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INDIAN  
OCEAN GENERAL  
ASSURANCE LTD



**GROWING  
EVERYWHERE ALLTOGETHER**

Annual  
Report  
**2022**

A close-up photograph of a person's hand holding a small, vibrant green seedling. The seedling has two large, heart-shaped leaves and a small stem with a few buds. The soil is dark and rich, clinging to the fingers. The background is a soft, out-of-focus green, suggesting a natural outdoor setting. The overall mood is one of care and growth.

**GROWING**  
IN A SUCCESSFULL  
ENVIRONMENT



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OCEAN GENERAL  
ASSURANCE LTD

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# Corporate Data

## Registered Address and Head Office Address

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Port Louis, MAURITIUS  
Tel: 208 9000  
Fax: 212 2603  
Email: [info@iogaltd.com](mailto:info@iogaltd.com)  
Web: <https://www.ioga.mu>

## Auditors

Moore  
Chartered Accountants  
6th Floor, Newton Tower  
Sir William Newton Street  
Port Louis  
MAURITIUS

## Independent Actuary

Mrs Teja Ranade Gadhoke  
Fellow of Society of Actuaries  
1-A, Krishna Keval Nagar  
Kondhwa Khurd  
Pune – 411048  
INDIA

Actuarial Insights  
The Depot, Labourdonnais Village  
Mapou  
MAURITIUS

## Corporate Secretary

Mr V.K. Dwarka  
Descoins Street  
Long Mountain  
MAURITIUS

## Bankers

Afrasia Bank Ltd  
ABC Banking Corporation Ltd  
Bank One Ltd  
BCP Bank (Mauritius) Ltd  
ABSA Mauritius  
SBI (Mauritius) Ltd  
State Bank of Mauritius Ltd  
The Mauritius Commercial Bank Ltd

## Branches

Triolet  
Rose Hill  
Riviere du Rempart  
Flacq  
Port Louis

# Chairman's Review



Dear shareholders,

It gives me renewed pleasure to present to you our Annual Report and Audited Financial Statements for the year ended 30th June 2022. We had a good year despite persistent uncertain economic climate. The first parts of the year under review were partly influenced by secondary waves of the Covid-19 pandemic and prolonged sanitary measures. Travel restrictions had been relaxed but they were still restrictive. Prolonged sanitary measures meant reduced economic activity. Our Company has shown good resilience and weathered the situation commendably. In our previous report, we had shown concerns on our exposure to the hospitality sector. We are pleased to report that fortunately these concerns did not materialise.

The second parts of the period under review were influenced by the ongoing conflict in Ukraine and associated economic uncertainty. High oil prices and disruption in supply chains are starting to impact the global economy, with fears of high inflation and likely economic turmoil in the Eurozone, our main tourist market. Bookings in the tourism sector for the last few months of the year are comforting but there are concerns on how these could be impacted by any deterioration in the unfolding crisis. Our teams are closely monitoring the situation with focus on one part on our exposure to the hospitality sector and second on likely high claims inflation over the next few months.

Despite these uncertain times, our team has maintained commitment to several ongoing initiatives. The process to revamp our distribution channels is faring well. We have recorded commendable growth and secured greater commitment from our existing agents. Our branches have also shown better results. The Company still enjoys good client loyalty but there is room for improvement. There will be renewed efforts in the coming months, and we will launch new initiatives on improving our market positioning and developing the necessary tools to achieve success in our business development initiatives.

On the operations' side, management has reported satisfactory progress in the development of our new MIS and development of our digital ecosystem. The last few months have seen some marketing efforts in the digital space. Our social media windows have been revamped. This process will continue around a comprehensive masterplan. On compliance and regulatory matters, the board stays committed to our promise. The implementation plan for compliance with IFRS 17 has been initiated and will unfold in the next financial year.

I continue to reiterate the Board's commitment to a sustainable growth path. Our efforts will be geared towards giving our people the right tools to grow the Company. The members of the Board continue to provide valuable support. I wish to thank them for that. I am also wish to show our appreciation to our staff for their commitment. And to our Clients, I reiterate our gratitude for the trust that you have put in us. We commit to our promise made to them.

A handwritten signature in white ink that reads "P. Pather".

**Mr P.A Pather**  
Chairman

30th September 2022

# Management Review By CEO

Dear shareholders,

I am delighted to provide you my review of our operations. Our company has had good performance and has weathered persistent uncertain economic climate commendably. Many of our initiatives paid off and we have been able to glide on the smooth recovery in the local economy. Our gross premium has crossed the Rs. 80 M mark for the first time, a major milestone for the Company. Total gross premium for the year was Rs. 86.2 Ma compared to Rs. 73.5 Ma year earlier. This represented an increase of 17.3%.

## **Performance review**

Gross premium for our general business has grown by 18.1 % from 72.2 M to 85.3 M. This increase was driven mainly by new business and only minimally by inherent rise in premium rates. The total number of policies rose by 1,360 and is now higher than 20,000. Renewal rate also improved. Net earned premium grew by Rs. 7.6 M while Net incurred claims only grew by Rs. 3.1 M. The overall loss ratio (net claims incurred/net earned premiums) decreased considerably from 62.8% to 60.3%. A significant contributor to the improvement has been a revision of unearned premium reserves. This is likely to be a one-off event and we are monitoring our claims experience to gauge the impact on future results.

Investment and interest rate and other income amounted to Rs 12.1 M compared to Rs 7.7 M in 2020, an increase 57.1 %. This was mainly due to dividends received on foreign investments. Management expenses increased significantly from Rs. 19.0 M to Rs. 22.4 M by 17.9%. This increase was mainly driven by increased staff cost linked to the recruitment of business development and accounting personnel. Other contributor was increased regulatory and compliance costs. Overall, Company closed the financial year with a total comprehensive profit of Rs 12.9 M. This compares with Rs. 10.8 Ma year earlier.

## *Focus on digital transformation and brand positioning*

The development of our MIS has experienced good progress though delayed, and we are looking into partial delivery in the coming weeks. One of the features of the new infrastructure will be an integrated CRM function that will hopefully provide vital inputs for our sales initiatives. We have also worked on improving our digital footprint. During the year under review, we have launched a few digital marketing initiatives. In the process, we have conducted a review of our digital windows and worked out a masterplan for revamping our website and other digital windows. We have also been looking at our market positioning and worked on a social media engagement plan. Several initiatives including influencer marketing campaigns, roadshows and a revamp of our corporate kit will follow in the next cycle. Our objectives are to improve our visibility and give our people the right tools to develop the business.

## *Distribution channel and network development*

We have also made good progress in channel and network development. The business development team has completed a revamping exercise of our existing channel and network. We have received good response, and many have shown their enthusiasm. The team is also continuously onboarding new agents.



in previously untapped regions. Our geographical coverage is improving and with concurrent brand positioning exercises, we expect to have a great year ahead.

