED)

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

	2024	2023
	Rs'000	Rs'000
At 01 July	431,429	364,283
Current service cost	7,529	6,497
Administration Expenses	(273)	(213)
Risk Premiums	(316)	(343)
Employee contributions	3,049	3,047
Interest expense	25,758	20,174
Benefits paid	(24,238)	(6,218)
Liability experience gains	2,926	25,423
Actuarial gains on economic assumptions	(5,378)	18,779
At 30 June	440,486	431,429

(iv) Split of Defined Benefit Obligation

	2024	2023
	Rs'000	Rs'000
Actives	276,242	285,077
Pensioners	162,143	144,370
Deferred Pensioners	349	329
Benefits due	1,752	1,653
At 30 June	440,486	431,429

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

	2024	2023
	Rs'000	Rs'000
At 01 July	225,782	193,739
Interest income on plan assets	13,652	11,146
Administration expenses	(273)	(213)
Risk premiums	(316)	(343)
Employer contributions	25,268	25,262
Employee contributions	3,049	3,047
Benefits paid	(24,238)	(6,218)
Actuarial Losses on Plan Assets	7,379	(638)
At 30 June	250,303	225,782

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

	2024	2023
	Rs'000	Rs'000
Current service cost	7,529	6,497
Net interest on net defined benefit liabilities	12,106	9,028
Total included in "employee benefit expense" (note 23(a))	19,635	15,525
Actual return on plan assets	21,031	10,508

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23. PENSION BENEFIT OBLIGATIONS (CONTINUED)

(a) Defined benefit plan (Continued)

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

	2024	2023
	Rs'000	Rs'000
Return on plan assets below interest income	(7,379)	638
Liability experience loss	2,926	25,423
Liability loss due to change in economic assumptions	(5,378)	18,779
	<u>(9,831)</u>	<u>44,840</u>

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

	2024	2023
	Rs'000	Rs'000
Equity - local quoted	33,415	28,087
Equity - local unquoted	3,179	67,577
Debt - local quoted	2,803	5,690
Debt - local unquoted	121,122	118,423
Investment Funds	77,168	610
Property - local	1,252	1,195
Loans and advances	7,584	-
Cash and others	3,780	4,200
Total	<u>250,303</u>	<u>225,782</u>

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

	2024	2023
	%	%
Discount rate	5.65	6.00
Salary increase rate	3.50	4.00
Pension increase rate	3.50	4.00
Inflation rate	3.50	4.00
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:

	2024		2023	
	Increase	Decrease	Increase	Decrease
	Rs'000	Rs'000	Rs'000	Rs'000
Discount rate (1% movement)	65,814	78,241	61,229	72,143
Salaries assumptions (1% movement)	27,490	25,232	29,555	26,871
Pension assumptions (1% movement)	49,662	44,180	41,742	37,383

23. PENSION BENEFIT OBLIGATIONS (CONTINUED)

(a) Defined benefit plan (Continued)

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

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 25,534,000 in contributions to its post-employment benefit plans for the year ending 30 June 2025 (2024: Rs 25,566,000).

- (xiv) The weighted average duration of the defined benefit obligation is 18 years at the end of the reporting period (2023: 18 years).

(b) Guaranteed pension plan

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

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:

	2024	2023
	Rs'000	Rs'000
Present value of unfunded obligations	22,040	22,164
Liability in the statement of financial position	22,040	22,164

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

23. PENSION BENEFIT OBLIGATIONS (CONTINUED)

(b) Guaranteed pension plan (Continued)

	2024	2023
	Rs'000	Rs'000
At 1 July	22,164	19,381
Profit or loss charge	1,943	1,605
Other comprehensive income charge	(1,807)	1,417
Contributions paid	(260)	(239)
At 30 June	22,040	22,164

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

	2024	2023
	Rs'000	Rs'000
At 01 July	22,164	19,381
Current service cost	586	527
Interest expense	1,357	1,078
Benefits paid	(260)	(239)
Liability experience loss	(1,469)	643
Liability loss due to change in financial assumption	(338)	774
At 30 June	22,040	22,164

