

**AUDITORS' REPORT TO THE SHAREHOLDERS OF****23****INDIANOIL (MAURITIUS) LTD****Report on the Financial Statements*****Opinion:***

We have audited the financial statements of **IndianOil (Mauritius) Ltd** on pages 27 to 51 which comprise the statement of financial position as at **31 March 2020** and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion the financial statements on pages 27 to 51 give a true and fair view of the financial position of the Company as at **31 March 2020** and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Mauritian Companies Act and Financial Reporting Act.

***Basis for Opinion***

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board of 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 directors' report, secretary's certificate, corporate governance report and statement of compliance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our reporting responsibilities regarding the corporate governance report is dealt with in the "Report on Other Legal and Regulatory Requirements" section of this report.

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

**AUDITORS' REPORT TO THE SHAREHOLDERS OF****24****INDIANOIL (MAURITIUS) LTD*****Directors' Responsibility for the Financial Statements***

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001 and Financial Reporting Act, 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 and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

***Auditors' Responsibilities***

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 not 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 judgment 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 my 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.
- 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.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF****25****INDIANOIL (MAURITIUS) LTD*****Auditors' Responsibilities (Continued)***

- 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 my auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of my auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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.

***Report on Other Legal and Regulatory Requirements******Mauritian Companies Act***

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

- (a) We have no relationship with or interests in the Company other than in our capacity as auditors;
- (b) We have obtained all the information and explanations we have required; and
- (c) In our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records

***Financial Reporting Act***

The directors are responsible for preparing the corporate governance report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance (the "Code") as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.

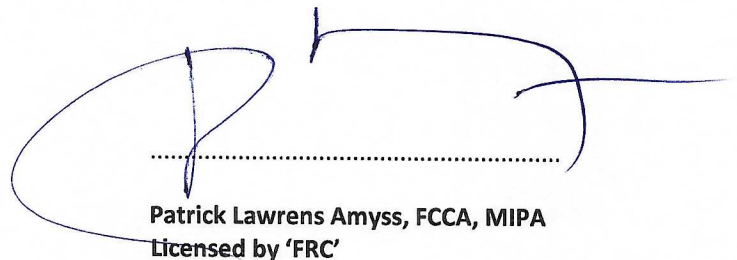


**AUDITORS' REPORT TO THE SHAREHOLDERS OF****26****INDIANOIL (MAURITIUS) LTD*****Other Matter***

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



**Chase Derwitt  
Public Accountants  
Rose Hill  
Mauritius**

  
**Patrick Lawrens Amyss, FCCA, MIPA  
Licensed by 'FRC'**

Date:.....

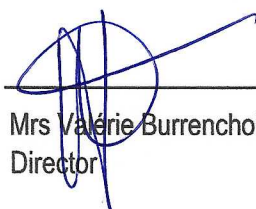



**IndianOil (Mauritius) Ltd**  
**Statement of Financial Position**  
**As at 31 March 2020**

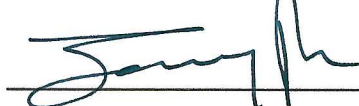
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	Note	2020 Rs	2019 Rs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	683,048,942	571,160,338
Right of use asset	5	95,469,958	
Available-for-sale investments	6	31,500,000	31,500,000
<b>Total non-current assets</b>		<b>810,018,900</b>	<b>602,660,338</b>
<b>Current assets</b>			
Inventories	7	668,543,984	539,020,646
Trade and other receivables	8	529,601,064	702,902,111
Cash and cash equivalents	9	901,985,207	821,373,014
<b>Total current assets</b>		<b>2,100,130,255</b>	<b>2,063,295,771</b>
<b>TOTAL ASSETS</b>		<b>2,910,149,155</b>	<b>2,665,956,109</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	10	488,204,300	488,204,300
Retained earnings		1,230,741,307	1,110,296,843
<b>Total equity</b>		<b>1,718,945,607</b>	<b>1,598,501,143</b>
<b>Liabilities</b>			
<b>Non-current liability</b>			
Deferred tax liability	13	50,103,023	50,603,624
Lease liabilities	21	101,337,653	-
<b>Total Non-current liabilities</b>		<b>151,440,676</b>	<b>50,603,624</b>
<b>Current liabilities</b>			
Trade and other payables	11	1,013,348,759	996,428,617
Amount due to holding company	12	5,430,606	4,704,230
Tax liability	14	20,983,507	15,718,495
<b>Total current liabilities</b>		<b>1,039,762,872</b>	<b>1,016,851,342</b>
<b>Total liabilities</b>		<b>1,191,203,548</b>	<b>1,067,454,966</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,910,149,155</b>	<b>2,665,956,109</b>

The financial statements were approved by the Board of Directors and signed on its behalf by:

  
 Mrs Valérie Burrenchobay  
 Director

  
 Mr R.T.R Servansingh  
 Director

  
 Mr Sanjay Parashar  
 Managing Director

5/5/2020

Date:

The notes on pages 31 to 51 form part of these financial statements.

