

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2024

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
FOR THE YEAR ENDED 30 JUNE 2024
CORPORATE DATA

		Date of appointment	Date of resignation
Chairman	Mr. Jairaj Sonoo, CSK	29 August 2019	13 November 2024
Directors	: Mr. Jairaj Sonoo, CSK	05 July 2019	13 November 2024
	Mr. Kunal Shivah Appadoo	05 November 2020	18 December 2024
	Mr. Ishwarlall Bonomaully	19 August 2019	-
	Mr. Yousouf Ismael	05 February 2020	18 December 2024
	Mr. Namasivayen Poonosamy	19 August 2019	03 December 2024
	Mr. Vassoo Allymootoo Putchay	02 May 2023	24 February 2024
	Mrs. Lilowtee Rajmun - Jooseery, CSK	19 August 2019	-
	Mr. Kevin Ramkaloan	19 August 2019	-
	Mr. Dhirajsingh Rughoobur	19 August 2019	-
	Mr. Mohammad Salim Ferhat Joomun	22 July 2024	-
Company Secretary	: Prime Partners Ltd 15th Floor, Air Mauritius Centre 6 President John Kennedy St, Port Louis, Mauritius		
Registered office	: 1st Floor EDITH 6, Edith Cavell Street Port-Louis Mauritius		
Auditors	: MOORE (Mauritius) LLP Chartered Accountants 6th Floor, Newton Tower, Sir William Newton Street Port Louis, Mauritius		
Banks	: SBM Bank (Mauritius) Ltd SBM Tower, 1, Queen Elizabeth II Avenue Port Louis, Mauritius Bank One Limited 16, Sir William Newton Street Port-Louis, Mauritius MauBank Ltd 25, Bank Street, Cyber City Ebene, Mauritius Hong Kong & Shanghai Banking Corporation Ltd Place D'Armes Port Louis, Mauritius The Mauritius Commercial Bank Limited Sir William Newton St Port Louis		

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD FOR THE YEAR ENDED 30 JUNE 2024

STATUTORY DISCLOSURES

The directors of INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD (“the Company”) are pleased to submit their report together with the audited financial statements for the year ended 30 June 2024.

OBJECTIVES AND PRINCIPAL ACTIVITY

The Company was incorporated as a public company limited by shares on 05 July 2019 following budgetary measures 2019-20 which stipulated that the Investment Support Programme Committee (“ISPC”) will be restructured and converted into a company, namely, ISP Limited. The Company changed its name to Industrial Finance Corporation of Mauritius (IFCM) Ltd on 17 September 2021.

Its registered office is located at 1st Floor EDITH, 6 Edith Cavell Street, Port Louis.

The objects of the Company are to:

- Act as a single point of entry for a diagnosis and assessment of support requirements to enterprises seeking to modernize and transform their businesses;
- Provide central and joint investment, and credit assessments as well as a common back-office processing for all support types and instruments accessible to enterprises;
- Manage the Modernisation and Transformation Fund for provision of leasing facilities and factoring services;
- Provide credit finance, debentures, and other hybrid model of financing; and
- Operate any other financial instrument or budgetary measures as may be requested by Government.

As from 8 October 2021, the Company has been granted both a leasing and factoring licence pursuant to Section 14 of the Financial Services Act 2007 and the Financial Services (Consolidated Licensing and Fees) Rules 2008.

DIRECTORS

The names of the Directors of the Company at the end of the year are as follows:

Mr. Jairaj Sonoo, CSK - Chairman (Resigned on 13 November 2024)

Mr. Kunal Shivah Appadoo (Resigned on 18 December 2024)

Mr. Ishwarlall Bonomaully

Mr. Yousouf Ismael (Resigned on 18 December 2024)

Mr. Namasivayen Poonoosamy (Resigned on 03 Dec 2024)

Mr. Vassoo Allymootoo Putchay (Resigned on 24 February 2024)

Mrs. Lilowtee Rajmun - Jooseery, CSK

Mr. Kevin Ramkaloan

Mr. Dhirajsingh Rughhoobur

Mr. M Salim Ferhat Joomun (Appointed on 22 July 2024)

DIRECTORS' SERVICE CONTRACTS

None of the directors of the Company have service contracts that need to be disclosed under section 221 of the Mauritius Companies Act 2001.

**INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
FOR THE YEAR ENDED 30 JUNE 2024**

STATUTORY DISCLOSURES (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

GOING CONCERN STATEMENT

On the basis of current projections, the Company has adequate resources to continue operating for the foreseeable future and consider that it is appropriate that the going concern basis in preparing the financial statements is adopted.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REMUNERATION

During the year ended 30 June 2024, the Directors received **Rs 2,951,000** (2023: Rs 3,708,000) from the Company.

DIRECTORS' SHARE INTERESTS

No shares are held by the directors in the Company.

DONATIONS

No donation was made during the financial year ended 30 June 2024 (2023: Nil).

GOVERNANCE

The Board strives to apply the principles of good corporate governance within the Company.

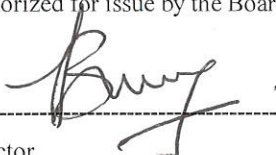
AUDITOR

The auditors, messrs. MOORE (Mauritius) LLP, has indicated its willingness to continue in office.

FEES PAYABLE TO THE AUDITOR

Audit fees (exclusive of VAT) payable to MOORE (Mauritius) LLP for the year ended 30 June 2024 amounted to **Rs 505,000** (2023: Rs 300,000).

Authorized for issue by the Board of Directors on the 15 January 2025 and signed on its behalf by



Director



Director

**INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

INTRODUCTION

The **Industrial Finance Corporation of Mauritius (IFCM) Ltd** (“IFCM/Company/”) is licensed under Section 14 of the Financial Services Act 2007 to carry out leasing, factoring and credit finance activities. The Company is a Public Interest Entity as defined by the Financial Reporting Act 2004. The Company has been set up to support enterprises in the development of a new financial ecosystem. This will enable enterprises in the main sectors of the economy to adopt the most appropriate technologies to modernize and transform their processes thereby rendering them more efficient, cost effective and productive. IFCM provides leasing and factoring facilities, amongst others.

IFCM PHILOSOPHY TO CORPORATE GOVERNANCE

The Board of IFCM is aware of its responsibilities for applying and implementing the eight principles of the National Code of Corporate Governance for Mauritius (2016) (“the Code”). The Board is committed to ensure that good governance principles are entrenched within the Company and reflected in its business activities. The Board fosters principles of integrity, accountability, transparency and integrity in communication.

The Corporate Governance Report of IFCM sets out the Company’s commitment to transparency, good corporate governance and the continuous effort to enhance shareholders’ value. It describes the application of the principles of the Code of Corporate Governance for Mauritius (the “Code”) by the Company and explains how our governance works, taking into account the size, nature of business and structure of the Company.

PRINCIPLE ONE - GOVERNANCE STRUCTURE

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

1.1 Governance Framework

The Board of IFCM is collectively responsible for the effective oversight of the Company and its businesses. The Board assumes responsibility for inter-alia, setting the strategic direction, overseeing the financial and investment matters, corporate governance, risk management, internal control and compliance issues. It ensures that all legal and regulatory requirements are met. The Company fulfils its duties and responsibilities as defined in the Company’s Constitution, Board Charter and Companies Act 2001 (the Act). In line with the Code, the Board has:-

- (i) Adopted a Board Charter which sets out the objectives, roles and responsibilities of the Board;
- (ii) Adopted a Charter for each Board Committees outlining its membership requirements, responsibilities and Terms of Reference;
- (iii) Identified its Key Senior Governance and Position Statements
- (iv) Adopted a Code of Ethics which includes a whistle-blowing policy; and
- (v) Approved the Organisational Structure.

The above governance documents are available on the Company’s website.

1.2 Board Charter and Position Statements

The Board Charter sets out the objectives, limits of authority, roles, responsibilities and composition of the Board of Directors of IFCM. The Board Charter as well as the position statements, approved by the Board, provide for a clear definition of the roles and responsibilities of the Chairperson, Executive and Non-Executive Directors, the Board Committees, Chief Executive Officer of IFCM as well as the Company Secretary.

1.3 Ethical Conduct

IFCM is committed to fostering the highest standards of integrity and ethical conduct in dealing with all its stakeholders as well as high ethical and moral standards. The Company adheres to some fundamental principles in the way it conducts its activities, such as:

- observing good corporate governance practices, good accounting and management principles and practices, as well as clear, objective and timely communication with its shareholders;
- achieving its business objectives with corporate social responsibility, valuing its employees and preserving the environment; and
- observing its legal and regulatory obligations.

1.4 Organisational Structure

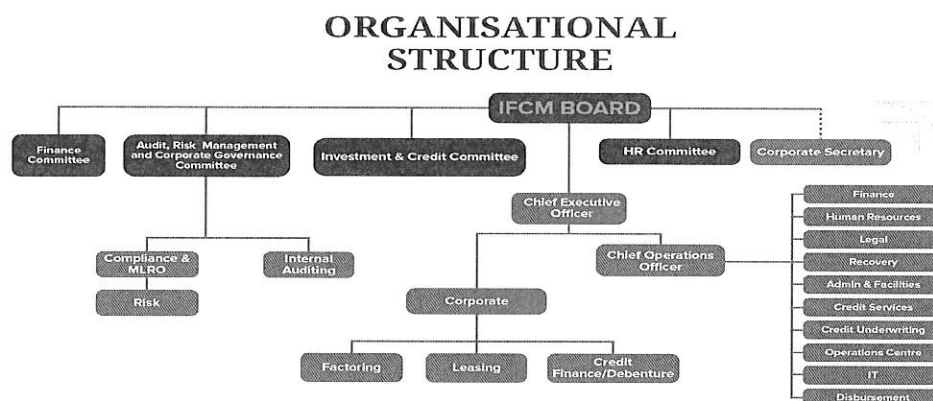
The Board of IFCM is a unitary Board but is collectively accountable and responsible for all decisions taken and for the long-term success of the Company, its reputation and governance. The Board also assumes the responsibility for leading and controlling the Company and meeting all legal and regulatory requirements.

The Company operates within a clearly defined governance framework which provides for delegation of authority and clear lines of responsibility while enabling the Board to retain effective control. As such, the Board is ultimately accountable and responsible for the performance and affairs of the Company.

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE ONE - GOVERNANCE STRUCTURE (CONT'D)

The organisation structure of the Company is as follows:



1.5 Key Governance Positions

A. Chairperson of the Board

The Chairperson of the Board is responsible for the activities of the Board and its committees. The Chairperson ensures effective implementation of the board decisions. He acts as spokesperson for the Board and is the principal contact for the Executive team. The Chairperson and the Executive team meet regularly. The Chairperson of the Board presides over the meetings of shareholders.

During the year under consideration, Mr. **Jairaj Sonoo, C.S.K** was the Chairperson of the Board. Mr. **Sonoo, C.S.K**, resigned on 13 November 2024.

B. Chairpersons of Sub Committees

The Chairpersons of sub-committees work in close collaboration with/and provide support and advice to the Chairperson of the Board.

- The Chairperson of the **Investment Committee** is Mr. **Ishwarlall Bonomaully**.
- The Chairperson of the **HR Committee** is Mr. **Kevin Ramkaloan**.
- The Chairperson of the **Finance Committee** is Mr. **Dhirajsingh Rughoobur**.
- The Chairperson of the **Audit, Risk Management and Corporate Governance Committee** was Dr. **Yousouf Ismaël**. He ceased to be a Director on 18 December 2024.

C. Audit, Risk Management and Corporate Governance Committee

The Audit, Risk Management and Corporate Governance Committee (ARMCG) has the following responsibilities, amongst others:-

- To provide risk expertise to the Chairman of the Board;
- To ensure the financial statements comply with the appropriate accounting standards;
- To guide and advise the Board on an appropriate risk management framework; and
- To report the deliberations of the ARMCG to the Board.

D. Investment and Credit Committee

The Investment and Credit Committee has the following responsibilities, amongst others:-

- To define and propose investment strategies, policies and guidelines;
- To approve internal processes relating to investment proposals, including all documentation required to be completed;
- To consider, approve or make recommendations to the Board on investment proposals; and
- To consider and make recommendations to the Board for disposal of unquoted and/or strategic investments.