(iv) Split of Defined Benefit Obligation:

	2024	2023
	Rs'000	Rs'000
Actives Guarantee	16,335	17,105
Pensioners Guarantee	3,283	2,663
Additional Pensions	2,422	2,396
At 30 June	22,040	22,164

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

	2024	2023
	Rs'000	Rs'000
Current service cost	586	527
Net interest on net defined benefit liabilities	1,357	1,078
Total included in "employee benefit expense"	1,943	1,605

(vi) The amounts recognised in the defined benefit obligations in Other Comprehensive Income (OCI):

	2024	2023
	Rs'000	Rs'000
Liability experience loss	(1,469)	643
Liability loss due to change in economic assumptions	(338)	774
	(1,807)	1,417

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

23. PENSION BENEFIT OBLIGATIONS (CONTINUED)

(b) Guaranteed pension plan (Continued)

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

	2024	2023
	%	%
Discount rate	5.65	6.00
Salary Increase rate	3.50	4.00
Inflation rate	3.50	4.00
Pension Increase rate	3.50	4.00
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:

	2024		2023	
	Increase	Decrease	Increase	Decrease
	Rs'000	Rs'000	Rs'000	Rs'000
Discount rate (1% movement)	3,265	3,899	2,877	3,382
Salaries assumptions (1% movement)	1,779	1,640	2,208	1,992
Pension assumptions (1% movement)	2,345	2,118	1,550	1,427

(c) Defined contribution plan

The Company also operates a defined contribution pension plan.

	2024	2023
	Rs'000	Rs'000
Contribution for the year	2,026	1,911

24. INVESTMENT INCOME

	2024	2023
	Rs'000	Rs'000 <i>Restated</i>
Interest income using effective interest rate	44,957	40,475
Dividend income	2,418	2,901
	47,375	43,376

25. OTHER INCOME

	2024	2023
	Rs'000	Rs'000 <i>Restated</i>
Exchange gain/ loss	3,431	(5,262)
Others	6,722	4,857
	10,153	(405)

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

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

26. REVENUE FROM CONTRACT WITH CUSTOMERS

	2024	2023
	Rs'000	Rs'000
Breakdown of revenue from contract with customers		
Management fee income	350	1,709

Revenue from management services are recognised over time.

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

27. NON ATTRIBUTABLE EXPENSES

	2024	2023
	Rs'000	Rs'000
Audit fees	3,782	1,608
Advertising & Sponsorship	579	28
Directors' and Secretary's Fee	3,833	3,594
Entertainment Expenditure	200	140
Training	1,239	520
Subscription fees	604	743
Rent, Rates & Licenses	168	127
Professional fees	3,816	2,066
Provision for Bad Debts	1,548	713
VRS Benefits	4,054	-
Management fees	9,482	9,047
Other expenses	388	732
	29,693	19,318

28. MANAGED MEDICAL FUND

The financial statements of the Company exclude the net assets of the Managed Medical Fund amounting to Rs. 2,884,165 (2023: Rs.2,338,749) as the assets backing this fund do not belong to the Company.

29. CAPITAL COMMITMENTS

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

	2024	2023
	Rs'000	Rs'000
Computer Software	298	3,943

30. HOLDING COMPANY

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

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

31. IMPACT OF IFRS 9 FOLLOWING ADOPTION OF IFRS 17

(a) Impact as at 30 June (Statement of Financial Position)

Non-Current Assets:

Financial assets at fair value through other comprehensive income	38,133	(38,133)	-
Financial Investments Measured at fair value through profit or loss	4,758	890,790	895,548
Debt instruments at amortised cost	578,438	(578,438)	-

Current Assets:

Debt instruments at amortised cost	246,434	(246,434)	-
Retained earnings	254,474	36,528	291,002

(b) Impact as at 30 June (Statement of Financial Position)

Non-current assets:

Financial assets at fair value through other comprehensive income	40,501	(40,501)	-
Financial Investments Measured at fair value through profit or loss	-	952,049	952,049
Debt instruments at amortised cost	587,996	(587,996)	-

Current assets:

Debt instruments at amortised cost	336,071	(336,071)	-
Retained earnings	278,035	(4,019)	274,016

32. IMPACT OF IFRS 17

IFRS 17 requires a company to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. This requirement will provide transparent reporting about a company's financial position and risk.