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 March 2020**

	Note	2020 Rs	2019 Rs
<b>Revenue</b>		<b>8,365,039,233</b>	<b>8,568,796,546</b>
Cost of sales	7	<u>(8,170,001,330)</u>	<u>(8,274,740,728)</u>
<b>Gross profit</b>		<b>195,037,903</b>	<b>294,055,818</b>
Other operating income	15	<b>66,389,667</b>	<b>67,439,499</b>
Administrative expenses	16	<b>(98,024,864)</b>	<b>(96,865,740)</b>
Net finance income	17	<b>17,113,340</b>	<b>14,253,232</b>
Selling expenses		<b>(1,748,751)</b>	<b>(19,627,469)</b>
Depreciation	4	<b>(46,513,977)</b>	<b>(42,817,466)</b>
Exchange difference		<u><b>105,061,308</b></u>	<u><b>19,260,928</b></u>
<b>Profit/ (Loss) before tax</b>		<b>237,314,626</b>	<b>235,698,802</b>
Income tax expense	13	<u><b>(19,229,292)</b></u>	<u><b>(19,158,513)</b></u>
<b>Profit/ (Loss) for the year</b>		<b>218,085,334</b>	<b>216,540,289</b>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><b>218,085,334</b></u>	<u><b>216,540,289</b></u>
<b>Earnings per share</b>	19	<b>44.67</b>	<b>44.35</b>

The notes on pages 29 to 49 form part of these financial statements.

**IndianOil (Mauritius) Ltd**  
**Statement of Cash Flows**  
**For the year ended 31 March 2020**

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	Note	2020 Rs	2019 Rs
Profit/ (loss) before tax		237,314,626	235,698,802
<i>Adjustments for:</i>			
Depreciation		46,513,977	42,817,466
Interest expense		825,310	52,965
Interest income		(17,938,650)	(14,306,197)
Loss on Sales of Asset			433,043
Loss on Write off of Property, plant and equipment		1,285,591	4,536,100
<b>Operating profit/ (loss) before working capital changes</b>		<b>268,000,854</b>	<b>269,232,179</b>
Change in inventories		(129,523,338)	7,281,969
Change in trade and other receivables		173,301,047	52,185,764
Change in trade and other payables		22,185,154	(372,599,795)
Change in amount due to holding company		726,376	(16,536,755)
Advance against equity		-	(18,000,000)
<b>Cash flows from/ (used in) operating activities</b>		<b>334,690,093</b>	<b>(78,436,638)</b>
Income tax paid		(11,780,463)	(8,542,697)
CSR contribution paid		(3,727,014)	(2,000,362)
<b>Net cash from/ (used in) operating activities</b>		<b>319,182,616</b>	<b>(88,979,698)</b>
<b>Cash flows from investing activities</b>			
Interest received		17,938,650	14,306,197
Proceeds from disposal of Assets		150,000	1,250,000
Acquisition of property, plant and equipment		(158,192,894)	(73,939,514)
<b>Net cash used in investing activities</b>		<b>(140,104,244)</b>	<b>(58,383,317)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(97,640,870)	(29,292,245)
Interest paid		(825,310)	(52,965)
<b>Net cash used in financing activities</b>		<b>(98,466,180)</b>	<b>(29,345,210)</b>
<b>Net change in cash and cash equivalents</b>		<b>80,612,192</b>	<b>(176,708,225)</b>
Cash and cash equivalents at the beginning of the year		821,373,014	998,081,240
<b>Cash and cash equivalents at the end of the year</b>	11	<b>901,985,207</b>	<b>821,373,014</b>

The notes on pages 29 to 49 form part of these financial statements.



**IndianOil (Mauritius) Ltd**  
**Statement of Changes in Equity**

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	<b>Stated capital Rs</b>	<b>Retained earnings Rs</b>	<b>Total equity Rs</b>
<b>At 01 April 2018</b>	<b>488,204,300</b>	<b>923,048,799</b>	<b>1,411,253,099</b>
<i>Total comprehensive income for the year</i>			
Profit for the year	-	216,540,289	216,540,289
<i>Total comprehensive income for the year</i>	<u>-</u>	<u>216,540,289</u>	<u>216,540,289</u>
<i>Distributions to owner of the Company</i>			
Dividends paid	-	(29,292,245)	(29,292,245)
<i>Total distributions to owner of the Company</i>	<u>-</u>	<u>(29,292,245)</u>	<u>(29,292,245)</u>
<b>At 31 March 2019</b>	<b>488,204,300</b>	<b>1,110,296,843</b>	<b>1,598,501,143</b>
<b>Total comprehensive income for the year</b>			
Profit for the year	-	218,085,334	218,085,334
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>218,085,334</u>	<u>218,085,334</u>
<b>Distributions to owner of the Company</b>			
Dividends paid	-	(97,640,870)	(97,640,870)
<b>Total distributions to owner of the Company</b>	<u>-</u>	<u>(97,640,870)</u>	<u>(97,640,870)</u>
<b>At 31 March 2020</b>	<b><u>488,204,300</u></b>	<b><u>1,230,741,307</u></b>	<b><u>1,718,945,607</u></b>