E. HR Committee

The HR Committee has the following responsibilities, amongst others:-

- To define an appropriate HR policy;
- To agree, develop and recommend to the Board the Company's general policy pertaining to remuneration, recruitment and promotion of employees;
- To review the terms and conditions of service of employees;
- To recommend to the Board any benefits in kind, annual bonuses, performance-based incentives, pensions and other benefits to be paid to employees; and
- To optimize Human Resource employment within the Company, including the rotation of staff.

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE ONE - GOVERNANCE STRUCTURE (CONT'D)

F. Finance Committee

The Finance Committee has the responsibility to oversee, amongst others, the proper monitoring and oversight of the operations experts and financial planning.

G. Chief Executive Officer

The Chief Executive Officer has the authority and responsibility to manage the overall operations and resources. He acts as the main point of contact between the Board and the Management. The Chief Executive Officer ensures that a proper assessment of the risks under a variety of possible or likely scenarios is undertaken and presented to the Board. The other responsibilities of the Chief Executive Officer include among others: to develop and recommend to the Board a long-term vision and strategy for the Company as well as the annual business plans and budgets that support the Company's strategy; to execute and implement the strategy of the Board; to monitor the Company's performance and keep the Board appropriately informed; to foster a corporate culture that promotes ethical practices, rejects corrupt practices, offers equal opportunities, encourages individual integrity and meets social responsibility objectives and imperatives. The Chief Executive Officer serves as the chief spokesperson on all operational and day-to-day matters. The Chief Executive Officer communicates effectively with stakeholders and the public.

H. Company Secretary

The Company Secretary is appointed by the Board. The role of the Company Secretary is to ensure that Board Members have the proper advice and resources for performing their duties under the relevant legal frameworks. The Company Secretary is also responsible for the organisation and coordination of the Board and Committee meetings and ensuring that the records or minutes of those meetings reflect the proper exercise of those duties.

Prime Partners Ltd, wholly owned subsidiary of The State Investment Corporation Limited acts as Company Secretary of IFCM. Prime Partners Ltd is a Corporate Service Provider and licensed by the Financial Services Commission for provision of Registry and Transfer Officer Services.

Management Team - IFCM

The profile of the management team at IFCM is as follows:-

Mr. Tamoodeeran Kathapermall, Chief Operations Officer, holds a Bachelor of Business Administration, a Master of Science in Management, and a Master's in Accounting. He is a member of the Certified Practising Accountants of Australia and the Mauritius Institute of Professional Accountants (MIPA). Mr. Kathapermall has worked as Accounts Manager at Cattles Ltd (UK) and as Strategic Planning Analyst at Air Mauritius Ltd. He has also worked as Senior Accounts Manager at the Mauritius Research and Innovation Council before joining the Ministry of Finance, Economic Planning and Development in 2012 where he has occupied various strategic roles and was also the Secretary of the National Resilience Fund. He joined IFCM since 22 November 2021.

Ms. Prityea Chennen, Finance Manager, holds a Master in Business Administration, University of Surrey, UK. She is also a Member of The institute of Chartered Accountants in England and Wales (ICAEW). Prior to joining IFCM, she was the Head, Accounts and Finance and also Executive Director at Prime Partners Ltd. She served Prime Partners Ltd in the Accounts and Finance Unit and, for a few years she was also working in the Corporate Secretarial Unit. She is a Fellow of the Chartered Certified Accountant (FCCA), UK and was admitted member of the Association in August 2008.

Mrs. Omeeta Neelayya, Head of Corporate, brings over 15 years of experience in the financial industry, with a proven track record of supporting businesses of all sizes. She holds a Degree in Banking and Finance along with multiple professional qualifications, building expertise in Retail Banking, Business Banking, and Factoring across local and international markets.

At IFCM, a state-owned institution focused on factoring and leasing, Mrs. Neelayya leads the corporate sales division, playing a vital role in empowering enterprises to achieve their financial objectives. Her strengths include business restructuring, operations re-engineering, strategic planning, and customer relationship management.

With deep connections in Mauritius' SME and corporate sectors, she is a trusted partner for businesses seeking customized financial solutions. Mrs. Neelayya's leadership, vision, and ability to deliver impactful results solidify her position as a distinguished professional in the financial services sector.

Mrs. Aartee Dayal, HR and Admin Supervisor, holds a Bachelor in Business Management from Bangalore University, India, and a Master's in Business Administration. She began her career in the banking sector in 2010 and brings extensive experience in designing human capital strategies, implementing business-enabling processes, and nurturing talent across financial, legal, and retail sectors. With over a decade of experience in multinational organizations, Mrs. Dayal currently oversees the Human Resource and Administration Department at IFCM Ltd.

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE ONE - GOVERNANCE STRUCTURE (CONT'D)

Mr. Vaman Maudhoo, Legal Officer, is a holder of a Masters in International Business Law and was called to the Bar of England and Wales in 2013. He was admitted to the Mauritian Bar in 2018 and has since been in legal practice. He is a member of the Honourable Society of Middle Temple, UK and Mauritius Bar Association.

Prior to joining IFCM, he regularly advised and represented clients in litigation and dispute resolution matters. Since his admission to the Mauritian Bar, he has appeared before the District, Intermediate, Industrial and Supreme Courts of Mauritius, and has also appeared in various tribunals such the Employment Relations and Environment and Land Use Appeal tribunals. In addition to litigation, Vaman is involved in advising and drafting of various contractual agreements, and other legal documents.

Ms. Arveena Sajan, Compliance Officer and Money Laundering Reporting Officer (MLRO) is responsible for overseeing the Compliance and Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) functions, as well as managing financial services-related risks. With almost ten years of experience in the financial services, banking, and audit sectors, Ms. Sajan has held senior roles in both the banking and offshore industries, with expertise in audit, risk management, data protection, and governance. She has also served at the Financial Services Commission and gained significant compliance experience at the Mauritius Commercial Bank Ltd. Ms. Sajan holds an LLM with a specialization in Financial and Commercial Law and is an accredited AML/CFT Compliance Certifier and Associate Certified Fraud Examiner. Most recently, she has obtained a First Class with Distinction in the International Graduate Diploma in Financial Crime Compliance course, delivered by FSI Mauritius.

Mr. Mohammad Shaafee Bhunnoo, Credit Services Supervisor, holds a Degree in Management and an MBA with Specialisation in Financial Services. Mr. Bhunnoo has worked as Private Banker and Branch Supervisor at the State Bank of Mauritius and as Team Leader at Maubank in the Retail Banking and Credit Services department. He has accumulated wide-ranging experience in the Banking sector for more than 16 years and is proficient in Microsoft Office tools as well as Business Process re-engineering and Project implementation. He joined IFCM in January 2022 and his role is to lead and oversee the Credit Services department to ensure swift preparation and release of documentation and registration of collateral and to provide exceptional service to customers and suppliers, among others.

Mr. Youssa Alibokus, Operations Supervisor, holds a degree in Banking and Investment from the University of Mauritius. Youssa has more than 13 years working experience in the Banking and Financial sector. Mr. Alibokus has worked at SBI Mauritius Ltd where he occupied several positions and afterwards joined Rogers Capital Finance Ltd as credit supervisor where he played a key role in the credit risk department. He continued his career path at MauBank Ltd as Credit Services Officer and joined IFCM in January 2022.

Mrs. Vishtree Coopen, Recovery Supervisor, holds a bachelor's degree in accounting & Finance from the Universite des Mascareignes (Mauritius) and a 'Diplome Universite License Technologies' in the same field from Universite des Limoges. Mrs. Coopen comes with a wealth of experience in the finance and banking sector having worked in the top banking/financial institutions in numerous capacities for over a decade. She has served in key positions like Service Officer and Relationship, thus possesses a strong flair in customer service and relationship management. She has also worked in the capacity of Management Information System (MIS) Officer; a combination of banking, accounting and strong ICT skills.

Mr. Lalit Sudhir Nagvekar, Credit Underwriting Supervisor, holds a Bachelor's degree in Fisheries Science and holds Master degree in Foreign Trade from India. He has commenced his career in financial sector as Management Trainee in the year 2002 with Export Import Bank of India which is only specialised developmental finance institution in the Country. During his four-year stint as Manager, he was part of Agri Business, SME and Corporate Finance team including Chennai representative office. He joined SBI (Mauritius) Ltd in the year 2008 as Supervisor and has gained experience in bank's global business, retail, SME and corporate credit department for the past 15 years as Officer including Branch Head amongst other assignments. Over the years, he has developed understanding of credit appraisals, assessment, and structuring requests of varied businesses in international and local markets. He joined IFCM in August 2023.

Mr. Sachine Ghoorbin, Disbursement Supervisor, holds a Diploma in Business Administration with specialisation in Accountancy (endorsed by TAFE International-Australia) and is currently reading ACCA Level 3. He has working experience spanning over 20 years in various sectors including Oil, Manufacturing, Insurance and Banking sectors. Prior to joining IFCM in March 2023, Mr. Sachine Ghoorbin has worked as Finance and Procurement Supervisor at SBM Bank (Mauritius) Ltd, Internal Controller in Mecom Group and as Accountant in multinational energy companies namely Chevron (Mauritius) Limited trading as Engen Petroleum (Mauritius) Ltd and Caltex Oil (Mauritius) Ltd.

PRINCIPLE TWO - STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES

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

Board Structure

The Board has a unitary structure (one-tier). The Board of Directors is the Company's supreme governing body and has full power over the affairs of IFCM. There is a combination of non-executive directors and independent directors.

The directors come from diverse business backgrounds and possess the necessary knowledge, skills, objectivity, integrity, experience and commitment to make sound judgments on various key issues relevant to the business of IFCM, independent of management. The Board is satisfied that its composition is adequately balanced and that the current directors have the range of skills, expertise and experience to carry out their duties properly. The key roles and responsibilities of the Board of Directors are set in the Board Charter. All directors of IFCM ordinarily reside in Mauritius.

Board Composition

The Board uses its best efforts to ensure that:-

- its members can act critically and independently of one another;
- each Board member can assess the broad outline of the Company's overall policy;
- each Board member has sufficient expertise to perform his/her role as a Board member;
- at least one Board member is a financial expert, meaning he has expertise in financial administration and accounting for companies similar to the Company in size and sophistication; and
- no less than 2 of the Board members are independent.

The constitution of the Board during the year under consideration and the subsequent changes were as follows:-

Directors	Gender	Role	Category	Other Directorships
Mr. Jairaj Sonoo, C.S.K (Appointed as Director on 05 July 2019 and Chairman as 29 August 2019)	M	Chairperson	Independent Non-Executive Director	Yes
Mr. Kevin Ramkaloan (As from 19 August 2019)	M	Director	Independent Non-Executive Director	Yes
Mr. Ishwarlall Bonomaully (As from 19 August 2019)	M	Director	Non-Executive Director	Yes
Mr. Dhirajsingh Rughoorur (As from 19 August 2019)	M	Director	Non-Executive Director	No
Mrs. Lilowtee Rajmun-Jooseery, C.S.K (As from 19 August 2019)	F	Director	Independent Non-Executive Director	Yes
Mr. Namasivayen Poonoosamy (As from 19 August 2019)	M	Director	Non-Executive Director	Yes
Dr. Yousouf Ismaël (As from 05 February 2020)	M	Director	Independent Non-Executive Director	Yes
Mr. Kunal Shivah Appadoo (As from 05 November 2020)	M	Director	Independent Non-Executive Director	Yes
Resignation during the year 30 June 2024				
Mr. Vassoo Allymootoo Putchay (As from 02 May 2023 up to 24 February 2024)	M	Director	Non-Executive Director	Yes
Appointment after the year ended 30 June 2024				
Mr. Mohammad Salim Ferhat Joomun (As from 22 July 2024)	M	Director	Non-Executive Director	Yes
Officers who ceased to be Directors after the ended 30 June 2024				
Mr. Jairaj Sonoo, C.S.K (Up to 13 November 2024)	M	Chairperson	Independent Non-Executive Director	-
Mr. Namasivayen Poonoosamy (Up to 03 December 2024)	M	Director	Non-Executive Director	-
Dr. Yousouf Ismaël (Up to 18 December 2024)	M	Director	Independent Non-Executive Director	-
Mr. Kunal Shivah Appadoo (Up to 18 December 2024)	M	Director	Independent Non-Executive Director	-

Directors' Profile

Mr. Kevin Ramkaloan is the CEO of Business Mauritius, the apex organisation of the Mauritian private sector and its voice in public-private dialogue on matters of national economic collaboration, social capital and sustainable and inclusive growth. He represents the business community on key national instances as well as at regional and international levels. Under his leadership, Business Mauritius has successfully completed several national projects, both through private sector mobilization and through public-private collaboration. Prior to joining Business Mauritius, he held various leadership positions in public and private organisations. Kevin is a State scholar and US Fulbright scholar and holds post-graduate degrees in economics and policy from Cambridge University, UK and the University of Maine, US.

**INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

**PRINCIPLE TWO - STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)
Directors' Profile (Cont'd)**

Mr. Ishwarlall Bonomaully is Deputy Financial Secretary at the Ministry of Finance, Economic Planning and Development since December 2023. Prior to that, he held various positions at the Ministry of Finance, Economic Planning and Development for more than 30 years. He is an FCCA and holds an MSC in Finance from the University of Mauritius. Mr. Bonomaully has wide experience in project appraisal and selection, development of the Public Sector Investment Programme, follow up and monitoring of the implementation of projects, and development of procurement policies, including BOT/PPP projects. He is also experienced in the industrial and SME sector, being closely associated with the operation and management of the National Resilience Fund (NRF) since its creation in 2012 and became its chairman in July 2020. He is also Chairperson of the NPF/NSF Investment Committee and the National Environment and Climate Change Fund (NECCF).

Mr. Bonomaully is also serving as Director on the Boards of the Financial Services Commission, The State Investment Corporation Limited and the Development Bank of Mauritius Ltd, among others.

Mr. Dhirajsingh Rughoobur is currently the Head of the Governor's Office and International & Institutional Relations Unit at the Bank of Mauritius. He has two decades of work experience in the financial services sector and has been at the Central Bank since April 2005. Prior to joining the Central Bank, he worked in the commercial banking and non-bank deposit taking sectors. Mr. Rughoobur has represented the Central Bank in various forums, both locally and internationally. He was a member of the Task Force on Unfair Terms and Conditions in Banking which was set up by the Bank to assess the reasonableness of banks' fees, charges and commission. He also formed part of a working group for the implementation of a Deposit Insurance Scheme in Mauritius.

At the continental level, Mr Rughoobur was a member of the Working Group on Home Host Cooperation and Information Sharing which was set up by the Financial Stability Board Regional Consultative Group for Sub-Saharan Africa, with the final report released in January 2018.

Mrs. Lilowtee Rajmun-Jooseery, C.S.K is the Director of the Mauritius Export Association (MEXA), the largest private sector associations regrouping exporting firms of the island. As the head of MEXA and over the past 2 decades, Mrs. Rajmun-Jooseery, C.S.K, has had a rich contribution towards the industrial and export development of the country. She currently serves various Boards at both the public and private sector level. In 2021, she has been conferred the National Award of the Commander of the Star and Key of Indian Ocean in the field of the business development.

As at 30 June 2024, Mr. Vassoo Allymootoo Putchay (Director up to 24 February 2024) was the Senior Chief Executive at the Ministry of Industrial Development, SMEs and Cooperatives. He was appointed Senior Chief Executive on 27 November 2023 and Permanent Secretary on 31 December 2014. As Permanent Secretary, he performed in the following Ministries: Ministry of Public Infrastructure and Land Transport, Ministry of Business, Enterprises and Cooperatives, Ministry of Health and Quality of Life, Ministry of Education, Tertiary Education, Science and Technology, Ministry of Foreign Affairs, Regional Integration and International Trade, Ministry of Finance, Economic Planning and Development, and Ministry of Industrial Development, SMEs and Cooperatives (Industrial Development Division).

He has been appointed, since March 2023, as Director on the Boards of National Resilience Fund and Industrial Finance Corporation of Mauritius (IFCM) Ltd. From 2021 to March 2023, he served as Commissioner on the Utility Regulatory Authority and Director on the Board of the Information and Communication Technologies Authority (ICTA). From 2020 to 2021, he was a member of the Councils of the Higher Education Commission, the University of Mauritius, the University of Technology of Mauritius, the 'Université des Mascareignes', and the Mauritius Qualifications Authority, and served as Director on the Board of Polytechnics Mauritius. From 2015 to 2019, he served as Director on the Boards of the Development Bank of Mauritius (DBM), MauBank Ltd, Enterprise Mauritius and SME Mauritius Ltd. From the year 2000 to 2014, he performed in various Government Departments as Deputy Permanent Secretary (DPS). As DPS, he served on the boards of the Human Resource Development Council, the Sugar Insurance Fund Board, the Employees Welfare Fund, and the Construction Industry Development Board. From June 2008 to December 2011, he was the Secretary to the Commission at the Independent Commission Against Corruption (ICAC), and for more than a year, in addition to holding the post of Secretary to the Commission, he was assigned the duties of Director of Corporate Services at the ICAC.

He has been the 'répondant national' and a member of the Executive Committee of the 'Agence Intergouvernementale de la Francophonie' from 2001 to 2004, in matters relating to human resources development. He holds a Diploma in Public Administration and Management, a Degree in Economics and Management Studies, and a Master in Business Administration.

As at 30 June 2024, Mr. Jairaj Sonoo, C.S.K (Director up to 13 November 2024), was the Chairperson of Industrial Finance Corporation of Mauritius (IFCM) Ltd. Mr. Sonoo is as well the Chairperson of The State Investment Corporation Limited (SIC), the investment arm of the Government of Mauritius. He held directorship on various investee companies of SIC. He also held the position of Group Chief Executive Officer (Group CEO) at National Housing Development Co Ltd and was an Executive Director of New Social Living Development Ltd which has been entrusted by Government the responsibility of constructing 12,000 residential units across Mauritius.

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CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE TWO - STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Directors' Profile (Cont'd)

Previously, Mr. Sonoo spent four decades in the banking sector, at both local and international level, including 38 years at State Bank of Mauritius Ltd, in various positions. He served as the Chief Executive Officer at SBM Bank (Mauritius) Ltd from September 2012 to August 2016 and Acting Group Chief Executive at SBM Holdings from November 2014 to September 2015.

He occupied the post of Chief Executive – Overseas Expansion of SBM Holdings Ltd from August 2016 to September 2017. During his tenure of office within the SBM Group, he was responsible for overseeing the development and execution of the Bank's international strategy through both organic growth and M&A. He also led the acquisition of a Kenyan Bank which marked the milestone for the Group entry into East Africa.

He holds a Masters in Business Administration from the University of Surrey, United Kingdom.

As at 30 June 2024 Mr. Namasivayen (Ken) Poonoosamy (Director up to 03 December 2024), was the Chief Executive Officer of the Economic Development Board (EDB) of Mauritius and led the country's national agency dedicated to fostering economic growth by promoting trade and investment, supporting key and emerging industries, and improving the business environment. Under his leadership, the EDB played a crucial role in positioning Mauritius as an attractive investment destination, a competitive export platform, and a prominent international financial centre. With over 25 years of extensive experience in Economic Development, International Marketing, Investment Promotion, Export Development and Strategic Planning, Ken had cultivated a distinguished career. Building on this extensive background, he leveraged on his expertise at the EDB, where he continued to drive national initiatives and support the government in developing new economic pillars. His work had been instrumental in improving the national investment climate and establishing Mauritius as a trusted and competitive business location. His tenure at the EDB had been marked by successful foreign direct investment (FDI) mobilisation, impactful promotional strategies, and vital policy advice. Ken's illustrious career was marked by his results-oriented approach and leadership qualities. He was well-known and respected in the industry for his command on matters of economic development, trade and investment, as well as his high personal integrity and his ability to build trust and motivate stakeholders. His vast global network spans key business institutions, industry associations, and public sector entities in the US, Europe, Asia, and Africa. Throughout his career, Ken had been a driving force behind business reforms and initiatives that had diversified Mauritius' economic base, enhancing the country's global standing as a competitive business and investment hub.

Ken sat on several strategic boards locally and served as a Board Director of the World Alliance of International Financial Centres (WAIFC). He was regularly invited as a speaker at key international forums and conferences to share his knowledge and experience on topics such as economic policies, investment facilitation, export development, international trade, financial services, and sustainable development.

Dr. Yousouf Ismaël (Director up to 18 December 2024), was the Secretary-General of the Mauritius Chamber of Commerce and Industry (MCCI). In his role, he provided strategic leadership for the Chamber, enhanced its regional and international network, engaged in advocacy on diverse issues and contributes to the economic development of the country through thought strategies. He served as board member of the Mauritius Standards Bureau, the SME Mauritius Ltd, the Covid-19 Development Fund and the Port-Louis Development Fund. He is the director of SADC Business Council and COMESA Business Council. He also serves as the CEO of Global Standard.

Before joining the MCCI, Dr. Yousouf Ismaël held important positions in the public and private sectors. He has previously served as Chief Executive Officer of the Central Water Authority, the Chief Executive Officer of Global Finance Mauritius, as well as Head Strategy and Commercial for the St Aubin Group. Furthermore, he has provided management and strategic coaching to major private and public companies in Mauritius. He has previously served as the Board of Director to the Bank of Mauritius, Board of Director to the Arbitration and Mediation Services in Mauritius, Board Member of the Central Water Authority and Board Member of Mauritius Cargo Community Services Ltd. Dr. Yousouf Ismaël holds a Postdoctoral in Economics, a PhD in Economics, a M.Sc. in Development Economics and Planning and a BSc in Agricultural Development Economics from the University of Reading, UK.

As at 30 June 2024, Mr. Kunal Shivah Appadoo (Director up to 18 December 2024) was the Adviser at the Prime Minister's Office. He has been involved in social and cultural events, amongst others, the Jeux Des Iles de L'Océan Indien at Reunion Island and organizing the visit of His Holiness Pape Francois Pelerin de Paix – Maurice 2019. Mr. Appadoo was also a Director of Rodrigues Duty Free Paradise Co Ltd, set-up to manage the duty-free outlets in Rodrigues.

The profile of Director who was appointed after the year ended 30 June 2024:-

Mr. Mohammad Salim Ferhat Joomun holds a BSc (Hons) Chemistry, MSc Chemistry and a Master of Business Administration. He joined the Civil Service as Assistant Permanent Secretary in 1992. He was promoted to Deputy Permanent Secretary in 2005. He was appointed as Permanent Secretary in September 2018, and subsequently Senior Chief Executive on 09 March 2023.

He has served as Permanent Secretary at the Ministry of Industry, Commerce and Consumer Protection (Industry Division), the Ministry of Local Government, the Ministry of Energy and Public Utilities, the Ministry of Housing and Land Use Planning and the Ministry of Tourism.

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
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PRINCIPLE TWO - STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Directors' Profile (Cont'd)

He has served as Senior Chief Executive at the Ministry of Housing and Land Use planning, the Ministry of Tourism and the Ministry of Blue Economy, Marine Resources, Fisheries and Shipping. He is currently posted at the Ministry of Industry, SME and Cooperatives.

Mr. Joomun has previously served on various Boards of public organisations, including the National Housing Development Company Ltd, the Town and Country Planning Board, the Mauritius Standards Bureau, the Fashion and Design Institute, the Morcellement Board, the Mauritius Posts Ltd, the State Informatics Ltd, the Statutory Bodies Family Protection Fund, the Mauritius Housing Company Ltd, the Central Electricity Board, the Mauritius Tourism Promotion Authority, the National Environment Cleaning Authority, Airports of Mauritius Co Ltd, Airport Terminal Operations Ltd and the Mauritius Duty Free Paradise Co Ltd.

He is currently a Member of the National Resilience Fund Management Committee and a non-executive Director on the Board of Directors of the Industrial Finance Corporation of Mauritius (IFCM) Ltd.

Executive Directors

There is currently no Executive Director.

The Board is of the view that the appointment of two executive directors on the Board, as required by the Code, is not necessary, taking into account the present level of operations. The Management Team is invited to attend meetings of the Board and Sub-Committees to assist in the decision-making process.

Non- Executive Directors

The Non-Executive Directors constructively challenge and help develop proposals on strategy, review the performance of management in attaining goals and objectives, monitor the reporting of performance and meet and/or hold discussions at least annually without the presence of Management.