*Best practice, risk management and sustainability*

We remain committed to best practice and maintaining a sustainable growth path. We will continue our initiatives on human development and capacity building. In the coming year, we shall focus on customer service. We view customer service as a critical area to secure client retention and spur cross selling. Management is also closely monitoring the local economic landscape, with likely spill-over effects of the conflict in Ukraine. The industry is wary of cost of repairs inflation, driven by volatile freight costs and disrupted supply chains. In context, a special working group has been set to assist our claims management function. On technical management side, we have beefed up our team of external consultants and are working towards setting the right base to ensure prompt regulatory compliance and meeting our promise with both our clients and regulator.

Finally, I wish to thank our Board of Directors for their continuous support and advice. Our employees have also showed dedication and diligence. I thank them for that. And to our Clients, thank you for the continued trust that you have placed in us.

**Natarajen M. Cunden**  
Chief Executive Officer

30th September 2022

## CORPORATE GOVERNANCE REPORT YEAR 2022

### Compliance Statement

Indian Ocean General Assurance Ltd, hereafter referred to as “the Company” is a Public Interest Entity as defined by the Financial Reporting Act 2004. The Company strongly believes in maintaining a simple and transparent corporate structure which defines the division of power and establishes a mechanism for achieving accountability between Board of Directors and shareholders driven solely by business needs.

In line with the above, the Board, management and staff of the Company fully support and are committed to the principle of business integrity, transparency, gender equality and professionalism as recommended by the National Code of Corporate Governance (2016) (“the Code”). The Company strives to ensure that all the activities are conducted in such a way so as to ensure high ethical standards that have the characteristics of good governance namely: discipline, transparency, accountability, responsibility, fairness and social responsibility. The Company operates in the insurance industry and complies with the Code. The Company has adopted all the eight principles of the Code as far as is reasonably possible and practical.

### PRINCIPLE 1: Governance Structure

In line with principle 1 of the Code the Board is responsible to establish policies, procedures and strategies to enhance the ultimate value of the business for all its stakeholders and shareholders. The Board reviews the Company performances through quarterly management accounts and performances reports.

Charters and Code of Ethics: The Board has approved a Board Charter and the organisation’s code of Ethics and Practice for its directors, officers, employees, agents, salesmen and brokers. The board embraces a policy of high standards of conduct and ethical behaviour which is fundamental to the reputation of the Company and intends to review its Charters every five years.

Statement of Accountabilities and Organisation Chart: The Board is fully committed to maintain a high standard of good corporate governance and operates within a wellstructured and defined framework. The Board is fully aware of its role and responsibilities and where appropriate can delegate that authority while remaining in control.

The Board established a well-defined Organisation Chart as set out on page 21. Key Senior Position has been defined with the reporting lines well established and a clear job description and accountability.

The Board of Directors has set up a Corporate Governance Committee, an Audit Committee and a Risk Management Committee. The Directors are thus continually focusing on maintaining the sustainability of the Company’s business and discharging their responsibilities of stewardship of the Company’s assets with integrity through the existence of a proper control environment and a well-functioning system of internal control.

### PRINCIPLE 2: The Structure of the Board and its Committees

In accordance with principle 2, the Company is headed by a unitary Board composed of ten Directors, two of whom are executives, three are non-executives and five are independent Directors. The Board met on six occasions during the year under review. The Directors possess expertise and experience in different fields such as Administration, Accountancy, Banking, Corporate Management, Law and Insurance. The Board collectively and the Directors are individually involved in the Company’s affairs and adhere to ethical standards. The Board bears the responsibility of organising and directing the affairs of the Company in a manner that is in the best interest of shareholders and other stakeholders. The Board retains full and effective control over the Company, delegating the day-to-day running and operational issues to the Chief Executive Officer and his management team. The Board of Directors is appointed by the shareholders based on integrity, skill, acumen and experience to make sound judgements relevant to the business of the Company.

## CORPORATE GOVERNANCE REPORT

### PRINCIPLE 2: The Structure of the Board and its Committees (Continued)

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. 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. Mr P A Pather chaired all meetings since election on 27 February 2020.

### Composition of Board

The Board comprises the following members and does ensure a proper gender and residency mix as elaborated under Principle 3:

Mr. P.A. Pather	Chairman & Non-executive
Mr. Natarajen Modeliar. Cunden	Executive
Ms. Analaxmi Cunden	Non-executive
Ms. Shrivana Cunden	Non-executive
Mr. Raouf Dusmohamud	Independent
Mr. Logonaden Pillay Thandrayen	Independent & Vice-chairman
Mr. Karunanidi Teeroovengadum Sornum	Independent
Mr. Yuvhen Modelly Cunden	Independent
Mr. Vivek Cunden	Independent
Mr. J.M. Percy Rose	Executive

### Committees of the Board of Directors

#### Directors' Interest

The Directors' interests in the ordinary share capital of the Company as at 30 June 2022 are as follows:

	Ordinary share of Rs. 10 each	
	2022	%
Ms. Analaxmi Cunden	116,662	4.666
Mr. Natarajen Modeliar Cunden	126,662	5.066
Ms. Shrivana Cunden	116,562	4.656
Mr. Raouf Dusmohamud	3,728	0.149
Mr. P. A. Pather	728	0.029
Mr. Jean Marie Percy Rose	482	0.019
Mr. Karunanidi Teeroovengadum Sornum	400	0.016
Mr. Logonaden Pillay Thandrayen	100	0.004

## CORPORATE GOVERNANCE REPORT

### PRINCIPLE 2 : The Structure of the Board and its Committees (Continued)

In compliance with the principles 2 of Good Governance, the Board of Directors has set up three Board Sub Committees, namely: Corporate Governance Committee, Audit Committee and Risk Management Committee.

#### 1 Corporate Governance Committee

The Corporate Governance Committee is composed of four non-executive independent Directors namely Mr. Logonaden Pillay Thandrayen (Chairman), Mr. Raouf Dusmohamud, Mr. Yuvhen M. Cunden and Miss Analaxmi Cunden.

Terms of reference of the Corporate Governance Committee include the following:

- ensuring that Professional Personnel and Human Resources Management policies are practised and implemented in the areas of recruitment and other staff related matters.
- ensuring that the Company follows a well-defined and properly structured remuneration policy; and
- ensuring that all the management decisions are appropriately recorded with due transparency for the benefit of stakeholders.

The Corporate Governance Committee is responsible for implementing the Code throughout the Company and ensuring that the reporting requirements on Corporate Governance are made in accordance with the principles enunciated in the Code.

#### 2 Audit Committee

The Audit Committee comprises Mr. Karunanidi T. Sornum (Chairman) and Mr. P. A. Pather. The technical aspect is reviewed by Mr. Jean Marie Percy Rose and external auditors attend the meeting when invited. The Audit Committee has adopted formal terms of reference and it confirms that it has discharged its responsibilities for the year, in compliance with its terms of reference. The Audit Committee oversees the management's financial stewardship of the Company and the performance of the external audit functions.

The Audit Committee focuses on:

- ensuring that adequate controls and checks are installed in the accounts department;
- ensuring that there are well defined procedures and mechanisms for purchase of movable and immovable properties;
- ensuring that all the accounting returns for Financial Service Commission and other government agencies are correctly prepared and submitted on time;
- ensuring that there is a proper and adequate system in the areas of investment without any compromise on the security of the funds pertaining to General Insurance and Life Insurance Businesses; and
- taking cognizance of the auditors' report and actuaries' report before these are taken to the Board.