**IndianOil (Mauritius) Ltd**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

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**1. GENERAL INFORMATION**

IndianOil (Mauritius) Ltd (the "Company") is a company incorporated in Mauritius as a private company with limited liability. The registered office and the principal place of business of the Company is situated at Mer Rouge, Port Louis, Mauritius. The Company is a fully owned subsidiary of IndianOil Corporation Limited which is incorporated in India.

The principal activity of IndianOil (Mauritius) Ltd is the selling and distribution of petroleum products.

**2. BASIS OF PREPARATION**

*(a) Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with Mauritius Companies Act and Financial Reporting Act.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

*(b) Basis of measurement*

The financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Company uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company (working closely with external qualified valuers) using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/ liability that market participants would take into account.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

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

Transfers between levels of the fair value hierarchy are recognized by the Company at the end of the reporting period during which the change occurred.



**IndianOil (Mauritius) Ltd**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

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**2. BASIS OF PREPARATION (CONTINUED)**

*(c) Functional and presentation currency*

The financial statements are presented in Mauritian Rupees (Rs) which is the Company's functional currency.

*(d) Use of estimates and judgments*

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from these estimates.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Note 4– Useful lives estimates of property, plant and equipment

Note 13– Measurement of deferred taxation

Note 20 – Employee benefits

Note 21 – Operating lease classification

Note 23 – Measurement of contingent liabilities

**3. SIGNIFICANT ACCOUNTING POLICIES**

*(a) Application of new and revised International Financial Reporting Standards (IFRSs)*

The following standards have been adopted by the Company for the first time for the year beginning on 01 April 2019:

IFRS 7, 'Financial Instruments - Disclosures'

IFRS 7, 'Financial Instruments - Disclosures', provide specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. It also provides additional disclosures relating to the offsetting of financial assets and financial liabilities that only need to be included in interim reports if required by IAS 34.

Amendments to IAS 1, 'Presentation of Financial Statements'

Amendments to IAS 1, 'Presentation of Financial Statements', are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including materiality, disaggregation and subtotals, notes and other comprehensive income.



**IndianOil (Mauritius) Ltd**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- (b) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company*

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 01 April 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

**IFRS 9 Financial Instruments**

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income. For liabilities designated at fair value through profit or loss, IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting period beginning on or after 01 January 2018. Early adoption is permitted. The Company is yet to assess IFRS 9's full impact.

**IFRS 15 Revenue from Contracts with Customers**

IFRS 15 'Revenue from Contracts with Customers', establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede the following revenue standards and interpretations:

- IAS 18 Revenue
- IAS 11 Construction Contracts
- IFRIC 13 Customer loyalty
- IFRIC 15 Agreements for the construction of real estate

**IFRIC 18 Transfers of assets from customers**

- SIC 31 Revenue - Barter transactions involving advertising services

IFRS 15 will only cover revenue arising from contracts with customers. Under IFRS 15, a customer of an entity is a party that has contracted with the entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration. Unlike the scope of IAS 18, the recognition and measurement of interest income and dividend income from debt and equity investments are no longer within the scope of IFRS 15. Instead, they are within the scope of IAS 39 Financial Instruments: Recognition and Measurement.

**IndianOil (Mauritius) Ltd**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- (b) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company (continued)*

**IFRS 15 Revenue from Contracts with Customers (continued)**

The new revenue standard has a single model to deal with revenue from contracts with customers. Its core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company intends to adopt IFRS 15 no later than the accounting period beginning on or after 01 January 2018.

**IFRS 16 Leases**

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 has one model for lessees which will result in almost all leases being included on the Statement of Financial Position. No significant changes have been included for lessor.

The standard is effective for annual periods beginning on or after 01 January 2020, with early adoption permitted only if the entity also adopts IFRS 15. The transitional requirements are different for lessees and lessors. The Company is assessing the potential impact on the financial statements resulting from the application of IFRS 16.

There are no other standards and IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

- (c) *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all costs directly attributable to bringing the asset to working condition for their intended use.

Depreciation is calculated to write off the cost of the assets on a straight line basis over the expected useful lives of such assets. Additions during the year bear a due proportion of the annual depreciation charge. The annual depreciation rates used for the purpose are as follows:

Leasehold property	19 1/4 years
Building, plant and equipment	2 – 10%
Furniture & fittings	10%
Office & laboratory equipment	15 – 25%
Motor vehicles	10%

Freehold land and assets in progress are not depreciated. Gains and losses on disposal of property, plant and equipment are determined by reference to their written down value and are included in determining operating profit.