Independence on the Board

The independence criteria for directors is as defined in the Code. The following directors were considered as Independent directors during the period under review:-

- Mr. Jairaj Sonoo C.S.K
- Mr. Kevin Ramkaloan
- Mrs. Lilowtee Rajmun-Jooseery, C.S.K
- Dr. Yousouf Ismaël
- Mr. Kunal Shivah Appadoo

Board Processes

The Chairperson of the Board, in collaboration with the Chief Operations Officer and Company Secretary, ensure that all directors are provided with reliable and timely information to discharge their duties effectively and reach informed decisions. A calendar of meetings is communicated to the Board well in advance. The Board of IFCM meets on a monthly basis. Ad hoc meetings are also held to deliberate on urgent matters. Decisions of the Board are also taken by way of written resolutions. Documents are circulated five days ahead of the meeting on the board portal software. Directors have access to the board portal, which is a secured environment for sharing confidential information and documents, improve work efficiency and enhance the effectiveness of meetings for boards and committees.

Board Meetings

The Board met 12 times during FY23/24. The directors who served on the Board and their attendance at board meetings during the FY23/24 are provided in the following table:-

Directors	Board Status	Attendance
Mr. Jairaj Sonoo, C.S.K	Independent Non-Executive Director	12/12
Mr. Kevin Ramkaloan	Independent Non-Executive Director	8/12
Mr. Ishwarlall Bonomaully	Non-Executive Director	11/12
Mr. Dhirajsingh Rughoobur	Non-Executive Director	8/12
Mrs. Lilowtee Rajmun-Jooseery, C.S.K	Independent Non-Executive Director	12/12
Mr. Namasivayen Poonosamy	Non-Executive Director	8/12
Dr. Yousouf Ismaël	Independent Non-Executive Director	12/12
Mr. Kunal Shivah Appadoo	Independent Non-Executive Director	8/12
Mr. Vassoo Allymootoo Putchay (Up to 24 February 2024)	Non-Executive Director	6/8

A Board Charter has been adopted by the Board outlining the objectives, roles and responsibilities of the Board and same is reviewed periodically. The Board Charter can be viewed on the Company's website. The Board Charter will be reviewed on an annual basis.

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE TWO - STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)
Board Meetings (Cont'd)

A summary of the main deliberations of the Board during the financial year FY23/24 is provided below:-

- Consider applications for leasing, factoring and other financing facilities
- Consideration for AML/CFT Training
- Reconstitution of Sub-Committees
- Approval of the Corporate Governance Report and Audited Financial Statements for the year ended 30 June 2023
- Consider the Compliance Report, MLRO Report and Independent AML/CFT Audit Report
- Approval of Board Evaluation Questionnaire
- Approval of the Business Continuity and Disaster Recovery Plan, Standard Operating Procedures, Business Risk Assessment Manual, Finance & Procedure Manual, Payroll & Procedure Manual and Terms & Reference of the Assets and Liabilities Management Committee
- Review of the Standard Operating Procedures
- Approval of the IFCM Tariff Guide for 2024
- Approval of Budget for the years 2023-2024 and 2024-2025
- Recruitment of staff
- Appointment of Consultant for the IFCM Remuneration framework

Board Committees

During the year under consideration, the Board had four standing Committees in the discharge of its duties and each operate within approved terms of reference. The Chairperson of each Committee regularly reports to the Board on matters discussed at the Committees. The Company Secretary of the Board acts as Secretary of these Committees. The Charters are reviewed periodically by the Committees and any proposed amendments are recommended to the Board for approval.

A. Audit, Risk Management and Corporate Governance Committee

The Audit, Risk Management and Corporate Governance Committee (ARMCG) is governed by a Charter in line with the provisions of the Code. The ARMCG Charter was approved by the Board and is available on the website. As at 01 July 2023, the ARMCG comprised the following members:-

- Dr. Y. Ismaël - Chairperson
- Mr. D. Rughoobur - Member
- Mr. I. Bonomaully - Member
- Mrs. L. Rajmun-Jooseery, C.S.K - Member
- Mr. K. S. Appadoo - Member

On 05 September 2023, the ARMCG was reconstituted as follows:-

- Dr. Y. Ismaël - Chairperson
- Mrs. L. Rajmun-Jooseery, C.S.K - Member
- Mr. I. Bonomaully - Member
- Mr. D. Rughoobur - Member

The ARMCG met **seven (7) times** and the attendance of the members is summarised hereunder:-

Members	Category	Attendance
Dr. Y. Ismaël - Chairperson	Independent Non-Executive Director	7/7
Mr. D. Rughoobur	Non-Executive Director	7/7
Mrs. L. Rajmun-Jooseery, C.S.K	Independent Non-Executive Director	5/7
Mr. I. Bonomaully	Non-Executive Director	6/7
Mr. K. S. Appadoo	Independent Non-Executive Director	1/2

Focus areas of the ARMCG during the FY23/24

- Consider the Budget for the years 2023-2024 and 2024-2025
- Review of AML/CFT Policy and Procedures
- Consider the Compliance Report, MLRO Report and Independent AML / CFT Audit Report
- Review of the Board Evaluation Questionnaire
- Review of the Business Continuity and Disaster Recovery Plan, Standard Operating Procedures and Business Risk Assessment Manual
- Consider and recommend to the Board approval of the Corporate Governance Report and Audited Financial Statements for the year ended 30 June 2023
- Consider and recommend to the Board approval of the Finance & Procedure Manual, Payroll & Procedure Manual and Terms & Reference of the Assets and Liabilities Management Committee
- Review of the IFCM Tariff Guide 2024

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
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PRINCIPLE TWO - STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)
Board Committees (Cont'd)

B. Investment and Credit Committee

The Investment and Credit Committee (ICC) is governed by a Charter which was approved by the Board and is available on the website. As at 01 July 2023, the ICC comprised the following members:-

- Mr. J. Sonoo, C.S.K - Chairperson
- Mr. K. Ramkaloan - Member
- Mr. I. Bonomaully - Member
- Mr. V. Putschay - Member

On 05 September 2023, the ICC was reconstituted as follows:-

- Mr. I. Bonomaully - Chairperson
- Mr. D. Rughoobur - Member
- Mrs. L. Rajmun-Jooseery, C.S.K - Member
- Dr. Y. Ismaël - Member
- Mr. V. Putschay - Member

The ICC met **25 times** during the year ended 30 June 2024 and the attendance of the members is summarised hereunder:-

Members	Category	Attendance
Mr. I. Bonomaully - Chairperson	Independent Non-Executive Director	25/25
Mr. J. Sonoo, C.S.K	Independent Non-Executive Director	3/3
Mr. K. Ramkaloan	Independent Non-Executive Director	3/3
Mrs. L. Rajmun-Jooseery, C.S.K	Independent Non-Executive Director	21/25
Dr. Y. Ismaël	Independent Non-Executive Director	21/25
Mr. V. A. Putschay (Up to 24 February 2024)	Non-Executive Director	13/16

Focus areas of the ICC during the FY2023/2024

- Consider applications for leasing, factoring and credit finance under the Modernisation and Transformation Fund and financial assistance for debenture subscription
- Consider applications for Carbon Neutral Industrial Sector Projects
- Consider the updated Treasury Position
- Consider the progress reports on applications approved by the Committee and in the pipeline

After the FY end, i.e on 18 September 2024, the ICC was reconstituted as follows:-

- Mr. I. Bonomaully - Chairperson
- Mr. D. Rughoobur - Member
- Mrs. L. Rajmun-Jooseery, C.S.K - Member
- Mr. Y. Ismaël - Member
- M. S. Joomun - Member

C. HR Committee

The HR Committee is governed by a Charter which was approved by the Board. The Charter can be viewed on the website of IFCM. As at 01 July 2023, the HR Committee comprised the following members:-

- Mrs. L. Rajmun-Jooseery, C.S.K - Chairperson
- Mr. D. Rughoobur - Member
- Dr. Y. Ismaël - Member
- Mr. V. Putschay - Member

On 05 September 2023, the HR Committee was reconstituted as follows:-

- Mr. K. Ramkaloan - Chairperson
- Mr. V. Putschay - Member
- Mr. N. Poonosamy - Member
- Mr. K. S. Appadoo - Member

The HR Committee met **6 times** during the year ended 30 June 2024:-

Members	Category	Attendance
Mr. K. Ramkaloan - Chairperson	Independent Non-Executive Director	3/3
Mrs. L. Rajmun-Jooseery, C.S.K	Independent Non-Executive Director	3/3
Mr. D. Rughoobur	Non-Executive Director	3/3
Dr. Y. Ismaël	Independent Non-Executive Director	3/3
Mr. V. Putschay (Up to 24 February 2024)	Non-Executive Director	4/5
Mr. N. Poonosamy	Non-Executive Director	3/3
Mr. K. S. Appadoo	Independent Non-Executive Director	3/3

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
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PRINCIPLE TWO - STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)
Board Committees (Cont'd)

Focus areas of the HR Committee during the FY2023/2024

- Consider and recommend to the Board additional manpower requirements
- Review of the terms and conditions of the contract of employment for staff
- Approval of training plan for the third quarter 2023 and first quarter 2024
- Review of HR Manual and the Performance Management Assessment Form
- Implementation of a Disciplinary and Grievance Policy

After the FY end, i.e on 18 September 2024, the HR Committee was reconstituted as follows:-

- Mr. K. Ramkaloan - Chairperson
- Mr. N. Poonosamy - Member
- Mr. K. S. Appadoo - Member
- M. S. Joomun - Member

D. Finance Committee

The Finance Committee is governed by a Terms of Reference which was approved by the Board. The main responsibilities of the Finance Committee, amongst others, are as follows:-

- (i) Review of financial policies and strategies, and making recommendations to the Board;
- (ii) Analysis of proposals for tariff review;
- (iii) To make recommendations to the Board on matters of finance and accounting in general and tender of goods and services; and
- (iv) To examine the budgets, cash flow statements and management accounts.

The Finance Committee was set up by the Board on 18 June 2024, with the following members:-

- Mr. D. Rughoobur - Chairperson
- M. S. Joomun - Member (subject to FSC approval)

No meeting of the Finance Committee was held during the period 18 June 2024 to 30 June 2024.

PRINCIPLE THREE - DIRECTOR APPOINTMENT PROCEDURES

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

Appointment of Directors

The Constitution of the Company provides that the number of directors shall be at least three (3) and not more than nine (9). The appointment of directors is subject to a predetermined process and is governed by the Company's Constitution and the Act. The Board carefully considers the needs of the Company in appointing Board Members. The following factors are considered:-

- Skills, knowledge and expertise required on the Board;
- Skills, knowledge and expertise of the proposed Director;
- Previous experience as a Director;
- Specific roles required on the Board such as Chairperson of a Committee;
- Balance required on the Board such as gender and age;
- Independence where required;
- Amount of time the proposed Director is able to devote to the business of the Board; and
- Conflicts of interests.

The proposed appointee is required to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest. Each director is elected at a separate resolution at the Annual Meeting of Shareholders to hold office until the next Annual Meeting.

Succession Plan

The Board is responsible to give consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board to ensure continuity. The Board assumes the responsibilities for succession planning for identifying candidates for key leadership positions in the organisation to ensure that there is a strong team assisting the Chief Operations Officer at all times. The profiles of the Management Team are disclosed on Pages 4 to 6.

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CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE TWO - STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONT'D)

Induction

Upon joining the Board, new directors benefit from an induction programme aimed at deepening their understanding of the businesses, environment and markets in which the Company operates. The directors receive a comprehensive induction pack from the Company Secretary which can be accessed on the Board Portal of the Company. The induction pack contains essential information to enable directors to develop a good understanding of the Company. As part of the induction programme, a briefing session is also organised by the Chief Operations Officer. Directors have also the opportunity to meet the key personnel of the Senior Management.

Professional Development

Directors are encouraged to keep themselves abreast of changes and trends in the Company's business, environment and markets. During the Board evaluation exercise, Board Members are invited to indicate any training development programme needs/requirements. The Board has taken cognizance of the requirement of apprising members of the Anti-Money Laundering/Combating Financing of Terrorism (AML/CFT) requirements. An AML/CFT training was held for the directors in October 2024.

PRINCIPLE FOUR - DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

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

Legal Duties

All Directors are aware of their legal duties, as per the Companies Act 2001 and legal obligations contained in other legislations. Directors are required to exercise that degree of care, skill and diligence which a reasonably prudent and competent director in his or her position would exercise.

During the discharge of their duties, they are entitled to seek independent professional advice at the Company's expense and have access to the records of the Company. The Company Secretary also apprises the Board of any major changes in the Companies Act affecting their role as Directors.

A Directors' and Officers' Liability Insurance cover has been subscribed by IFCM. The said policy provides cover for the risks arising out of acts or omissions of the Directors and Officers of the Company. The cover does not provide insurance against fraudulent, malicious or willful acts or omissions.