## **CORPORATE GOVERNANCE REPORT**

### **PRINCIPLE 2 : The Structure of the Board and its Committees (Continued)**

#### **Committees of the Board of Directors (Continued)**

##### **2 Audit Committee (Continued)**

###### **Terms of Reference**

###### **Financial Reporting**

- Provide assurance that financial disclosures made by management reasonably portray the Company financial conditions, results of operations and long-term commitments.
- Review critically the draft financial and interim reports and other financial documents.
- Consider the appropriateness of the accounting policies applied and whether they are prudent and consistent with prior practice and comply with regulations and legal requirements.
- Consider the validity of any changes in accounting treatment or disclosure by comparing with previous year.
- Review critical accounting issues.
- Review significant estimates based on judgment which are included in the financial statements.
- Review adequacy of provisions including provision for credit impairment losses.
- Consider any difference of opinion between auditors and management on the level of provisions, on accounting treatment or on disclosure.
- Consider the quality of financial information disclosed to the shareholders and other stakeholders.
- Review the financial reporting process with a view to ensuring the Company's compliance with accounting standards and financial matters and the applicable laws and regulations.

###### **External Audit**

- Make recommendations for the appointment and retention of the external auditors.
- Review and discuss the scope of the audit and audit plan.
- Consider differences of opinion between management and the external auditors.
- Evaluate the performance, objectivity, and independence of the external auditors.
- Review the nature and extent of non-audit services provided by the auditors.
- Obtain assurance from the auditors that adequate accounting records are maintained.

###### **Internal Audit**

- The Company has an adequate internal control system even though the role of an inhouse internal auditor is being considered.
- Responsibilities and duties of officers are clearly defined, thus providing proper checks and balance of transactions carried out in the Company.
- The objectives and policies of the Company are properly communicated up and down the line in the Company;
- The Audit Committee and the key management personnel regularly receive reports from various departments and review the same.

## CORPORATE GOVERNANCE REPORT

### PRINCIPLE 2 : The Structure of the Board and its Committees (Continued)

#### Committees of the Board of Directors (Continued)

#### 2 Audit Committee (Continued)

##### Internal Control Systems

- Review the systems of internal controls to ascertain its adequacy and effectiveness.
- Review and discuss any previously identified material weaknesses in controls and deficiencies in the system.
- If considered necessary, recommend additional procedures to enhance the system of internal controls.
- Review external auditors' reports (management letter) and management's responses thereto and consider status of actions taken by management.
- Identify any change necessary to the agreed audit scope or to other services because of any weaknesses or deficiencies revealed.

##### Whistleblowing

- To review the arrangements for employees to raise concerns in confidence and ensure that the arrangements allow proportionate and independent investigation of possible wrongdoing and appropriate follow-up action.

##### Evaluating performance

- To evaluate the Committee's own performance both of individual members and collectively, on a regular basis and provide for ongoing training needs.
- To assess the achievements of the responsibilities specified in the terms of reference and report the findings to the board.
- Independence of management.
- Integrity.

##### Focus on the year ahead

- Continue to monitor the maturity of internal financial controls.
- Continue to monitor key financial accounting and reporting developments that are likely to impact on the Company.
- Continue to monitor the activities of external audit, compliance, and financial crime control as they pertain to the regulatory and internal control environment of the Company.
- Continue to monitor regulatory developments, feedback from the Company's response to interaction with regulators.
- Review reports relating to financial crime, material incidents, mitigations strategies and remedial actions.
- Review reports from management.

#### 3 Risk Management Committee

The Risk Management Committee has been set up on the 2nd March 2017, which comprises Mr P.A. Pather, FCCA (Chairman), Dr. S. M. Cunden, Mr Logonaden Pillay Thandrayen, Mr Natarajen M. Cunden and Mr Jean Marie Percy Rose.

The Risk Management Committee (the "Committee") is an emanation of the Board of Directors (the "Board") of the Indian Ocean General Assurance Ltd and has been established by the Board with the aim to comply with the Code and the Insurance (Risk Management) Rules 2016. The Committee assists the Board in discharging its duties relating to the establishment and maintenance of the Risk Management Framework in accordance with the Insurance (Risk Management) Rules 2016. Such duties include:

## CORPORATE GOVERNANCE REPORT

### PRINCIPLE 2 : The Structure of the Board and its Committees (Continued)

#### Committees of the Board of Directors (Continued)

##### 3 Risk Management Committee (Continued)

- the establishment and approval of a Risk Management Framework.
- overseeing the implementation and subsequent maintenance of the Risk Management Framework.
- determining the risk culture of the Company and formulating the matter in a Risk Appetite Statement (“RAS”).
- Ensure that the RAS is reviewed annually and is consistent with the Company’s business plans and strategies.
- providing leadership and guidance to management to create the conditions conducive to achieving the desired risk culture.
- ensuring that persons responsible for risk management have the appropriate skills, knowledge, independence and authority.
- defining roles and responsibilities of management in relation to risk management.

##### 4 Investment Committee

The Investment Committee has been set up on the 10nd March 2022, which comprises Ms Shrivana Cunden (Chairman), Mr Logonaden Pillay Thandrayen, Mr Natarajen M. Cunden and Mr Karunanidi T. Sornum.

Role

- the role of the Committee is to support the Board of The Indian Ocean General Assurance Ltd (the “Company”) in managing investments held as principal.
- The Company’s investment management, investment strategy and appetite for investment risk remains the responsibility of the Board.
- The Board has set up the Investment Committee to establish an appropriate investment management framework, formulate a statement of investment principles, set an appropriate mix of assets consistent with the Board’s investment objectives and appetite for risk, and provide oversight of its implementation.
- The Investment Committee is accountable to the board .

#### Meetings of Board and Committees

The Board and the Committees meet regularly as required by the rules and regulations approved by the Board. Directors’ attendance at Board Meetings and Committees as at 30 June 2022:

	Board of Directors	Corporate Governance Committee	Audit Committee	Risk Management Committee	Investment Committee
<b>No. of meetings held</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>
Ms. Analaxmi Cunden	6	2	Nil	Nil	Nil
Mr. Natarajen M. Cunden	6	Nil	Nil	1	1
Ms. Shrivana Cunden	4	Nil	Nil	1	1
Mr. Raouf Dushmanud	6	2	Nil	Nil	Nil
Mr. P. A. Pather	6	Nil	2	Nil	Nil
Mr. Karunanidi T Sornum	6	Nil	2	1	1
Mr. J.M Percy Rose	6	Nil	Nil	Nil	Nil
Mr. Yuvhen Modelly Cunden	6	2	Nil	Nil	Nil
Mr. L Pillay Thandrayen	6	2	Nil	1	1

## CORPORATE GOVERNANCE REPORT

### **PRINCIPLE 3: Directors appointment**

In line with principle 3, the Board acknowledges responsibility for the appointment of Directors in accordance with the constitution of the Company and the Company ensures that a mix profile of directors be appointed taking into consideration experience, gender, independence and skills. Compliant to the principle a nomination policy is adopted by the board for election and re-election at annual meetings by ordinary resolution. Any new directors to be appointed is presented with a package of information that empower the director to take cognisance of the company in terms of the Company's Constitution and Board Charter, Mauritius Companies Act 2001, the Companies Code of Ethics and Practice, Organisation Chart and Annual Reports.