**IndianOil (Mauritius) Ltd**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*(d) Available-for-sale investments*

Available-for-sale investments are non-derivatives financial assets included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting date.

Regular purchases and sales of investments are recognised on the trade-date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale investments are subsequently carried at fair value.

Changes in the fair value of available-for-sale investments are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses from 'investment securities'. Dividends on available-for-sale equity instruments are recognised in the statement of profit or loss and other comprehensive income when the Company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs. Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

*(e) Foreign currencies*

Transactions in foreign currencies are translated to the reporting currency at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date and gains or losses on translation are recognised in profit or loss.

*(f) Trade and other receivables*

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment. Trade and other receivables in the financial statements are measured at cost which is not materially different from amortised cost.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the statement of profit or loss and other comprehensive income.



**IndianOil (Mauritius) Ltd**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*(g) Leases*

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Operating lease payments are recognised as expenses on a straight-line basis over the lease term. Contingent rentals arising under the operating leases are recognised as expenses in the year in which they are incurred.

*(h) Inventories*

Inventories are measured at the lower of cost and net realisable value. The cost of inventories for all products, other than Lubricants, is determined on 'First in First Out' basis and for Lubricants based on the weighted average principle. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

*(i) Cash and cash equivalents*

Cash comprises of cash at bank and cash in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

*(j) Employee Benefits – provision for severance allowance*

The present value of severance allowance in respect of Employment Rights Act 2008 gratuities is recognised in the statement of financial position as a non-current liability where material. The annual provisions are recognised as an expense.

*State pension plan*

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

*(k) Impairment*

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*(l) Provisions*

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

*(m) Trade and other payables*

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

The effective interest method calculates the amortised cost of a financial liability and allocates interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid that form an integral part of the effective interest rate, transaction costs and other provisions or discounts) through the expected life of the financial liability, to the net carrying amount at initial recognition. The interest amount would be immaterial for short-term payables.

The carrying amount of trade and other payables approximates their fair values.

*(n) Revenue*

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

*(o) Net finance income*

Net finance income consists of bank interest income/ expense that are recognised in the statement of profit or loss and other comprehensive income.

*(p) Expenses*

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

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*(q) Taxation*

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year using tax rates enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

*(r) Corporate social responsibility (CSR) fund*

The Company has set up a CSR fund equivalent to 2% of its chargeable income derived during the preceding financial year to:

- implement an approved programme by the Company;
- implement an approved programme under the National Empowerment Foundation; or
- finance an approved Non-governmental Organisation.

*(s) Related parties*

For the purposes of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.



## 4. PROPERTY, PLANT AND EQUIPMENT

	Leasehold property Rs	Freehold property Rs	Plant & equipment Rs	Furniture & fittings Rs	Office & lab equipment Rs	Motor vehicles Rs	Assets in progress Rs	Total Rs
<b>COST</b>								
As at 01 April 2018	2,694,640	7,403,750	898,268,232	3,473,085	28,967,443	4,384,018	28,607,333	973,798,500
Additions	-	-	37,643,008		758,778	5,375,000	30,162,728	73,939,514
Transfer to/ from AIP	-	-				(3,800,000)	(4,536,000)	(8,336,000)
Disposal/ Write Off	-	-	19,158,933			125,000	(19,283,933)	-
As at 31 March 2019	2,694,640	7,403,750	955,070,173	3,473,085	29,726,221	6,084,018	34,950,128	1,039,402,014
Additions			33,876,197	401,834	395,426	956,522	122,562,915	158,192,894
Disposal/ Write Off			(2,811,591)			(584,018)	(35,868,455)	(3,395,609)
Transfer to/ from AIP			35,868,455					-
As at 31 March 2020	<u>2,694,640</u>	<u>7,403,750</u>	<u>1,022,003,235</u>	<u>3,874,919</u>	<u>30,121,647</u>	<u>6,456,522</u>	<u>121,644,588</u>	<u>1,194,199,299</u>
<b>ACCUMULATED DEPRECIATION</b>								
As at 01 April 2018	2,275,317	-	395,904,738	3,145,243	23,978,402	2,579,013	-	427,882,713
Charge for the year	152,480		40,206,665	74,256	1,533,440	850,625	-	42,817,467
Transfer to AIP							-	-
Disposal/ Write Off					(178,502)	(2,280,000)	-	(2,458,502)
As at 31 March 2019	2,427,797	-	436,111,403	3,219,499	25,333,341	1,149,639	-	468,241,678
Charge for the year	152,480		42,345,037	111,244	1,634,117	708,152	-	44,951,030
Transfer to AIP							-	-
Disposal/ Write Off			(1,458,337)			(584,013)	-	(2,042,350)
As at 31 March 2020	<u>2,580,277</u>	<u>-</u>	<u>476,998,103</u>	<u>3,330,743</u>	<u>26,967,458</u>	<u>1,273,778</u>	<u>-</u>	<u>511,150,357</u>
<b>NET BOOK VALUE</b>								
As at 31 March 2020	<u>114,363</u>	<u>7,403,750</u>	<u>545,005,133</u>	<u>544,176</u>	<u>3,154,189</u>	<u>5,182,744</u>	<u>121,644,588</u>	<u>683,048,942</u>
As at 31 March 2019	<u>266,843</u>	<u>7,403,750</u>	<u>518,958,771</u>	<u>253,586</u>	<u>4,392,880</u>	<u>4,934,379</u>	<u>34,950,128</u>	<u>571,160,338</u>