Code of Ethics

The Company is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. The Board regularly monitors and evaluates compliance with its Code of Ethics. Adequate grievances and disciplinary procedures are in place to enable enforcement of the Code of Ethics. The Code of Ethics also includes a whistle blowing mechanism. The Code of Ethics can be viewed on the Company's website.

Conflict of Interest

Board Members have a fiduciary duty to conduct themselves without conflict of the interests of the Company. In their capacity as Board Members, they must subordinate personal individual business, third-party and other interests to the welfare and best interests of the Company. The Company ensures that directors declare any interest and report to the Chairperson and Company Secretary any related party transactions. A register of conflict of interests is kept by the Company Secretary. As a measure of good practice, the disclosure of any conflict of interests is a standing item on the Board's agenda such that at the beginning of each meeting, the Directors are invited to declare their interests, if any.

All conflict of interest and related-party transactions have been conducted in accordance with the Conflicts of Interest and Related-Party Transaction Policy and Code of Ethics.

Information, IT and Information Security Governance

The Board of Directors is responsible for the governance of the Company's information strategy, information technology and information security. The Audit, Risk Management and Corporate Governance Committee ensures that appropriate resources are allocated for the implementation of an information and IT security framework. The Company had outsourced its IT functions. A Service Level Agreement was entered with The State Investment Corporation Limited for provision of IT Services, including amongst others, devising ICT strategies, promoting ICT culture, implementation of new ICT solution and systems, policy and procedures, conduct of trainings and IT Governance. The Service Level agreement also included a confidentiality clause to protect information exchanged between the two parties.

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE FOUR - DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

Information, IT and Information Security Governance (Cont'd)

The IFCM has implemented security policies to ensure that data is safeguarded both within its premises as well as those hosted on the cloud server including access rights granted only to authorised personnel, password expiry and complexity policy implemented and backup of digital information. Testing of daily backup of the server are also conducted on a regular basis by the IT department. IFCM has also in place a Disaster Recovery Plan which ensures that in the event of a major disaster that causes the site to be unavailable, systems and business operations would be restored at a backup site within one-two hours.

Access to Information

The Chairman, the Company Secretary and the Chief Operations Officer ensure that management provides the Board, in a timely manner, with the information they need to properly function. Directors of the Company are entitled to have access, at all reasonable times, to all relevant Company information and to the management, if useful, to perform their duties.

Board Evaluation Process

The effectiveness of the Board as a whole and the contribution by each individual Director is assessed on an annual basis. The Board has established a system of Board Appraisal to assess the effectiveness/ performance of the Board and acts upon, when deemed appropriate. Feedbacks from Board members on improvement are welcomed.

Directors are issued a questionnaire prepared by the Company Secretary in consultation with the Chairperson, to seek the views, opinions and recommendations of Directors. The results are analysed and discussed by the Board and action considered for implementation. The Board considers that the current evaluation process is sufficient. No external independent Board Evaluator was appointed.

Statement of Remuneration Philosophy

The Directors are remunerated for their knowledge, experience and insight. The remuneration policy is to reward the collective contribution of Directors towards achievement of the Company's objectives. The Directors' remuneration in similar companies is also used as a guide. The total fees (including sub-committee fees) earned by Directors during the year under review, were as follows:-

Directors	Total
Mr. Jairaj Sonoo, C.S.K	Rs 516,000
Mr. Kevin Ramkaloan	Rs 288,000
Mr. Ishwarlall Bonomaully	Rs 356,000
Mr. Dhirajsingh Rughoobur	Rs 315,000
Mrs. Lilowtee Rajmun-Jooseery, C.S.K	Rs 351,000
Mr. Namasivayen Poonoosamy	Rs 262,000
Dr. Yousouf Ismaël	Rs 374,000
Mr. Kunal Shivah Appadoo	Rs 272,000
Mr. Vassoo Allymootoo Putchay - (Up to 24 February 2024)	Rs 217,000

PRINCIPLE FIVE - RISK GOVERNANCE AND INTERNAL CONTROL

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

Risk Governance

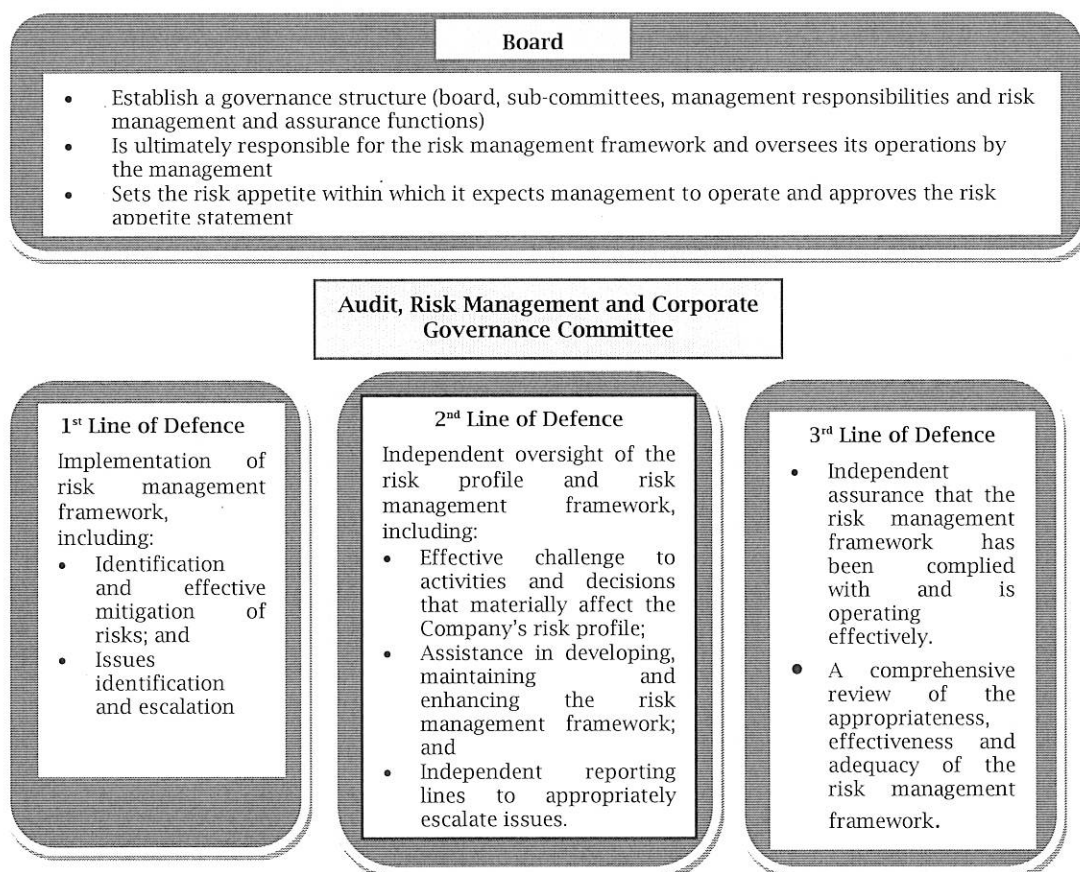
The Board of Directors holds the ultimate responsibility for maintaining and reviewing the effectiveness of risk management and internal control systems and determining the nature and extent of the principal risks the Company is willing to take in achieving its strategic objectives. As such, the Board helps to determine the risk culture and provides management with leadership and guidance. Oversight of the Company's risk management process and internal control systems is delegated to the Audit, Risk Management and Corporate Governance Committee. The risk governance model of IFCM provides formalised, transparent and consistent governance that clearly defines the roles and responsibilities and reporting lines to effectively manage risk. The governance model aims to place accountability and ownership as close as possible to where the risks arise whilst facilitating an appropriate level of independence and segregation of duties between the risk-taking units, risk control unit and independent assurance function in managing risk across IFCM.

IFCM adopts the industry-standard three lines of defence model to articulate accountabilities and responsibilities for managing both its key financial (e.g., credit, market, liquidity) and non-financial risks (e.g., operational risk, fraud, business resilience, compliance and IT risk among others).

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE FIVE - RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

Risk Governance (Cont'd)



The Audit, Risk Management and Corporate Governance Committee assists the Board in carrying out its accounting, internal control and financial reporting responsibilities. It reviews the effectiveness of internal control systems relating to both financial and risk management controls and ensures compliance with financial and risk reporting. Any deviations in policies and non-performance of internal controls are duly reported and discussed at both Management and Audit, Risk Management and Corporate Governance Committee levels.

Systems and processes are in place for implementing, maintaining and monitoring the internal controls. The Company's internal control systems are reviewed on a yearly basis in line with the guidelines of the Financial Services Commission by conducting risk assessment that covers the adequacy and effectiveness of the Company's compliance function.

Assurance on risk management processes

The Board relies on the External Auditors Report to identify any weaknesses observed in internal processes and controls, compliance issues and any material misstatements noted in the financial reports. Moreover, it makes recommendations to ensure the effective and efficient use of available resources and ascertaining the accuracy of information used in the preparation of financial statements.

The principal risks faced by the Company and the way the risks are managed are as follows:

Within the Company, the risk elements are viewed under the following headings:

- Strategy and Planning: Common types of strategic risks include reputational, governance, competitive risks amongst others.
- *Compliance and regulatory risks*: Dishonest or fraudulent acts intended to defraud or misappropriate property or circumvent regulations, law and policies and involve at least one internal party and a third party respectively.
- Legal risks: Refer to the failure to comply with statutory or regulatory obligations
- Financial risks: Include those risks faced by the business in terms of handling its finances, such as defaulting on loans, debt load, changes in exchange or interest rates. It encompasses the following categories of risks:
 - (1) *Credit risk*: The Company takes exposure on credit risk when dealing with third parties
 - (2) *Interest rate risk*: Changes in the level of interest rates impact on the return of cash flow and equities.
 - (3) *Liquidity risk*: The Company is exposed to liquidity risk in so far as it holds investments that cannot be bought or sold quickly, without significant price concessions.

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE FIVE - RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

Risk Governance (Cont'd)

- Operational risks: Encompass inadequate or failed internal processes or systems, human errors or misconduct, or adverse external events. The main areas of risk of loss are risks relating to internal fraud due to unauthorised activity, theft or fraud due to theft, systems' security failure or tampering, employment practices and workplace safety due to unhealthy employee relations, improper environment, improper business or market practices, disputes over performance and management of monies, damage to physical assets due to disaster and other events, business disruptions, system's failures and inaccurate reporting.

Strategy and Planning

Strategy and Planning risks refer to those risks that relate to adverse business decisions, poor implementation of business decisions, or lack of responsiveness to changes in the legal and regulatory environment. This risk area oversees risks associated with economic conditions, business continuity and outsourcing.

Compliance and regulatory

Compliance and regulatory risks relate to the risks of violations of laws or regulations, or nonconforming to prescribed practices, internal policies and procedures or ethical standards.

Legal

Legal risk arises from the potential that unenforceable contracts, lawsuits or adverse judgments can disrupt or otherwise negatively affect the operations of condition of the Company. Legal risks are mitigated by thorough legal due diligence, ensuring compliance with regulations, and drafting comprehensive and legally vetted agreements. Engaging legal experts for reviews, implementing robust documentation processes, and staying updated on legal developments help safeguard against potential litigation, regulatory fines, and other legal challenges, ensuring a legally sound business operation.⁴

Financial

Financial risk can appear in many forms, from customers who fail to pay their monthly installments or repayments, changes in interest rate and even the company's own business strategy, if risky decisions are made. Financial risks are mitigated through rigorous credit risk assessment, diversification of loan portfolios, and conducting customer due diligence. Implementing stringent underwriting standards, monitoring borrower creditworthiness, and using risk mitigation tools such as collateral and guarantees contribute to minimizing potential losses and maintaining financial stability.

Operational Risk

Operational risk arises from human error, inappropriate conduct, failures in systems, processes and controls or natural and man-made disaster. It is managed through conducive and control environment with robust operational risk policies, processes, systems as well as appropriate risk culture within the organization.

AML/CFT Risk

There is the risk of clients repaying their loans or borrowings with illicit or illegally gained money. IFCM has adapted its risk management framework to be compliant with the provisions of the law on Anti-Money Laundering/Combating the Financing of Terrorism ("AML/CFT"), in particular with FIAMLA 2002 and FIAML Regulations 2018. AML/CFT procedures and policy manuals have been designed, approved by the Board and rolled out to all staff and the Board members. The Company values the importance of compliance with the law and all employees have attended the necessary AML/CFT training sessions. IFCM has also appointed a Money Laundering Reporting Officer (MLRO) and a Deputy Money Laundering Reporting Officer (DMLRO) to meet its AML/CFT regulatory obligations. The appointed officers act as the focal point within the Company to fight against money laundering and financing of terrorism. The MLRO and DMLRO have direct access to the board.