The Board assumes full responsibility for the succession planning when there is need for.

### **PRINCIPLE 4 : Directors' duties, remuneration and performance**

The profiles of the Directors are given below:

#### **Mr Raouf Dusmohamud - Non-Executive Director**

Mr Raouf Dusmohamud was appointed as a Director on the Board of Indian Ocean General Assurance Ltd in 2004. He is presently the Managing Director of Raouf Dusmohamud Co. Ltd, which is the official representative and dealer of the following makes of cars viz: Proton, Perodua. In addition, he is the owner of Garage Raouf and Brabant Pieces Auto. He is a citizen and resident of Mauritius.

#### **Mr Logonaden Pillay Thandrayen - also known as Raj Pillay - Non-Executive Director and Chairman of Corporate Governance Committee**

Mr Raj Pillay joined the Board in 2004. He is presently the Managing Director of Thandrayen Pillay Refrigeration Centre Ltd and Jensen Trading Co. Ltd. He is also a Director of Ningbo Komans Refrigerant (Ningbo China). He has won the Peak of Success, Biz 2014 Award (Hawaii, USA ), Inspirational Company Award by World Confederation of Business (Hanston USA). Paris Star Quality Award Platinum Category in 2012, London Golden Crown Award QC100 in 2005 and Sablier D'Or Dan Foss Denmark in 1999. He is a citizen and resident of Mauritius.

#### **Mr Karunanidi Teeroovengadam Sornum - Non-Executive Director**

Mr Karunanidi Teeroovengadam Sornum was appointed as a Director in 2002 and as a member of the Audit Committee in 2007. He is working as an accountant in the logistic sector. He is a member of the Association of Chartered Certified Accountants. He is also an affiliate member of the Chartered Institute of Logistics and Transport. He is a citizen and resident of Mauritius.

#### **Miss Analaxmi Cunden - Non-Executive Director**

Miss Analaxmi Cunden was appointed as a Director in 2002. She is working as Corporate Secretary for Aviva Group Luxembourg. She has also exposure in General Banking, Accounting, Company Secretarial Practice and Human Resources Management. She is a citizen and non-resident of Mauritius.

## CORPORATE GOVERNANCE REPORT

### PRINCIPLE 4 : Directors' duties, remuneration and performance (Continued)

#### **Mr Natarajen M. Cunden - Chief Executive Officer, Executive Director**

Mr Natarajen M. Cunden was appointed as Director in 2002 and enjoys a rich experience of 12 years in the Banking Sector. Prior to joining IOGA Ltd, he was Deputy CEO of the former Indian Ocean International Bank Ltd. He is a Fellow of the Chartered Management Institute of UK and has completed his master's degree in management from the University of Mauritius. He is a citizen and resident of Mauritius.

#### **Miss Shrivana Cunden - Non-Executive Director**

Miss Shrivana Cunden was appointed as Director in 1998 and she acted as the Managing Director of the Company for the period 1998 to February 2006. She is a holder of MBA from Birmingham University (UK) and currently working in a leasing company, Toronto, Canada. She is a citizen and non-resident of Mauritius.

#### **Mr Vivek Cunden - Non-Executive Director**

Mr Vivek Cunden was appointed as an independent director on 17th December 2021. He is a holder of MBA in Project Management at the University of Technology, Mauritius. He has experience as a production manager in the Sugar and Textile Industries. He is a citizen and resident of Mauritius.

#### **Mr Yuvhen Modelly Cunden - Independent Director**

Mr Yuvhen Modelly Cunden was appointed as independent director on 11th June 2010. He is currently employed with SBI (Mauritius) Ltd as IT Supervisor. He holds a Diploma in Information Technology through AEA (Nee). He is a citizen and resident of Mauritius.

#### **Mr Poobalasoondaram Arnasala Pather - Independent Director**

Mr P.A Pather was appointed as independent director on 29th December 2011. He is a Fellow of the Chartered Association of Certified Accountants (FCCA). He has long experience in accounting and financial services. He is currently the managing partner of Palsam Associates, Chartered Certified Accountants. He was appointed Chairman on 27th February 2020. He is a citizen and resident of Mauritius.

#### **Mr Jean Marie Percy Rose - General Manager and Executive Director**

Mr J. M. Percy Rose joined the Company as independent director in June 2011. Careerwise, he has a long outstanding managerial and technical experience in the insurance sector since 1967. Mr J. M Percy Rose is an Associate of the Chartered Insurance Institute (UK) since 1979 and a Chartered Insurer in 1997. He is a citizen and resident of Mauritius.

## CORPORATE GOVERNANCE REPORT

### PRINCIPLE 4 : Directors' duties, remuneration and performance (Continued)

#### Statement of Remuneration Philosophy

The remuneration of Directors and Senior Executives of the Company is reviewed annually as per the term of reference of the Nomination and Remuneration sub-committee presided by Mr Logonaden Pillay Thandrayen. The remuneration philosophy is based on performance and is transparent and in compliance with principle 4 of the code.

The directors' fees paid to each Director are as follows:

Directors	Rs
Mr. Vivek Cunden	Nil
Ms. Analaxmi Cunden	57,000
Mr. Natarajen M. Cunden	57,000
Dr. Soopramanien M. Cunden	Nil
Ms. Shrivana Cunden	41,000
Mr. Raouf Dasmohamud	32,000
Mr. Logonaden Pillay Thandrayen	68,000
Mr. P. A. Pather	360,000
Mr. Karunanidi T Sornum	57,000
Mr. J.M Percy Rose	52,000
Mr. Yuvhen Modelly Cunden	52,000

#### Profile of Senior Management Team

##### Mr Natarajen M. Cunden

Mr Natarajen M. Cunden, Chief Executive Officer has extensive experience in the management sector. He is a Fellow of the Chartered Institute of Management, UK and holds a master's degree in management from the University of Mauritius.

##### Mr Jean Marie Percy Rose (appointed in May 2016)

Mr J. M. Percy Rose joined the Company as independent Director in June 2011. Career-wise, he has a long outstanding managerial and technical experience in the insurance sector since 1967. Mr J. M Percy Rose is an Associate of the Chartered Insurance Institute (UK) since 1979 and a Chartered Insurer in 1997.

##### Mr Amrit Hurree (appointed in July 2016) - Accountant

Mr Amrit Hurree is a Public Accountant registered with Mauritius Institute of Professional Accountants bearing registration number MRN 186/292.

He is a Fellow of the Association of Chartered Certified Accountants (UK). He worked in the insurance industry for more than 25 years in various insurance companies. He is now a Sole Partner in Practice based in Mauritius and Australia. He joined the Company as a part time consultant since July 2016.

## CORPORATE GOVERNANCE REPORT

### PRINCIPLE 4: Directors' duties, remuneration and performance (Continued)

#### Mr Krishna Arnasala Pather (appointed in January 2017)- Risk Officer

Mr Krishna Arnasala Pather holds a Bachelor of Business Science in Actuarial Science, University of Cape Town, South Africa. He has more than 15 years of experience in the financial services sector including insurance Investment management, banking and leasing. He was appointed Risk Officer from 17 January 2017.