**5. RIGHT TO USE ASSET**

	<u>2020</u>	<u>2019</u>
	Rs	Rs
Gross Block ROU Asset	97,032,905	-
Accumulated Depreciation	1,562,946	-
Net Block Value	95,469,958	-

The Company leases land at Mer Rouge from the Mauritius Ports Authority. The land was used to construct storage facilities for Petroleum Product.

The Company does not have the option to purchase the land at the end of the lease period.

**6. INVESTMENTS**

	<u>2020</u>	<u>2019</u>
	Rs	Rs
Cost:		
At start of year	31,500,000	13,500,000
Investment reclassified from Interest in Joint Venture	-	18,000,000
At end of year	31,500,000	31,500,000

Terminal is commercially commissioned in April 18 and there is no loss of capital is considered, cost of the investment has been treated as the fair value. Rs 31,500,000 is contributed towards capital requirement of MOST. IOML hold 6% interest in JV company.

**7. INVENTORIES**

	<u>2020</u>	<u>2019</u>
	Rs	Rs
Inventory of petroleum product	668,543,984	539,020,647
Opening inventory	539,020,647	546,302,616
Purchases	8,135,810,171	8,143,531,438
Closing inventory	(668,543,984)	(539,020,647)
Cost of inventory included in cost of sales	8,006,286,834	8,150,813,407
Direct cost	163,714,496	123,927,321
Cost of sales	8,170,001,330	8,274,740,728

**8. TRADE AND OTHER RECEIVABLES**

	<u>2020</u>	<u>2019</u>
	Rs	Rs
Trade receivables	491,146,020	705,531,129
Provision for doubtful Debts	(6,417,207)	(22,973,980)
	484,728,813	682,557,149
Prepayments	1,791,943	1,816,954
Other receivables	43,080,320	18,528,008
	529,601,076	702,902,111

**9. CASH AND CASH EQUIVALENTS**

	<u>2020</u>	<u>2019</u>
	Rs	Rs
Cash at bank	901,941,658	821,365,928
Cash in hand	43,549	7,086
	901,985,207	821,373,014

**IndianOil (Mauritius) Ltd**  
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**10. STATED CAPITAL**

	2020 Rs	2019 Rs
<b>Issued and fully paid</b>		
4,882,043 Ordinary shares of Rs 100 each	488,204,300	488,204,300

**11. TRADE AND OTHER PAYABLES**

	2020 Rs	2019 Rs
Trade payables	997,945,515	982,834,039
Other payables and accruals	15,403,244	13,594,578
	<b>1,013,348,759</b>	<b>996,428,617</b>

**12. AMOUNT DUE TO HOLDING COMPANY**

	2020 Rs	2019 Rs
Current account (holding company)	3,638,409	(3,503,482)
Purchases account (holding company)	1,792,197	8,207,712
	<b>5,430,606</b>	<b>4,704,230</b>

**14. INCOME TAX EXPENSE**

	2020 Rs	2019 Rs
<b>Current tax</b>		
Income tax provision for the year @ 15%	9,862,565	9,967,131
Income tax provision for the year @ 3%	5,072,175	5,333,395
Corporate social responsibility	4,696,459	4,884,547
Deferred tax expense	(500,599)	(1,026,560)
Income Tax Underprovision - 2018-19	98,691	-
Tax recognised in the Statement of Profit or Loss and Other Comprehensive Income	<b>19,229,292</b>	<b>19,158,513</b>
<b>Reconciliation of effective tax:</b>		
Profit/ (Loss) before tax	<b>237,314,625</b>	<b>235,698,802</b>
Income tax expense at 15% (2017: 15%)	35,597,194	35,354,821
Export credit at 12%	(20,288,705)	(21,333,580)
Effect of non-deductible expenses	5,315,465	7,724,302
Effect of allowances not included in profit or loss	(5,689,213)	(6,445,017)
Effect of recognised temporary differences	(441,706)	(905,788)
CSR on recognised temporary differences	(58,894)	(120,722)
Corporate social responsibility	4,696,459	4,884,547
Income Tax Underprovision - 2018-19	98,691	-
Tax recognised in the Statement of Profit or Loss and Other Comprehensive Income	<b>19,229,292</b>	<b>19,158,563</b>
<b>Deferred tax liability</b>		
At start of year	<b>50,603,624</b>	<b>51,630,184</b>
Deferred tax expenses recognised in current year	<b>(500,601)</b>	<b>(1,026,560)</b>
At end of year	<b>50,103,023</b>	<b>50,603,624</b>