As per the requirement of the IFRS 17 (Insurance Contracts), the liability in respect of these assumptions are being recognised in the Financial Statements. Prior year adjustments have been made to reflect the additional liability in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors).

(a) Impact as at 30 June (Statement of Financial Position)

Current Assets:

Insurance and other receivables	640,848	(624,537)	16,311
Reinsurance assets	639,533	(159,333)	480,200
Insurance contract assets	-	127	127

Current liabilities:

Trade and other payables	320,741	(264,233)	56,508
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Non- current liabilities:

Insurance contract liabilities	1,335,944	(501,698)	834,246
Reinsurance contract liabilities	-	9,352	9,352
Retained earnings	291,002	(36,229)	254,773

(b) Impact as at 30 June (Statement of Financial Position)

Current Assets:

Insurance and other receivables	770,774	(753,986)	16,788
Reinsurance assets	625,420	(195,211)	430,209
Insurance contract assets	-	11,785	11,785

Current liabilities:

Trade and other payables	361,385	(314,474)	46,911
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Non- current liabilities:

Insurance contract liabilities	1,468,968	(629,014)	839,954
Reinsurance contract liabilities	-	11,875	11,875
Retained earnings	274,016	(17,898)	256,118

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

33. IMPACT OF IFRS 17 (CONTINUED)

Impact for the year ended 30 June (Income Statement)

	2023		
	As previously reported	Adjustments	As restated
	Rs'000	Rs'000	Rs'000
Net earned premiums	830,676	(830,676)	-
Net commission income	22,528	(22,528)	-
Net claims incurred	(615,350)	615,350	-
Underwriting profit	237,854	(237,854)	-
Insurance revenue	-	1,560,299	1,560,299
Insurance service expenses	-	(1,043,149)	(1,043,149)
Insurance service result from insurance contracts issued	-	517,150	517,150
Net expenses from reinsurance contract held	-	(493,689)	(493,689)
Insurance service result	-	23,461	23,461
Interest Income using effective interest rate	40,456	19	40,475
Other investment income	2,901	-	2,901
Expected credit loss allowance/ (Net unrealised loss)	114	(114)	-
Net gain /(loss) on financial assets at fair value through profit or loss	-	(40,453)	(40,453)
Net investment income	43,471	(40,548)	2,923
Finance income/expenses from insurance contracts issued	-	263	263
Finance income/expenses from reinsurance contracts held	-	(941)	(941)
Net insurance finance expenses	-	(678)	(678)
Net insurance and investment result	43,471	(17,765)	25,706
Other income/ (expenses)	13,583	(13,988)	(405)
Revenue from contract with customers	1,709	-	1,709
Administrative and other expenses	(263,786)	263,786	-
Non attributable expenses	-	(19,318)	(19,318)
Profit from operations	32,831	(25,139)	7,692
Finance costs	(2,923)	2,923	-
Profit before tax	29,908	(22,216)	7,692
Income tax expense	(6,347)	-	(6,347)
Profit for the year	23,561	(22,216)	1,345

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

34. RELATED PARTY DISCLOSURES

(a) Transactions with related parties

	2024	2023
	Rs'000	Rs'000
(i) Holding Company		
Pension contribution payable	9,650	9,450
Rent payable	11,118	10,970
Other contributions payable	1,189	1,291
Management fees payable	9,486	9,047
Support service cost payable	579	64,093
Dividend payable	17,397	-
Premium and contribution receivable	<u>24,232</u>	<u>3,512</u>

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

	2024	2023
	Rs'000	Rs'000
Premium receivable	307	280
Salaries and other short term benefits	19,108	17,863
Post-employment benefits	<u>-</u>	<u>2,194</u>