#### Mr Hambyrajen Narsinghen LLB (Hons), LLM, PhD (reg) (appointed in June 2018) Compliance Officer

Mr Hambyrajen Narsinghen completed his PhD Reg at University of Bordeaux and was appointed as consultant for compliance matters starting June 2018. As the compliance and regulatory consultant of IOGA, he oversees all the major departments including the work of the board of directors to ensure compliance with insurance and company laws, principles of good governance, money laundering and ethical issues with close collaboration with the money laundering reporting officer of the Company.

#### Company Secretary

##### Mr. V.K.Dwarka SA

Mr Vijay Kumar Dwarka started his legal career since 1973, he is a professionally Qualified Attorney at Law (Solicitor) of the Supreme Court of Mauritius (1973)

Appointed Company Secretary of the Company since 2005. He manages all Board proceedings and meetings. He provides guidance to the board members as to how their responsibilities should be discharged. He remains the focal point of contact between all parties concern. He has a service agreement as approved by the Board.

**Interest register** is available for inspection on appointment with the Secretary.

#### Board Evaluation

In accordance with the Board Charter the evaluation process is being conducted by the Company Secretary by way of interviews, questionnaires and online conferences and findings and recommendations will be submitted to the Board on completion.

#### Information technology and information security policy

The Company IT department is headed by a competent IT manager that has input adequate security and has subscribed to antivirus software to ensure safeguard and security of data. The Management Information System is safeguarded within industry norms. The Company also complies with the Data Protection Act 2017.

## CORPORATE GOVERNANCE REPORT

### PRINCIPLE 5 Risk Management and Internal Control System

The Board of Directors is responsible for risk management and for the Company's systems of internal control. The Company's policy on risk management encompasses all significant business risks including physical, operational, business continuity, financial compliance and reputational which could influence the achievement of the Company's objectives. The recent Risk Management Rules 2016 have provided new guidelines in the domain. In view of properly discharging its responsibilities, the Board has set up a Risk Committee and appointed a Risk Officer.

Since the beginning of 2017, the Board has supervised the implementation of a new risk management framework which lays down the following risk management mechanism:

- A system for the ongoing identification and assessment of risk.
- Development of strategies in respect of risks and definition of acceptable and non-acceptable levels of risk.
- Reviewing the effectiveness of the system of internal control.
- Preparation and maintenance of the Risk Appetite Statement.
- Implementation of the ORSA framework.
- Processes to reduce or mitigate identified risks and contain them within the levels of tolerance defined by the Board.

The objective of risk management is not to eliminate risk altogether, but to reduce it to an acceptable level having regard to the objectives of the Company. While the Board is responsible for the overall risk management and internal control systems, oversight of the Company's risk management process, with the exception of the legal risk, is delegated to the Audit and Technical Committee.

The following main risk areas have been identified for the Company:

### Insurance Risks

The main activity of the Company is the acceptance of risk under an insurance contract where, in return for a consideration (the premium), a policyholder is compensated for pecuniary loss suffered as a result of a specified uncertain future event, or of an uncertain future event where the timing of the occurrence is uncertain. The main risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. Risks are mainly associated with the Company's underwriting, reinsurance and claims handling activities.

### Underwriting and Pricing Risk

The Company's underwriting strategy attempts to ensure that the underwritten risks are acceptable, well priced and diversified in type. Statistics captured and analysed by computer software are extensively used to assess and review risks and the Company reserves the right not to renew policies and/or to impose deductibles.

### Reinsurance Risk

The Company determines the extent of risks retainable and transfers risks in excess of its capacity to top rated reinsurers. Thus, through effective proportional, excess of loss and facultative reinsurance covers, the maximum loss for a given risk that the Company may suffer in any one year is predetermined.

Reinsurance risk refers to the inability of the ceding company or the primary insurer to obtain insurance from a reinsurer at the right time and at an appropriate cost. The inability may emanate from a variety of reasons like

## CORPORATE GOVERNANCE REPORT

### PRINCIPLE 5 Risk Management and Internal Control System (Continued)

unfavourable market conditions. Default risk by a reinsurer also affects the ceding insurance company in an adverse manner as it may affect their profitability.

Insurers transfer a part of their portfolio to a reinsurer in exchange for a premium. However, the unavailability of reinsurance at the right time and cost has ramifications for the ceding company. A default on the part of the reinsurer can lead to adverse impacts on the profitability and solvency of the ceding insurer. It may also lead to an adverse effect on the underwriting abilities of the insurer as the default by the reinsurer will augment the risk of the insurer. The ceding company has the onus of meeting the insured's claims in the event of a default by the reinsurer.

The Company manages its reinsurance program by a professional reinsurance broker J. B. Boda Reinsurance Brokers Private Limited who ensures that risks are only ceded to top-rated and credit worthy reinsurers.

### Claims Management Risk

Claims handling is closely monitored to ensure that the loss reported is covered and properly assessed. The Company ensures that claims provisions are determined using the best information available of claims settlement patterns, inflation forecast and settlement of claims.

### Financial Risks

The Company is exposed to financial risks through its financial assets, financial liabilities, reinsurance assets, reinsurance and insurance liabilities. In particular, the key financial risk that proceeds from financial assets are not sufficient to fund the obligations arising from insurance contracts. Management considers this financial risk low.

### Debtors' Credit Risk

The Company's credit is primarily attributable to debtors including agents for insurance premium payable to the Company. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and the current economic environment. The Company structures the levels of its credit risk it accepts by placing limits on its exposure to a single counterparty. Such risks are subject to frequent review.

### Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet short-term debts. The Company is not exposed to significant liquidity risk.

### Market risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Audit and Technical Committee set up by management ensures that investments are sufficiently diversified in order to match assets and liabilities and liquidity requirements.

### Operational Risks

Operational risks are risks of loss or opportunity gain foregone resulting from inadequate or failed internal processes, people and systems or from external events. These losses may be caused by one or more of the following: :

## CORPORATE GOVERNANCE REPORT

### PRINCIPLE 5 Risk Management and Internal Control System (Continued)

#### Operational Risks (Continued)

##### ***Human Resources Risk***

The personnel responsible for managing and controlling different sectors of the Company or a business process do not possess the requisite knowledge, skills and experience needed to ensure that critical business objectives are achieved, and significant business risks are reduced to an acceptable level.

##### ***Compliance Risk***

Compliance risk, also referred to as non-conformance risk, results in lower quality, higher costs, lost revenues and unnecessary delays. Non-conformance also gives rise to service failure risk because if not detected and corrected before a service is delivered to the customer, a product or performance failure could result. A Compliance Officer has been appointed to monitor these issues.

##### ***Health and Safety Risk***

Health and safety risks are significant if not controlled because they can expose the Company to substantial liability in respect of workers' compensation. Non-compliance with Health and Safety Legislation may result in heavy fines. The Health and Safety Committee ensures that these risks are minimised through control, follow-up and communication procedures. The Human Resources Department ensures compliance with labour laws.