**13. INCOME TAX EXPENSE (CONTINUED)****Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2020	2019	2020	2019	2020	2019
	Rs	Rs	Rs	Rs	Rs	Rs
Property, plant and equipment	-	-	58,050,117	54,943,041	58,050,117	54,943,041
Provision for doubtful debt	(2,774,432)	(3,905,577)	-	-	(2,774,432)	(3,905,577)
Employee retirement benefits	-	(433,840)	-	-	-	(433,840)
Net deferred tax (assets)/ liabilities	(2,774,432)	(4,339,417)	58,050,117	54,943,041	55,275,685	50,603,624

**Movement in temporary differences during the year:**

	2020	2019
	Rs	Rs
Property, plant and equipment	3,107,076	257,814
Provision for doubtful debt	1,131,145	(1,309,024)
Employee retirement benefits	-	24,650
	4,238,221	(1,026,560)

**14. INCOME TAX EXPENSE (CONTINUED)**

	2020	2019
	Rs	Rs
<b>Current tax liability/ (receivable)</b>		
At start of year	15,718,509	5,734,834
Income tax payable	16,262,465	15,300,526
CSR Payable	5,131,277	4,884,547
Tax paid during the year	(6,517,601)	(3,534,658)
CSR paid during the year	(3,727,014)	(2,000,379)
Tax paid in advance under APS	(5,109,277)	(4,112,205)
Tax paid in advance - TDS	(774,852)	(554,156)
Net current tax liability/ (receivable)	20,983,507	15,718,509

**15. OTHER OPERATING INCOME**

	2020	2019
	Rs	Rs
Fuel Storage Fee Juhi	51,032,112	51,257,204
MOST managemnet charges	2,443,650	4,987,344
COCO/NFR Income	5,395,028	5,212,688
Equipment Fee/Retail Margin sharing	3,280,411	3,347,341
Other Misc Income	4,238,465	2,634,923
Total	66,389,667	67,439,499

**16. ADMINISTRATIVE EXPENSES**

	2020	2019
	Rs	Rs
Audit Fees	200,000	200,000
Bank Charges	765,807	484,403
Board Meeting Exps	118,602	316,149
Books & Periodicals	76,738	19,809
Consultancy-Professional Charges	1,635,733	2,186,666
Directors Remuneration	360,000	360,000
Director's Sitting Fee	120,000	120,000
Electricity & Water Charges	3,029,666	3,116,502
Entertainment Expenses	147,661	126,645
Fees & Subscription	67,790	85,700
Handling & House Keeping	1,046,209	1,184,699
Lease Rent - RO	1,687,071	1,586,414
Legal and Arbitration Exps	330,445	139,233
Loss on Write Off / Disposal of Fixed Assets	1,155,162	4,957,790
Medical Expenses	356,106	387,926
Misc Expenses	44,788	-
Overseas travelling	-	1,180,747
Postage & Courier	48,082	97,148
Printing & Stationery	372,547	440,106
RATES & TAXES	740,283	839,282
Rent - Residential	1,403,255	1,420,613
Rent - Terminal(Lease)	4,395,508	4,395,508
Repairs & Maintenance	1,668,818	1,145,435

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**16. ADMINISTRATIVE EXPENSES (CONTINUED)**

	2020	2019
	Rs	Rs
Repairs & Maintenance - RO&CP	11,387,729	7,427,797
Repairs & Maintenance - Terminal	16,495,971	12,236,936
Salary - MUR	14,462,316	17,115,100
Salary - USD	19,993,709	23,203,729
Secretary Fee	63,000	98,000
Security Service Charges	1,435,405	1,294,628
Staff Welfare	588,998	882,198
Telephone Exps	926,179	1,148,615
Transfer Expenses	474,171	1,090,516
Trav - Home Travel IOC	835,915	86,500
Vehicle Expenses	1,982,929	2,360,175
	93,720,116	96,865,740

**17. NET FINANCE INCOME**

	2020	2019
	Rs	Rs
Bank interest income	17,938,650	14,306,197
Interest paid on bank overdraft	(825,310)	(52,965)
	17,113,340	14,253,232

**18. Key management personnel compensation**

	2020	2019
	Rs	Rs
	Rs	Rs
Directors' remuneration – part time	480,000	480,000
Directors' emoluments – full time	5,681,487	7,220,093
Staff cost	14,312,222	15,983,636
Average number of employees during the year	30	30

**19. EARNINGS PER SHARE**

Earnings per share is based on the profit for the year of Rs 222,190,486 (2019: Profit of Rs 216,540,289) and 4,882,043 ordinary shares.