Frameworks and processes for the sound management of Risk and Internal Controls

Internal control is defined as the process designed and implemented by the management of IFCM to ensure the following:-

- The effectiveness and efficiency of its operations;
- Those instructions and directorial guidelines fixed by management are adhered to
- Applicable laws and regulations are complied with;
- Appropriate controls are in place to safeguard its assets; and
- Financial information is complete and reliable.

IFCM has implemented an Internal Control Policy and Compliance Policy which defines the various responsibilities of the board of directors and senior management concerning the principles of the control environment.

Moreover, the internal control systems of the organisation comprise the following components:-

- Control Environment
- Risk Assessment;
- Control Activities
- Accounting, Information and Communication
- Self-assessment and Monitoring

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE FIVE - RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

Frameworks and processes for the sound management of Risk and Internal Controls (Cont'd)

The Company has also adopted an Operational Risk Management (ORM) Policy highlighting the overall principles, philosophy, objectives and goals of the management of operational risk in IFCM. The ORM is built and driven from the 'The Principles for the Sound Management of Operational Risk' of BASEL and meeting the 'Qualifying Criteria' for the adoption of The Standardized Approach. At the first line of defence are the Risk-Taking Units comprising of the Business Units (Front Office) and Support Units of IFCM. The Risk-Taking Units have the primary responsibility for managing risk exposures on a day-to-day basis and responsible for identifying and managing the risks inherent in the products, activities, processes, and systems for which it is accountable. The second line of defence comprises the Compliance Team and Monitoring and Recovery Team. IFCM has created a Monitoring and Recovery Team, Credit Underwriting Team and Compliance Team to ensure that there is an effective oversight and guidance over the effective operation of the internal control framework. Pending the appointment of an Internal Auditor, the Heads of Department of the Business Units and Support Units, Compliance Officer, Legal Officer of IFCM with the assistance of the Audit, Risk Management and Corporate Governance Committee ensure that the potential risks faced by the Company are effectively monitored and managed and make appropriate recommendations to the Board.

Whistle-blowing rules and procedures

IFCM welcomes the reporting of suspicious misconduct, illegal acts or any acts outside the scope and policies of IFCM. In line with that commitment, IFCM has implemented a Code of Ethics which has been designed in such a way to assist employees who have concerns about any aspect which involves malpractices or unethical issues to come forward and voice out those concerns. Employees are permitted to raise their concern directly to the Compliance Officer or the Chief Operations Officer/ Chief Executive Officer or even to the Board members.

PRINCIPLE SIX - REPORTING WITH INTEGRITY

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

The Board is responsible for the preparation of the annual report and accounts that fairly present the state of affairs of the organisation and the results of its operations and that comply with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the Mauritius Companies Act 2001. Likewise, the Board has the responsibility for selecting appropriate accounting policies based on reasonable and prudent judgements.

The Financial Statements and the Corporate Governance Report provides comprehensive details on all the Company's financial, environmental, social and governance position as well as its performance for the financial year under consideration. The Board considers that the audited financial accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the Company's financial position.

Environmental, Social, Safety and Health Issues, Corporate Social Responsibilities and Charitable and Political Contributions

Due to the nature of its activities, the Company's operations have no major impact on the environment and society.

The Company complies with the Occupational Safety and Health Act 2005 and other legislative and regulatory frameworks. With a view to promote health and safety knowledge sharing in order to make the Company a workplace safer and healthier, several trainings have been delivered to officers of the Company.

It is not in the policy of the Company to make political donations.

PRINCIPLE SEVEN - AUDIT

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

Internal Auditor

The role of Internal Auditor is to provide independent and objective assurance to management and the Board of Directors through the Audit, Risk Management and Corporate Governance Committee. By following a systematic and disciplined approach, the Internal Auditor helps to accomplish the Company's objectives by evaluating and recommending improvements to operations, internal controls, risk management systems, and governance process.

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE SEVEN – AUDIT

Internal Auditor (Cont'd)

The Internal Auditors reports directly to the Audit, Risk Management and Corporate Governance Committee. He/She has unrestricted access to review all activities and transactions undertaken within the Company and to appraise and report thereon. There was no restriction placed over the right of access by internal audit to the records, management or employees of the organisation. The Internal Auditor has no operational responsibility or authority over any of the activities audited. Accordingly, the Internal Auditor is not involved in internal controls, developing procedures, installing systems, preparing records, or engaging in any other activity that may impair his judgment.

The selection of an Internal Auditor is ongoing.

External Audit

MOORE Mauritius have been appointed as External Auditors for the financial year June 2024.

The External Auditors are responsible to provide an independent audit opinion on the financial statements. The Auditor's report also includes key audit matters which in the auditors' judgement are of significant importance in the audit of the financial statements. These key audit matters are taken up for discussion at the level of the Audit, Risk Management and Corporate Governance Committee prior to finalizing the financial statements.

The Audit, Risk Management and Corporate Governance Committee ensures that the External Auditor is rotated at least every 7 years. Appointment of External Auditor is done through a tendering process.

Information on non-audit services

The Audit, Risk Management and Corporate Governance Committee and the Board ensure that whenever non-audit services are provided, the fees remain reasonable compared to audit fees such that auditors' objectivity and independence are not impaired.

Regulators

Relationships with the regulators and authorities, mainly the Registrar of Companies, Financial Services Commission and the Mauritius Revenue Authority are considered as essential regarding the compliance side of the Company. The Company maintains an open and transparent relationship with its regulators through written communications, filing of returns and financial reports. These relationships are viewed as strategic partnerships to ensure that the Company upholds and maintains the best practices with transparency.

PRINCIPLE EIGHT - RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

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

Share Capital Structure

The holding structure of IFCM as at 30 June 2024 was as follows:-

Shareholders	Shares	Percentage Holding (%)
Government of Mauritius	10 000	0.06
National Resilience Fund	16 988 990	99.94
Total	16 998 990	100.00

Dividend Policy

The Board has not established a formal dividend policy.

Engagement with shareholders

The Board of Directors places great importance on open and transparent communication with its shareholders. The Company communicates with its shareholders through its Annual Report and meetings of shareholders whenever required.

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE EIGHT - RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

Relations with Shareholders and stakeholders

The next Annual Meeting of Shareholders is scheduled in December 2024 and appropriate notice of meeting is sent to shareholders at least 21 days before the meeting in accordance with the Mauritius Companies Act 2001.

The Company and the Board have always maintained an open line of communication with all stakeholders. Key stakeholders of the Company are clients, shareholders, employees, regulators & government authorities (mainly the Financial Services Commission, Registrar of Companies, and Mauritius Revenue Authority), the public and investors and external auditors among others. The Company communicates through emails, social media, press announcements and publications.

Calendar of Important Events

The following is a schedule of important events:-

Date	Important Events
30 June 2024	Financial Year End
December 2024	Approval of Accounts 2024
December 2024	Annual Meeting of Shareholders

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

STATEMENT OF COMPLIANCE
(Section 75 (3) of the Financial Reporting Act)

Name of PIE: Industrial Finance Corporation of Mauritius (IFCM) Ltd
Reporting period: 30 June 2024

We, the Directors of Industrial Finance Corporation of Mauritius (IFCM) Ltd (the "Company"), confirm to the best of our knowledge that the Company has complied with all of its obligations and requirements under the National Code of Corporate Governance except for the following sections:-

Reasons for non-compliance with the sections of the Code:

Principle Two: Structure of the Board and its Board Committees

Board Composition - Appointment of Executive Directors

There is currently no Executive Director.

The Board is of the view that the appointment of two executive directors on the Board, as required by the Code, is not necessary, taking into account the present level of operations. The Management Team is invited to attend meetings of the Board and Sub-Committees to assist in the decision-making process.

Principle Seven: Audit

Internal Auditor

The selection of an Internal Auditor is ongoing and is expected to be finalised during the financial year ended 30 June 2025.

Signed on behalf of the Board of Directors:


.....
DIRECTOR


.....
DIRECTOR

30-01-2025

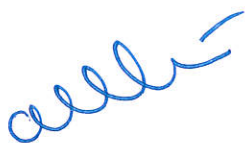
**INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
FOR THE YEAR ENDED 30 JUNE 2024**

SECRETARY'S CERTIFICATE

TO THE MEMBERS OF INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD

UNDER SECTION 166(d) OF THE COMPANIES ACT 2001

We certify, to the best of our knowledge and belief, that **INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD** (the "Company") has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001, except for the audited financial statements 30 June 2024, for which an extension has been sought.



.....
Prime Partners Ltd
Company Secretary

Date: 15 January 2025

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF
INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD** (the "Company"), 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 ended 30 June 2024, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 29 to 47.

In our opinion, these 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, changes in equity and cash flows for the period ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (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.

Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and Certificate from the Secretary, or any other information. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF
INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD**

Report on the Audit of Financial Statements (continued)

Directors' Responsibility for the Financial Statements

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

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

Auditors' 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 auditors' 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 the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF
INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD**

Report on the Audit of Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

Other Matter

This report is made solely to the Company's members, 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 member those matters that we are required to state in an auditors' 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 member, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

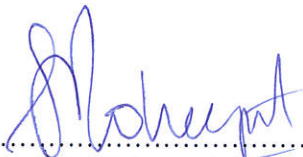
In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Corporate Governance Report

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



MOORE (Mauritius) LLP
Chartered Accountants



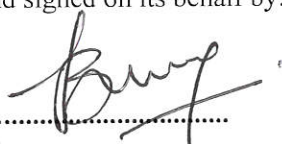
Shweta Moheeput, BSc, FCA
Licensed by FRC


DATE: 15 January 2025

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	<u>Notes</u>	2024 Rs	2023 Rs
ASSETS			
Cash and cash equivalents	7	1,518,231,397	1,003,469,897
Financial assets at amortised cost	6	1,565,135,071	726,625,685
Financial assets at fair value through profit or loss	6	25,000,000	25,000,000
Rights of Use Assets	5.B	11,368,041	13,941,937
Equipment	5	7,134,831	8,085,346
Intangible Assets	5.A	15,044,861	19,003,876
TOTAL ASSETS		<u>3,141,914,200</u>	<u>1,796,126,741</u>
LIABILITIES			
Corporate Guarantee Scheme	10	100,241,077	100,241,077
Borrowings	11.C	1,657,021,778	475,591,985
Other liabilities	9	-	3,694,619
Other payables	11.A	187,568,920	90,362,170
Lease liabilities	5.C	14,933,568	17,015,525
Retirement Benefit Obligations	11.B	1,611,114	540,600
TOTAL LIABILITIES		<u>1,961,376,457</u>	<u>687,445,975</u>
EQUITY			
Share Capital	8	1,699,899,900	1,699,899,900
Accumulated losses	16	(519,362,156)	(591,219,135)
TOTAL EQUITY		<u>1,180,537,744</u>	<u>1,108,680,765</u>
TOTAL EQUITY AND LIABILITIES		<u>3,141,914,200</u>	<u>1,796,126,741</u>

Authorised for issue by the Board of Directors on 15 January 2025
and signed on its behalf by:


.....
Director


.....
Director

The notes on pages 29 to 47 form an integral part of these financial statements

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	<u>Notes</u>	2024 Rs	2023 Rs
INCOME			
Interest income	12 (a)	51,722,625	22,914,858
Other income	12 (b)	114,980,013	141,366,827
		<u>166,702,638</u>	<u>164,281,685</u>
EXPENDITURE			
Director and committee fees		2,951,000	3,708,000
Employee benefits expenses		33,975,664	32,256,288
Legal and professional charges		414,500	30,905,958
Other operating expenses	13	28,969,381	20,637,267
Finance Costs		7,457,670	3,565,967
		<u>73,768,215</u>	<u>91,073,480</u>
PROFIT BEFORE IMPAIRMENT		92,934,424	73,208,205
Impairment losses and provision on financial assets	14	21,077,445	15,808,455
PROFIT FOR THE YEAR		<u>71,856,979</u>	<u>57,399,750</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE FOR THE YEAR		<u>71,856,979</u>	<u>57,399,750</u>