### PRINCIPLE 6: Reporting with Integrity

#### Sustainability reporting

The Company recognizes that it operates within a social and economic community and as such is committed when taking decisions and carrying out its activities, to take into account not only its economic viability but also the environmental consequences and social implications. The Company recognizes its key role in job and wealth creation in the Mauritian society. Reporting sustainability is generally understood to be the way for a Company to strike a right balance between economic, environmental and social integration, often through commitment and activities that extend beyond the foundation of compliance with legislation.

#### Within the Company

The Company adopts harmonious industrial relations in order to achieve its objectives and mission in the interest of both the Company and its employees, agents, salesmen and brokers. There is a two-way communication within the Company.

#### Within the Society

The Company is fully conscious of its role as a social partner in the community. During the year under review, the Company has actively participated in various social activities and has sponsored several events.

## CORPORATE GOVERNANCE REPORT

### PRINCIPLE 6: Reporting with Integrity (Continued)

#### Environment, health and safety

Environmental implications are considered before operational and strategic decisions are taken. The Company is committed to bring about a health and safety culture within the Company and also maintains a conducive working environment for the general well-being of the employees and its customers.

#### Website

The Company website at <https://www.ioga.mu> is always kept up to date and concise and is in line with the corporate governance principles except for a few disclosures that are still being implemented. The Board has acknowledged departure from this principle as set on page 23.

#### Dividend policy

The Company does not have a formal dividend policy and did not declare any dividend during the year under review (2021: NIL).

### PRINCIPLE 7: Audit

#### Internal Audit

The Board of Directors has considered the role of an internal auditor in the Company. Lauthan Associates LLP has been appointed in the Company to assess the system of Internal Control. The Internal audit fees accrued to Lauthan Associates LLP amount to Rs 130,000 in 2022 (2021: Rs 72,750) Responsibilities and duties of the officers are clearly defined and regulated. This ensures proper checks and authorisation over the transactions carried out in the Company. The objectives and policies of the Company are properly communicated up and down the line in the Company.

The Audit Committee and the key management personnel regularly receive reports from various departments and review the same.

#### External Auditors

The external auditors are invited to attend on an annual basis meeting of directors and are given the opportunity to explain any area of concern. The external auditors have been in office for the last 5 years. The directors will consider a rotation of External Auditors in due course. The audit fees accrued to the auditors, MOORE Chartered Accountants, amount to Rs 373,750 (2021: Rs 373,750). Their audit report has been published on page 25 to 30.

## CORPORATE GOVERNANCE REPORT

### PRINCIPLE 8 : Relation with Shareholders and other key stakeholders

The Company's Share Capital stands at 2,500,000 shares at Rs 10 each Rs 25,000,000.

#### Share ownership profile

##### Analysis of shareholders as at 30 June 2022

Size of Shareholding	No of shares owned	% of total issued shares
1-500	29,289	1%
501-1,000	30,041	1%
1,001-5,000	148,078	6%
More than 5,000	2,292,592	92%
Total	2,500,000	100%

##### Shareholders category as at 30 June 2022

Shareholder Category	No of shareholders	No of shares	%
Individuals	211	1,214,817	49%
Corporate bodies	24	1,258,395	50%
Others	18	26,788	1%
Total	253	2,500,000	100%

##### Shareholders holding of more than 5% of the share capital as at 30 June 2022 were:

Shareholders	No of shares	%
Promunit Limited	848,219	33.9%
Sam Cunden (Mauritius) Ltd	262,549	10.5%
Succession Sam Cunden	294,412	11.8%
Miss Dhanaletchunee Arnasala Pather	136,411	5.45%
Natarajen M. Cunden	126,662	5.06%

#### Shareholder's agreement

The directors are not aware of any shareholder's agreement.

#### Shareholders meeting

Annual shareholders meeting is held every year as prescribed by the Companies Act 2001. This is the main communication platform and shareholders are given the right to vote on the Company's affairs. Notice of meeting is sent within prescribed delays by the Company Secretary.

#### Other Key Stakeholders

The table on the next page indicate the main partners and the response and engagement that the company undertake with each group:

## CORPORATE GOVERNANCE REPORT

### PRINCIPLE 8 : Relation with Shareholders and other key stakeholders (Continued)

Stakeholders	Communication and performance
Employees, Salesman Agents and Brokers	Emails; letters, monthly, meetings Assessment reviews and end of year gathering and above all training and continuous professional development education
Insurers and reinsurers	Meeting; emails; agreement and negotiations for better placement and response.
Bankers and Suppliers	These are prime supporters that ensure diligent undertaking of supplies of services that bring satisfaction to our customers
Regulators Government and other institution	Compliance reporting and meeting when required
Customers	Office hours throughout our branches ,Website and targeted advertising campaign

### Code of Ethics and Conduct

The Company is committed to ethical practices in its day-to-day operations and is governed by the Industry Code of Ethics. The company has published its code of ethics and conduct on its website.

### Donations and Sponsorship

The Company contributed towards the Corporate Social Responsibility fund, set up by the Government of Mauritius, amounting to Rs 73,500 (2021: 82,625)

### Related party transactions

The details in respect of related party transactions have been disclosed in Note 29 of the financial statements.

### Organisation Structure and Human Resource Development

The fact that the Company wants to become one of the leading insurance company brands in the industry in Mauritius, makes it highly necessary for the organisation to deliberately build a well-structured business.

The Company currently has a medium aged staff profile with most members having over ten years' work experience in the insurance industry. The staff have a mix of administrative and technical profiles. Company also ensures a proper mix in gender equality among its staff members.