**19. RELATED PARTY TRANSACTIONS**

During the year under review, the Company entered into the following transaction with related parties. The nature and volume of the transactions are as follows:

	2020	2019
(i) Balances at year end with holding company	Rs	Rs
Amount due to IndianOil Corporation Ltd:		
Current and purchases account	5,430,606	4,704,230



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**19. RELATED PARTY TRANSACTIONS (CONTINUED)**

	2020	2019
(ii) <b>Transactions during the year with holding company</b>		
Lubricants purchase from holding company	14,233,166	22,476,478

(iv) **Pricing policies**

The above transactions were conducted on market terms and conditions. The directors have ensured that all such activities were undertaken on an arm's length basis. All amounts owed were unsecured.

(v) **Key management personnel compensation**

Refer to note 17.

**20. EMPLOYEE BENEFITS**

(i) **Pension obligations**

The Company does not operate any pension plan for its employees on retirement.

(ii) **Severance allowance**

Under the Employment Rights Act 2008, employees are entitled to severance allowance on reaching the retirement age. Full provision for payment of severance allowance has been made in the financial statements.

The amount recognised in profit or loss in respect of the employees retirement severance allowance provision is as follows:

	2020	2020
	Rs	Rs
Current service cost	110,000 -	145,000

The amount included in the statement of financial position for employees retirement severance allowance provision is as follows:

	2020	2019
	Rs	Rs
Present value of employees retirement severance allowance provision	2,662,000	2,384,000

## 21. LEASE LIABILITIES

	2020	2019
	Rs	Rs
Analysed as follows:		
- Non-current	99,239,138	-
- Current	2,098,515	-
	101,337,653	-

## 22. FINANCIAL RISK MANAGEMENT

### Fair values

The fair values for financial assets and liabilities together with the carrying amounts shown in the statement of financial position are as follows:

*Assets and liabilities not carried at fair value but which fair value is disclosed below:*

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>31 March 2020</b>				
<b>Financial assets</b>				
Trade and other receivables	-	-	529,601,064	529,601,064
Cash and cash equivalents	901,985,207	-	-	901,985,207
<b>Total financial assets</b>	901,985,207	-	529,601,064	1,431,586,271
<b>Financial liabilities</b>				
Amount due to holding company	-	-	5,430,606	5,430,606
Trade and other payables	-	-	1,013,348,759	1,013,348,759
<b>Total financial liabilities</b>	-	-	1,018,779,365	1,018,779,365

## 22. FINANCIAL RISK MANAGEMENT (CONTINUED)

31 March 2019	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<i>Financial assets</i>				
Trade and other receivables	-	-	702,902,111	702,902,111
Cash and cash equivalents	821,373,014	-	-	821,373,014
<i>Total financial assets</i>	821,373,014	-	702,902,111	1,524,275,125
<i>Financial liabilities</i>				
Amount due to holding company	-	-	4,704,230	4,704,230
Trade and other payables	-	-	996,428,617	996,428,617
<i>Total financial liabilities</i>	-	-	1,001,132,847	1,001,132,847

The assets and liabilities included in the above table are carried at cost; their carrying values are a reasonable approximation of fair values.

The Company's activities are exposed to market risks (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management policy aims at reducing potential adverse impact on its financial performance.

(a) Market risk

(i) Currency risk

The Company has substantial transactions with global customers and therefore, exposed to currency risk arising from currency exposures mainly with respect to the US Dollar (USD). Currency risk arises from future commercial transactions due to the credit period enjoyed by the customers. The payments are made in USD in respect of bunker and aviation products supplied by State Trading Corporation, for which the payments are also obtained in USD from the global customers uplifting the products from the Company. The Company operates two USD accounts used for incoming payments from customers and outgoing payments to State Trading Corporation. It is the Company's policy not to carry out any 'hedging'.

### Currency profile

The currency profile of the Company's financial assets is summarised as follows:

31 March 2020	Financial assets Rs
Mauritian Rupee	403,465,266
United States Dollar	1,028,121,005
Total	1,431,586,271
31 March 2019	Financial assets Rs
Mauritian Rupee	178,728,979
United States Dollar	1,345,546,146
Total	1,524,275,125



## 22. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

##### Currency profile (continued)

The currency profile of the Company's financial liabilities is summarised as follows:

31 March 2020	Financial liabilities
	Rs
Mauritian Rupee	404,876,342
United States Dollar	613,903,023
Total	1,018,779,365
31 March 2019	Financial liabilities
	Rs
Mauritian Rupee	488,584,779
United States Dollar	512,548,068
Total	1,001,132,847

#### Sensitivity analysis

##### Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 5% increase and decrease in Rs against USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency dominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or loss and equity where Rs strengthens 5% against the relevant currency. For a 5% weakening of Rs against the relevant currency, there would be an equal and opposite impact on profit or loss and equity, and the balances below would be negative.