The notes on pages 29 to 47 form an integral part of these financial statements

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Share capital Rs	Accumulated losses Rs	Total Rs
At 1 July 2023	1,699,899,900	(591,219,135)	1,108,680,765
Operating profit	-	71,856,979	71,856,979
At 30 June 2024	<u>1,699,899,900</u>	<u>(519,362,156)</u>	<u>1,180,537,744</u>
At 30 June 2022	1,699,899,900	(648,618,885)	1,051,281,015
Operating profit	-	57,399,750	57,399,750
At 30 June 2023	<u>1,699,899,900</u>	<u>(591,219,135)</u>	<u>1,108,680,765</u>

The notes on pages 29 to 47 form an integral part of these financial statements

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	<u>2024</u>	<u>2023</u>
	Rs	Rs
Profit for the year	71,856,979	57,399,750
<i>Adjustment for:</i>		
Provisions	1,070,514	243,399
Depreciation	7,958,488	5,324,825
Finance costs	7,457,670	3,565,968
Interest income	(51,722,625)	(22,914,858)
	<u>36,621,026</u>	<u>43,619,084</u>
Cash generated used in operating activities		
Movement in financial assets at amortised cost	(834,304,004)	(438,851,247)
Movement in other payables	97,206,750	88,306,612
	<u>(700,476,228)</u>	<u>(306,925,551)</u>
Cash used in operations		
Finance Costs paid under Line of Credit	(5,915,833)	(1,849,543)
Interest received	51,722,625	22,914,858
	<u>(654,669,436)</u>	<u>(285,860,236)</u>
Net cash used in operating activities		
Cash flow from investing activities		
Purchase of plant and equipment and intangible assets	(475,063)	(20,832,945)
	<u>(475,063)</u>	<u>(20,832,945)</u>
Net cash used in investing activities		
Cash flow from financing activities		
Proceeds from Borrowings under Line of Credit	1,300,000,000	500,000,000
Repayment of Borrowings under Line of Credit	(118,570,206)	(24,408,014)
Repayment to MOFED via NRF	(7,900,000)	(9,582,115)
Lease payment	(3,623,794)	(3,325,401)
	<u>1,169,906,000</u>	<u>462,684,470</u>
Net cash generated from financing activities		
Net movement in cash and cash equivalents	514,761,500	155,991,288
At July 01,	1,003,469,897	847,478,608
Net increase in cash and cash equivalents	514,761,500	155,991,288
At June 30,	<u><u>1,518,231,397</u></u>	<u><u>1,003,469,897</u></u>
Cash and cash equivalents are represented by:		
Bank deposits	934,905,000	644,150,000
Cash and bank balances	583,326,397	359,319,897
	<u><u>1,518,231,397</u></u>	<u><u>1,003,469,897</u></u>

The notes on pages 29 to 47 form an integral part of these financial statements

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1 GENERAL INFORMATION

The Investment Support Programme Committee was restructured and converted into a company, namely INVESTMENT SUPPORT PROGRAMME (ISP) LIMITED (“the Company”) on 5 July 2019 following budgetary measures 2019-20. The Company changed its name to INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD on 17 September 2021.

The main activity of the Company is to collaborate with other relevant public sector bodies for the development of the new ecosystem; support enterprises in the adoption of the most appropriate modern technologies; and arrange for financial support towards modernisation of processes. As from 8 October 2021, the Company has been granted both a leasing and factoring licence and is engaged in the leasing and factoring businesses.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Company comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB). These financial statements are that of an individual entity and are presented in Mauritian Rupees. The accounting policies have been consistently applied to all the years presented, unless otherwise stated and where necessary comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that the relevant financial assets and financial liabilities are stated at their fair value or at amortised cost.

Critical accounting estimates and judgements

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

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

In the current year, the following new and revised standards and interpretation issued by the IASB became mandatory for the financial year beginning on 01 July 2023:

IFRS 17 Insurance contracts

IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised
- as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short-duration contracts, which are often written by non-life insurers

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (contd)

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

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

The new standard had no impact on the financial statements of the Company as the Company is not involved in the insurance business.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

These amendments had no significant impact on the financial statements of the Company.

Definition of Accounting Estimates – Amendments to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

These amendments had no significant impact on the financial statements of the Company.

Deferred Tax related to Assets and liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (contd)

Deferred Tax related to Assets and liabilities arising from a Single Transaction -Amendments to IAS 12

IAS 12 did not previously address how to account for the tax effects of on balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

These amendments had no significant impact on the financial statements of the Company.

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 01 July 2024, or later periods, but which the Company has not early adopted.

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

- Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1) - Applicable to annual reporting periods beginning on or after 1 January 2024.
- Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture
- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback - Applicable to annual reporting periods beginning on or after 1 January 2024

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

2.1 Equipment

Equipment is stated at historical cost less depreciation. 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. All repair and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to write off their cost to their residual values over their estimated useful lives as follows:

	Annual Rate
Furniture and fittings	10%
Office equipment	10%
Computer equipment	20%

The assets' residual values, useful lives and depreciation methods 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.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (contd)

2.2 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful economic lives of 3 to 10 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

The amortisation rate on computer software for the company is at 20% per annum.

An intangible asset is derecognised on disposal or when no future benefits are expected from its use or disposal. The gain or loss on derecognition is the difference between any net disposal proceeds and carrying amount of the asset and is recognised in the statement of profit or loss when the asset is derecognised.

2.3 Leases

Prior January 1, 2019, leases were classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they were attributable to qualifying assets in which case, they were capitalised in accordance with the policy on borrowing costs.

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

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

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

Identifying Leases

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

- (a) There is an identified asset;
- (b) The Company obtains substantially all the economic benefits from use of the asset; and
- (c) The Company has the right to direct use of the asset.

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

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

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (contd)

2.3 Leases (contd)

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

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

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

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

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

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

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

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

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

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (contd)

2.3 Leases (contd)

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

2.4 Financial Assets

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

(i) Fair value through profit or loss

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

- Debt investments that do not qualify for measurement at either amortised cost or FVOCI

(ii) Amortised cost

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

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

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

The Company's financial assets are measured at amortised cost comprise debt instruments at amortised cost, loans and advances to customers, other receivables and cash and cash equivalents in the statement of financial position.

The Company's financial assets are measured at fair value through profit or loss comprise debt instruments at fair value through profit or loss.

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

The Company derecognises a financial asset when the rights to receive cash flows from the asset have expired and the Company has transferred substantially all the rights and rewards relating to the asset to a third party.

2.5 Financial Liabilities

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

Other than financial liabilities in a qualifying hedging relationship, the Company's accounting policy for each category is as follows:

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (contd)

2.5 Financial Liabilities (contd)

(i) Funds due to NRF

Funds due to NRF are stated at fair value and subsequently measured at amortised cost using the effective interest method.

(ii) Other payables

Other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. 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 as exchange or modification is treated as the derecognition at the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.6 Share Capital

Ordinary shares are classified as equity.

2.7 Foreign currencies

(a) *Functional and presentation currency*

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

(b) *Transactions and balances*

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

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

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

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

2.8 Impairment of non-financial assets

The carrying amounts of assets are assessed at each reporting date to determine whether there is any indication of impairment. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, the asset is subject to impairment. The recoverable amount of the asset is estimated, being the higher of the asset's net selling price and its value in use, to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount.

The impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reasonably estimated will be required to settle the obligation.

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (contd)

2.9 Provisions (contd)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.10 Revenue recognition

(i) Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). For all financial measured at amortised cost, interest income is recorded using the effective interest rate (EIR).

(ii) The Company provides factoring services to its customers and receive fees at a percentage for each transaction agreed. The Company has only non-recourse factoring arrangements.

In a non-recourse factoring arrangement, the transferor does not provide any guarantee about the total receivables's performance. As such, the Company obtain credit insurance on the portfolio of receivables prior to factoring them. On factoring, the Company become the beneficiary of the credit insurance. The Company do not disburse any amount higher than the credit insurance received.

Furthermore, the Company take credit insurance and then charge those costs to the transferor within its factoring fee. The performance obligation is satisfied at the acceptance of the invoice for which it provides the factoring service and the revenue is recognised at this point.

2.11 Expenses recognition

Expenses are accounted for in the statement of comprehensive income on the accruals basis.

2.12 Taxation

The company is an equity fund. Under the Income Tax Act 1995, it is an exempt body and therefore not subject to income tax.

2.13 Provision on gratuity on retirement

The net present value of gratuity on retirement payable under the Mauritian Worker's Right Act 2019 has been provided for the employees. The obligations arising under this item are not funded. The Mauritian Worker's Right Act 2019 stipulates that the gratuity paid on retirement should be based on the remuneration (which is inclusive of payment for extra work, productivity bonus, attendance bonus, commission in return for services and any other regular payment) of the employee instead of the earnings. The amount due per year of service is 15 days remuneration based on a month of 26 days (15/26).

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

3 FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk and
- Foreign exchange risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

•Credit risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's financial assets at amortised cost, cash and cash equivalents and trade and other receivables. Cash and cash equivalents are held with reputable institutions. The Company performs ongoing credit evaluation of its customers' financial conditions. It is the Company's policy to extend credit guarantee facility to a diversity of creditworthy counter-parties so that the Company has no significant concentration of credit risk.

Exposure to credit risk

The carrying amount to financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2024	2023
	Rs	Rs
Financial assets at amortised cost	1,565,135,071	726,625,685
Financial assets at fair value through profit or loss	25,000,000	25,000,000
	<u>1,590,135,071</u>	<u>751,625,685</u>

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

3 FINANCIAL RISK MANAGEMENT (contd)

Impairment and risk exposure

The loss allowance for financial assets at amortised cost as at January 01 reconciles to the closing loss allowance as at June 30, as follows:

	2024	2023
	Rs	Rs
Loss allowance at 1 July	221,935,274	206,126,819
Allowance recognised in profit or loss during the year	21,077,445	15,808,455
Loss allowance at 30 June	<u><u>243,012,719</u></u>	<u><u>221,935,274</u></u>

•*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to maturity date.

	2024	2023
	Rs	Rs
<i>Less than one year</i>		
Other payables (Note 11A)	<u><u>187,568,920</u></u>	<u><u>90,362,170</u></u>

•*Market risk*

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

•*Foreign currency risk*

All of the financial assets at amortised cost are denominated in Mauritius Rupee. There is also no exposure to price risk as the investments will be held to maturity.

	2024	2023
	Rs	Rs
Mauritian Rupee	326,830,051	135,516,358
US Dollar	172,167,810	131,304,653
UK Pound	77,121,742	72,318,234
EURO	7,206,794	20,180,652
	<u><u>583,326,397</u></u>	<u><u>359,319,897</u></u>

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

3 FINANCIAL RISK MANAGEMENT (Contd)

- *Interest rate risk*

The Company's interest rate risk arises from short-term deposits. Short-term deposits issued at variable rate expose the Company to cash flow interest rate risk. Short-term deposits consist of:

	2024	2023
	Rs	Rs
Bank deposits	<u>934,905,000</u>	<u>644,150,000</u>

Sensitivity Analysis

At 30 June 2024, if interest rate on interest bearing assets had been 50 basis points higher/lower with all other variables held constant, income for the year would have been Rs 7,066,659 (2023: Rs 1,438,545) lower/higher mainly as a result of higher/lower interest income on bank deposits.

- *Price risk*

As at 30 June 2024, the Company did not have any financial assets which were subject to price risks.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholder and to maintain an optimal capital structure to reduce the cost of capital. In order to monitor and adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

The Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowing (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The Company has entered into an agreement with The State Investment Corporation Limited and The Development Bank of Mauritius Ltd for the implementation of Credit Guarantee Scheme (CGS) with each partnering institutions contribution amounting to Rs 25 million to meet the initial corpus amount of Rs 100 million of CGS.

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumption

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

(b) Depreciation policies

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

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

(c) Impairment of financial assets

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

(d) Limitation of sensitivity analysis

Sensitivity analysis in respect of market or interest rate 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 how 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.