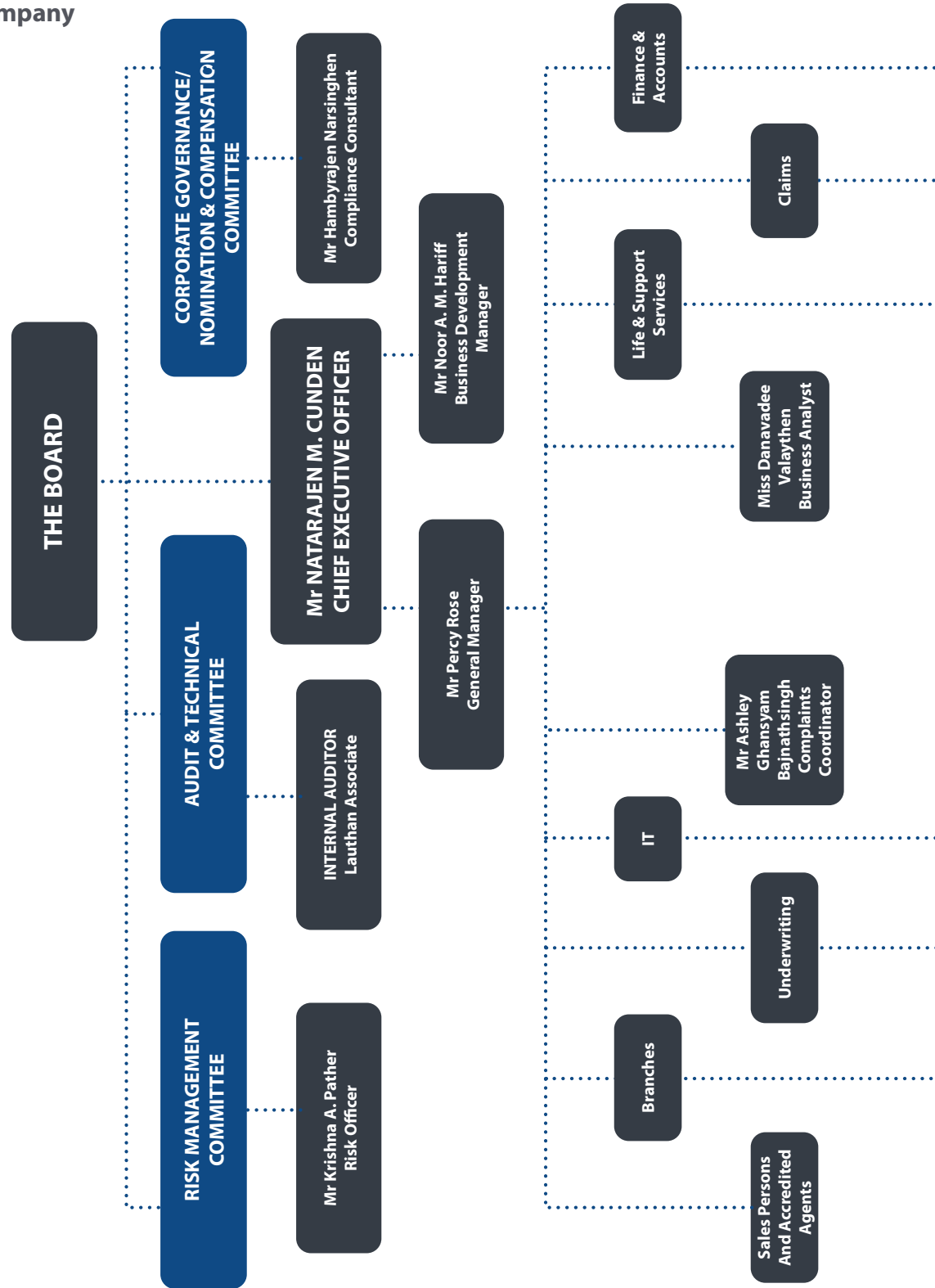
The Company will soon set up a dedicated business development function that will be composed of marketing personnel, relationship officers and sales officers. The new team will coordinate business development initiatives and strive to develop sound relationships with direct clients.

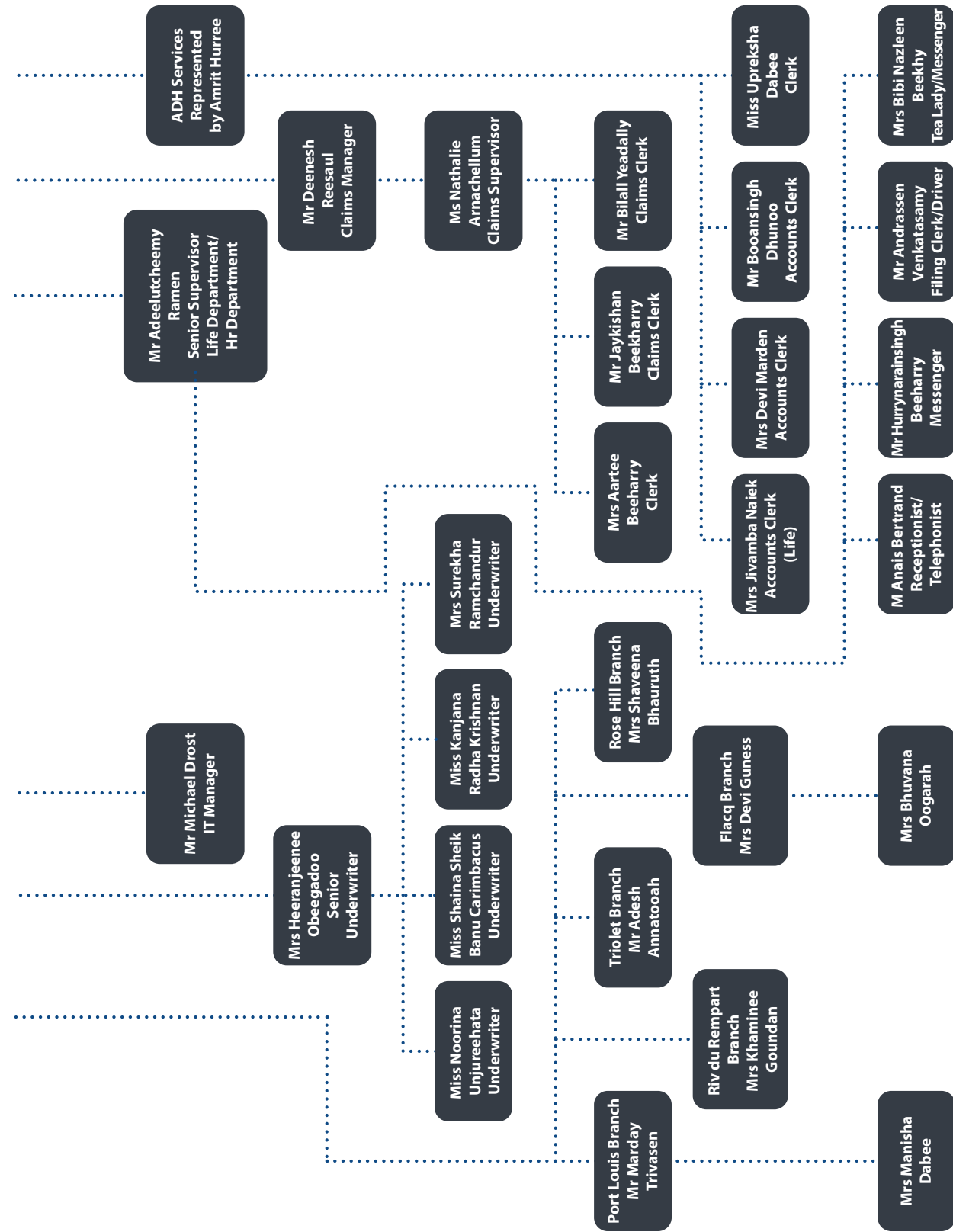
Training of staff is an ongoing process and the Company participates in the upskilling courses of the Insurance Institute of Mauritius.

In addition to its staff, the Company uses the services of numerous external consultants, located both locally and abroad.

## CORPORATE GOVERNANCE REPORT

**PRINCIPLE 8 : Relation with Shareholders and other key stakeholders (Continued)**  
**Organisation Structure and Human Resource Development (Continued)**  
**Organigram of the Company**





## CORPORATE GOVERNANCE REPORT

### 12. Statement of Directors' responsibilities in respect of the financial statements Internal Control and Risk Management

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs and of the profit or loss of the Company. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently,
- Make judgments and estimates that are reasonable and prudent,
- State whether International Financial Reporting Standards (IFRS) 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.