	Profit or loss and equity 2020 Rs	Profit or loss and equity 2019 Rs
Impact of currency : USD	20,710,899	41,649,904

#### (ii) Price risk

The price risk for the Company is limited to its sale in local market where prices and margins are controlled by the government. This risk is not significant for the Company at present.

## 22. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (a) Market risk (continued)

#### (iii) Interest rate risk

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or are repriced at different times or in different amounts. In the case of floating rate assets and liabilities, the Company is also exposed to basis risk, which is the difference in repricing characteristics of the various floating rate indices, such as the base lending rate and different types of interest.

At the reporting date, the interest rate profile of the Company's interest-earning/ bearing financial instruments was as follows:

	2020 Rs	2019 Rs
<b>Cash and cash equivalents</b>		
Fixed rate instruments		712,572,000
Variable rate instruments	821,373,014	285,509,240

#### Sensitivity analysis

The following table indicates the approximate change in the Company's post-tax profit or loss and equity in response to reasonable possible changes in the interest rates to which the Company has significant exposure at the reporting date.

	Increase/ (decrease) in interest rates	Effect on post tax profit or loss and equity	
		2020 Rs	2019 Rs
Increase in interest rate	+1%	6,981,671	2,426,829
Decrease in interest rate	-1%	(6,981,671)	(2,426,829)

### (b) Credit risk

Credit risk arises from credit exposures to various customers to whom the credit facilities are extended. The Board has approved a credit policy wherein modalities have been laid down for setting individual credit limits based on internal ratings.

Credit risk arises from cash and cash equivalents and trade receivables.

The Company generally does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The bank balances are held with reputable institutions, thus the credit risk is minimal. The ageing of trade receivables at the reporting date was:

	2020		2019	
	Gross Rs	Impairment Rs	Gross Rs	Impairment Rs
Within Credit	484,728,813		682,675,322	-
Beyond Credit	6,417,207	6,417,207	22,855,806	22,973,980
	491,146,020	6,417,207	705,531,128	22,973,980

## 22. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Credit risk (continued)

The maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

	Carrying amount 2020	2019
	Rs	Rs
Wholesale customers	484,728,813	683,081,524

### (c) Liquidity risk

Liquidity risk is a 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 that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains sufficient balances in their bank accounts denominated in Mauritian Rupee and United State Dollar. The Company has access to "funding" through committed credit facilities.

The table below analyses the Company's financial liabilities relevant maturity groupings based on the remaining period as on the remaining period from 31 March 2018. The amounts disclosed in the table are contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than one year Rs	Repayable on demand Rs	Total Rs
<b>31 March 2020</b>			
<b>Financial liabilities</b>			
Trade and other payables	1,013,348,759	-	1,013,348,759
Amount due to holding company	-	5,430,606	5,430,606
<b>Total financial liabilities</b>	<b>1,013,348,759</b>	<b>5,430,606</b>	<b>1,018,779,365</b>
<b>31 March 2019</b>			
<b>Financial liabilities</b>			
Trade and other payables	996,428,617	-	996,428,617
Amount due to holding company	-	4,704,230	4,704,230
<b>Total financial liabilities</b>	<b>996,428,617</b>	<b>4,704,230</b>	<b>1,001,132,847</b>

Deferred tax liabilities have been excluded from the above analysis.

### (d) Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern so as to provide returns to all stakeholders and to optimise the cost of capital.

The Company monitors its capital on the basis of the gearing ratio. The ratio is calculated as total debt divided by total capital. Total capital is calculated as 'equity' as shown in the statement of financial position plus total borrowings.



## **22. FINANCIAL RISK MANAGEMENT (CONTINUED)**

### **(d) Capital risk management (continued)**

	<b>2020</b>	<b>2019</b>
	<b>Rs</b>	<b>Rs</b>
Total borrowings	-	-
Total equity	<b>1,718,945,607</b>	1,598,501,143
Total capital employed	<b>1,718,945,607</b>	1,598,501,143
Gearing ratio	-	-

The Company does not have any borrowings and consequently is not geared.

## **23. CONTINGENT LIABILITIES**

The Company has issued several bank guarantees amounting to Rs 100,517,317 (2019: Rs 99,324,296 ) in favour of various third parties. Apart from this, the Company does not have any other contingent liabilities.

## **24. CAPITAL COMMITMENTS**

The Company has capital commitments amounting to Rs 165,000,000 (2019: 50,400,000) as at 31 March 2020.

## **25. EVENTS AFTER REPORTING DATE**

The World Health Organisation declared the Covid 19 as a global pandemic on the 11th March 2020. Mauritius has been in national confinement since the 20th March 2020. The Company's is currently under taking an overall evaluation of the impact of the Covid 19 on its activities but turnover, inventory and trade receivables will definitely been affected.