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

	2024	2023
	Rs'000	Rs'000
Premium receivable	<u>783</u>	<u>816</u>

(b) Outstanding balances with related parties

	2024	2023
	Rs'000	Rs'000
(i) Holding company		
Support service cost to Holding Company	(10,270)	(5,012)
Management fees due to Holding Company	(829)	(812)
Amount due from Holding Company	227	660
Capital expenditure and other expenses due to Holding Company	(325)	(237)
Dividend payable	(17,397)	-
Premium receivable	<u>2,542</u>	<u>60</u>
(ii) Key management personnel (including Directors) of the Company		
Premium receivable	<u>307</u>	<u>-</u>
(iii) Key management personnel (including directors) of the Holding Company		
Premium receivable	<u>91</u>	<u>150</u>

34. RELATED PARTY DISCLOSURES (CONTINUED)

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.

35. 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 2024.

36. DISCLOSURE ON POTENTIAL VAT LIABILITY

On 3 October 2024, the Mauritius Revenue Authority (MRA) issued a letter asserting that, based on their interpretation, the Company's sales of Insured's damaged vehicles constitute taxable supplies. The MRA indicated that these sales have exceeded the VAT registration threshold, resulting in compulsory VAT registration.

In response, the Company, has contested this interpretation. It argued that the sale of salvage vehicles involves subrogation rather than ownership rights, and that such sales, conducted as part of claims settlements, should not be classified as taxable supplies under the VAT Act 1998.

Following legal advice, SICOM General Insurance has assessed that the probability of settlement in favor of the MRA is low. Consequently, no provision has been made in the financial statements for this matter as of the reporting date. As per the assessment procedure, an objection has been filed with the MRA. Should this prove to be unsuccessful, alternative measures, including legal recourse, will be considered.

37. GOING CONCERN

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

38. LIQUIDITY RISK

The liquidity position of the Company has remained strong as at 30 June 2024. 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.

STATUTORY DISCLOSURES FOR THE YEAR ENDED 30 JUNE 2024

(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 2023-2024 up to the approval of the financial statements were as follows:

Nureshkumar Prayag (Director as from 16-May-25 and Chairperson as from 23-May-25)

Karuna G. Bhoojedhur-Obeegadoo (Director and Chairperson up to 18-Nov-24)

Surendranath Ancharaz (Director)

Girshan Jheelan (as from 16-May-25)

Hansraj Panchoo (as from 16-May-25)

Nandita Ramdewar (Group CEO)

Mohammad Junaid Sairally (as from 16-May-25)

Yasheel Kumar Aukhojee (Dr) (up to 15 November 2024)

Anandjaye Chummun (up to 22 November 2024)

Chandradeo Dabeea (18 November 2024)

Chandrek Dussoye (30 December 2024)

Vinod Kumar Koonjoo (28 October 2024)

José Moonien (18 November 2024)

Dharmanand Ramkallawon (15 November 2024)

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	
2024	2023	2024	2023
Rs	Rs	Rs'000	Rs'000
3,718	3,479	5,060	4,758

The remuneration as mentioned above, received by the Directors during the financial year they held office were as follows: K G Bhoojedhur-Obeegadoo (Non-Executive Chairperson, Rs 512,000), C Dussoye (Independent Director and SIC Representative Rs 525,120), V K Koonjoo (Independent Director, Rs 500,120), A Chummun (Independent Director, Rs 450,120), Dr Y K Aukhojee (Independent Director, Rs 450,120), S Ancharaz (Executive Director, Rs 4,220,855 as emoluments and Rs 839,899 as pension related contributions made by the Company and other benefits), J Moonien (Independent Director, Rs 500,120), C Dabeea (Non-Executive Director, Rs 330,000), D Ramkallawon (Independent Director, Rs 450,120).

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:

	2024	2023
	Rs'000	Rs'000
Deloitte		
Statutory audit	3,782	1,401
Review of tax computation	129	123
Other Services	240	228

For and on behalf of the Board of Directors


RAMDEWAR Nandita
Director


ANCHARAZ Surendranath
Director

Date: 23 May 2025



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