(e) Going Concern

The Company's Management has made an assessment of its liability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast doubt on the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

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5 EQUIPMENT

	Furniture and Fittings	Computer Equipment	Total
	Rs	Rs	Rs
(a) COST			
At July 1, 2023	7,396,142	3,083,990	10,480,132
Additions	417,538	22,525	440,063
At June 30, 2024	7,813,680	3,106,515	10,920,195
DEPRECIATION			
At July 1, 2023	1,356,567	1,038,219	2,394,786
Charge for the year	770,301	620,277	1,390,578
At June 30, 2024	2,126,868	1,658,496	3,785,364
NET BOOK VALUE			
At June 30, 2024	5,686,812	1,448,019	7,134,831
(b) COST			
At July 1, 2022	6,135,128	2,921,741	9,056,869
Additions	1,261,014	162,249	1,423,263
At June 30, 2023	7,396,142	3,083,990	10,480,132
DEPRECIATION			
At July 1, 2022	617,413	423,989	1,041,402
Charge for the year	739,154	614,230	1,353,384
At June 30, 2023	1,356,567	1,038,219	2,394,786
NET BOOK VALUE			
At June 30, 2023	6,039,575	2,045,771	8,085,346

(c) Depreciation charge of Rs 1,390,578 (2023: Rs 1,353,384) has been charged in operating expenses.

5.A

	Software	Total
	Rs	Rs
(i) INTANGIBLE ASSETS - SOFTWARE		
COST		
At July 1, 2023	19,943,582	19,943,582
Additions	35,000	35,000
At June 30, 2024	19,978,582	19,978,582
DEPRECIATION		
At July 1, 2023	939,706	939,706
Charge for the year	3,994,015	3,994,015
At June 30, 2024	4,933,721	4,933,721
NET BOOK VALUE		
At June 30, 2024	15,044,861	15,044,861
At June 30, 2023	19,003,876	19,003,876

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(ii) INTANGIBLE ASSETS - SOFTWARE	Software	Total
COST	Rs	Rs
At July 1, 2022	533,900	533,900
Additions	19,409,682	19,409,682
At June 30, 2023	19,943,582	19,943,582
DEPRECIATION		
At July 1, 2022	39,036	39,036
Charge for the year	900,670	900,670
At June 30, 2023	939,706	939,706
NET BOOK VALUE		
At June 30, 2023	19,003,876	19,003,876
At June 30, 2022	494,864	494,864
5.B RIGHT OF USE ASSETS	2024	2023
Leased assets comprise of the following:	Rs	Rs
At July 1, 2023	13,941,937	15,382,370
Adjustment to Lease	-	1,630,337
Charge for the year	(2,573,896)	(3,070,770)
At June 30, 2024	11,368,041	13,941,937
5.C LEASE LIABILITIES	2024	2023
	Rs	Rs
At July 1, 2023	17,015,525	16,994,166
Adjustment to Lease	-	1,630,337
Finance cost	1,541,837	1,716,423
Lease payments	(3,623,794)	(3,325,401)
At June 30, 2024	14,933,568	17,015,525
<u>Analysed as follows:</u>		
- Current	2,531,744	2,081,957
- Non Current	12,401,824	14,933,568
	14,933,568	17,015,525

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6 INVESTMENTS IN FINANCIAL ASSETS

	Financial assets at fair value through profit or loss - net Non-current Rs	Financial assets at amortised cost - gross Non-current Rs	Financial assets at amortised cost - gross Current Rs
Redeemable Preference shares	6,500,000		
Investment in Corporate Guarantee Scheme	25,000,000		
Loans under Leasing facilities		1,353,108,972	
Debenture through Direct Support			-
Debenture through IFCM			14,315,117
Other Advances			16,151,328
Other receivables			8,210,699
Interest receivable on fixed deposits			5,066,203
Factoring			308,185,867
Debenture through RWG			6,150,315
Less : Irrecoverable loans written off		-	
: Fair value losses	(6,500,000)	-	-
Total, gross	25,000,000	1,353,108,972	358,079,529
Less : credit loss allowances	-	(30,356,641)	(115,696,789)
At 30 June 2024	25,000,000	1,322,752,331	242,382,740

The total financial assets at amorised cost as at 30 June 2024 is as follows:

	Rs
- Current	242,382,740
- Non Current	1,322,752,331
	<u>1,565,135,071</u>

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
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6 INVESTMENTS IN FINANCIAL ASSETS (contd)

	Financial assets at fair value through profit or loss - net	Financial assets at amortised cost - gross	Financial assets at amortised cost - gross
	Non-current	Non-current	Current
	Rs	Rs	Rs
Redeemable Preference shares	6,500,000		
Investment in Corporate Guarantee Scheme	25,000,000		
Loans under Leasing facilities		416,251,822	
Debenture through Direct Support			200,195,974
Debenture through IFCM			28,874,828
Other Advances			27,501,393
Other receivables			3,625,953
Interest receivables on fixed deposits			2,908,268
Factoring			248,313,232
Debenture through RWG			4,444,964
Less : Irrecoverable loans written off		-	(80,175,014)
: Fair value losses	(6,500,000)	-	-
Total, gross	25,000,000	416,251,822	435,689,597
Less : credit loss allowances	-	(10,259,357)	(115,056,377)
At 30 June 2023	25,000,000	405,992,465	320,633,220

The total financial assets at amorised cost as at 30 June 2023 is as follows:

	Rs
- Current	320,633,220
- Non Current	405,992,465
	726,625,685

The closing loss allowances for financial assets as at 30 June 2024 reconcile to the opening loss allowances as follows:

	Rs
At July 1,	125,315,734
ECL written off	-
Charged to profit or loss	21,077,445
At June 30,	146,393,179

The closing loss allowances for financial assets as at 30 June 2023 reconcile to the opening loss allowances as follows:

	Rs
At July 1,	109,507,279
ECL written off	-
Charged to profit or loss	15,808,455
At June 30,	125,315,734

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The ECL charge for the year was previously offset against amount written off. ECL now written off reduces the ECL allowance and is offset against the gross carrying amount of financial assets at amortised cost.

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7 CASH AND CASH EQUIVALENTS	2024	2023
	Rs	Rs
Cash in hand and at bank	583,326,397	359,319,897
Short term bank deposits	934,905,000	644,150,000
Cash and cash equivalents	<u>1,518,231,397</u>	<u>1,003,469,897</u>

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Cash and cash equivalents include the following for the purpose of the statement of cash flows.

	2024	2023
	Rs	Rs
Cash and cash equivalents	<u>1,518,231,397</u>	<u>1,003,469,897</u>

8 SHARE CAPITAL	Number of shares	Ordinary shares
<i>Issued:</i>		Rs
Ordinary share capital	16,998,900	1,699,899,900
At 30 June 2024	<u>16,998,900</u>	<u>1,699,899,900</u>

9 FUNDS DUE TO NRF	2024	2023
	Rs	Rs
Funds received from MOFED via the National Resilience Fund	-	<u>3,694,619</u>

The fund was received from NRF for the purpose of facilities under Restructuring Working Group.

10 CORPORATE GUARANTEE SCHEME	2024	2023
	Rs	Rs
The State Investment Corporation Limited	25,080,359	25,080,359
Development Bank of Mauritius Limited	25,080,359	25,080,359
SME Equity Fund Ltd	25,080,359	25,080,359
Industrial Finance Corporation of Mauritius (IFCM) Ltd	25,000,000	25,000,000
	<u>100,241,077</u>	<u>100,241,077</u>

MOFEPD has approved the setting up of a Credit Guarantee Scheme (CGS) for guaranteeing loans/debentures up to Rs 1 Million sanctioned by DBM, on a pilot basis. The agreement shall be effective as from 1 October 2020 and may be terminated, any time by partnering institutions, with the consent of MoFEPD.

The carrying amounts of accruals and other payables approximate their fair values and are denominated in rupees.

11 (A) OTHER PAYABLES	2024	2023
	Rs	Rs
Other Payables	187,568,920	90,362,170
	<u>187,568,920</u>	<u>90,362,170</u>

The carrying amounts of accruals and other payables approximate their fair values and are denominated in rupees.

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
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11 (B) RETIREMENT BENEFIT OBLIGATIONS	2024	2023
	Rs	Rs
Movement in retirement gratuity		
At 01 July 2023,	540,600	297,201
Charge to profit or loss	1,070,514	243,399
At 30 June 2024,	<u>1,611,114</u>	<u>540,600</u>

Retirement benefit comprise mainly of retirement gratuity payable under the Workers' Rights Act 2019.

11 (C) BORROWINGS	2024	2023
	Rs	Rs
Non-Current		
<i>Line of Credit</i>		
Bank of Mauritius	<u>1,607,770,326</u>	<u>426,585,870</u>
Current		
Bank of Mauritius	<u>49,251,452</u>	<u>49,006,115</u>

In February 2022, IFCM was granted a line of credit facility of Rs 5 Billion with Bank of Mauritius. The LOC carries interest at 0.50% p.a payable half-yearly, over 10 years.

The fund is being used for on-lending to eligible beneficiaries to promote long-term sustainability and modernisation process thereby enabling them to meet their financing requirements and protect jobs.

The Company incurred an interest of Rs 3,983,375 (2023:1,253,424) during the year under review out of which an amount of Rs 1,932,458 (2023: 596,119) was payable as at reporting date.

12 (a) INTEREST INCOME	2024	2023
	Rs	Rs
Interest Income	<u>51,722,625</u>	<u>22,914,858</u>

12 (b) OTHER INCOME	2024	2023
	Rs	Rs
Funds from MOFEPD	36,230,000	65,105,000
Recovery of amount previously written off	20,000,000	3,000,000
Foreign exchange gain/(loss)	37,388,785	22,216,178
Processing and front end fee/Commission	21,270,362	20,660,188
Miscellaneous income	90,866	30,385,462
	<u>114,980,013</u>	<u>141,366,827</u>

For financial year June 2023, MoFEPD advanced an amount of Rs30M to meet consultancy fees relating to the project of establishing Mauritius as Regional Sustainable Textile Hub. The amount was classified under Miscellaneous income.

Funds from MOFEPD is used for funding of operational expenses and development of software.

13 OTHER OPERATING EXPENSES	2024	2023
	Rs	Rs
Other operating expenses	20,191,709	14,608,380
ICT related expenses	314,183	304,062
Audit fees	505,000	400,000
Depreciation	7,958,488	5,324,825
	<u>28,969,381</u>	<u>20,637,267</u>

INDUSTRIAL FINANCE CORPORATION OF MAURITIUS (IFCM) LTD
NOTES TO THE FINANCIAL STATEMENTS
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14 IMPAIRMENT LOSSES AND FAIR VALUE (GAINS)/LOSSES ON FINANCIAL ASSETS

	2024	2023
	Rs	Rs
Provision for expected credit losses	21,077,445	15,808,455
Reversal of prior year ECL	-	-
	<u>21,077,445</u>	<u>15,808,455</u>
Fair value losses	-	-
	<u><u>21,077,445</u></u>	<u><u>15,808,455</u></u>

15 TAXATION

The Company is not subject to income tax. It is an exempt body under Section 7 of The Income Tax Act 1995 and Part 1 of the Second Schedule to the Income Tax Act (Exempt Bodies or Persons) for Income Tax purposes. The Company registered for VAT as from 21 December 2021.

16 ACCUMULATED LOSSES

The balance of accumulated losses amounting to Rs 519.3M for FY June 2024 (2023: Rs 591.2M) represents amount passed on by the ex-Investment Support Programme (ISP) Committee to IFCM, since inception. The losses represent impairment and provisions made for companies whose debts were unlikely to be recovered. IFCM has taken necessary legal action and an Administrator was appointed to recover those debts, part of which has been recovered.

17 RELATED PARTY TRANSACTIONS

During the year ended 30 June 2024, the Company transacted with related parties. Details of nature, volume of transactions and the balances are as follows:

	Nature of transaction	Volume of transactions	Balance
		Rs	Rs
30 June 2024			
Directors	Director and Committee fees	<u>2,951,000</u>	<u>2,951,000</u>
Prime Partners Ltd	Secretarial Services	<u>1,320,000</u>	<u>1,320,000</u>
Capital Asset Management Ltd	Accounting Services	<u>-</u>	<u>-</u>
30 June 2023			
Directors	Director and Committee fees	<u>3,708,000</u>	<u>3,708,000</u>
Prime Partners Ltd	Secretarial Services	<u>960,000</u>	<u>960,000</u>
Capital Asset Management Ltd	Accounting Services	<u>-</u>	<u>-</u>

The above transactions have been at arm's length as in the normal case of business.

18 EVENTS AFTER REPORTING PERIOD

The Company entered into an agreement with the Bank of Mauritius for a Special Line of Credit of Rs 5.0Billion, out of which an amount of Rs 1.8Billion was advanced to IFCM as at date. The facility is being used to on-lend eligible beneficiaries to promote long-term sustainability and modernisation process to enable them to meet their financing requirements and protect jobs.