The Directors are responsible for ensuring that adequate accounting records and an effective system of internal control and risk management are maintained. This helps to disclose with reasonable certainty and accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible to institute proper systems and procedures to comply with the Financial Intelligence and Anti-Money Laundering Act 2002 (FIAML Act) and the Code on the Prevention of Money Laundering and Terrorist Financing intended for Insurance Entities (the PML TF code). Management has taken actions to implement proper systems, procedures and controls to comply with the FIAML Act and the PML TF code.

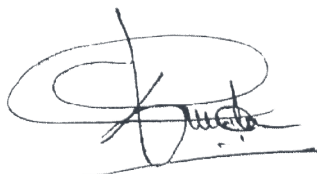
The Directors confirm that they complied with these requirements in preparing the financial statements. The Directors have assessed the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

### Acknowledgement

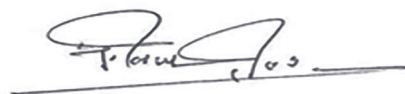
The Board of Directors wishes to thank all stakeholders for their continued cooperation and support. The Board also expresses its appreciation for the valued support, continued trust, and loyalty of its management, staff and customers without whom the objectives of the Board would not have been attained.



Mr P.A Pather  
**Chairperson**



Mr. Natarajen M. Cunden  
**Chief Executive Officer**



Mr J. M. Percy Rose  
**Director**

**Date:** 30th September 2022

## CORPORATE GOVERNANCE REPORT

### STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity: Indian Ocean General Assurance Ltd

Reporting period: Year ended 30 June 2022

Throughout the year ended 30 June 2022, to best of the Board's knowledge, the Indian Ocean General Assurance Ltd has not complied with all principles of the Code of Corporate Governance for Mauritius (2016).

The areas of non-compliance are:

#### Principle 4

#### Area of non-compliance

The organisation's website should include the following:

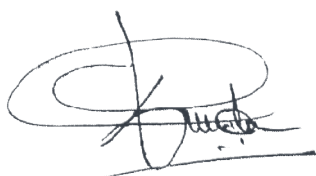
- The Organisation's website did not include complete details of information technology and security policies.

#### Reason

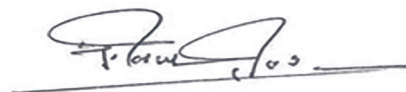
The above statement is missing during the year under review and needful is in process of implementation.



Mr P.A Pather  
**Chairperson**



Mr. Natarajen M. Cunden  
**Chief Executive Officer**

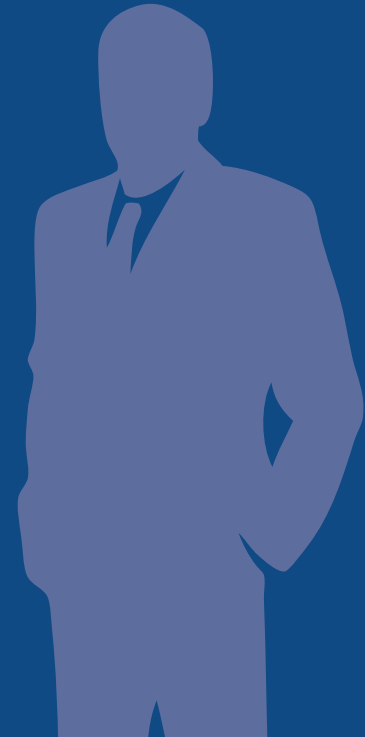


Mr J. M. Percy Rose  
**Director**

**Date:** 30th September 2022



**Ioga**  
INDIAN  
OCEAN GENERAL  
ASSURANCE LTD



## CERTIFICATE OF THE SECRETARY

I certify, to the best of my knowledge and belief, that the Company has filed with the Registrar of Companies all such returns as are required of INDIAN OCEAN GENERAL ASSURANCE LTD under Section 166(d) of the Companies Act 2001, during the year ended 30 June 2022.

**Secretary**  
**Vijay Kumar Dwarka**

Date: 30th September 2022

Address:  
Descoins Street  
Long Mountain  
Mauritius

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDIAN OCEAN GENERAL ASSURANCE LTD**

### **Report on the Audit of the financial statements**

#### ***Opinion***

We have audited the financial statements of **Indian Ocean General Assurance Ltd** (the "Company") set out on pages 32 to 87 which comprise the statement of financial position as at 30 June 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements give a true and fair view of the financial position of the Company at 30 June 2021 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, Financial Reporting Act 2004 and the Insurance Act 2005.

#### ***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.

#### ***Key Audit Matters***

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

### **1. As at 30 June 2022, the Company had technical provisions comprising of unearned premium reserves and premium deficiency reserve as disclosed in Notes 19 and 20 to the financial statements.**

The valuation of the technical provisions which includes provision for unearned premium reserves and premium deficiency reserves are significant in magnitude and require the use of judgements, estimates as well as the use of actuarial and statistical projections.

Technical provisions in respect of claims that are expected to arise over the period after the valuation date till the policy's natural expiry are computed using the 365th method and reported as UPR (unearned premium reserve).

An additional reserve is held for unexpired risk (AURR) where the combined ratio exceeds 100%. This reserve is also referred to as Premium Deficiency Reserve (PDR). The combined ratio is taken as the sum of the following:

- Net incurred claims/ net earned premium
- Management expense / net earned premium
- (Commission paid less commission received) / net earned premium

Given its complexity and significance, the valuation of technical provisions has been considered a Key Audit Matter.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDIAN OCEAN GENERAL ASSURANCE LTD**

### **Report on the Audit of the financial statements (Continued)**

#### **Key Audit Matters (Continued)**

**1. As at 30 June 2022, the Company had technical provisions comprising of unearned premium reserves and premium deficiency reserve as disclosed in Notes 19 and 20 to the financial statements. (Continued)**

#### ***Related disclosures***

Refer to notes 19 and 20, note 3 (accounting policies) and note 4(a) (critical accounting estimates) of the accompanying financial statements.

#### ***Audit response***

- Assessed and tested the design and operating effectiveness of key controls relating to the claims handling process, including controls over completeness and accuracy of the claims' estimates recorded. We performed substantive tests on the amounts recorded for a sample of claims notified, focusing on those with the most significant impact on the financial statements, to assess whether claims are appropriately estimated and recorded.
- Evaluated the competence, objectivity and independence of the independent actuary appointed by management of the Company to review the adequacy of technical provisions.
- Tested the completeness, accuracy and integrity of the underlying insurance data provided by management to the independent actuary to estimate the provisions. We focused our test of key controls over management's collection, extraction, and data validation processes.
- Involved our own independent actuarial specialist to evaluate the actuarial assumptions used by management based on the analysis of the experience to date, industry practice and the financial and regulatory requirements.
- Critically appraised the reasonableness of assumptions used in the actuarial report, especially around mortality, disability, morbidity, expenses, and risk discount rates, through a combination of analytical procedures and benchmarking against market trends as well as regulatory and reporting requirements for consistency.
- Evaluated management's methodology and assumptions against actuarial practices and industry standards as well as financial and regulatory requirements.

**2. As at 30 June 2022, the Company had outstanding claims which including claims incurred but not reported (IBNR) as disclosed in Note 28 to the financial statements.**

The valuation of outstanding claims ("OC") including claims IBNR is significant in magnitude and requires the use of judgements, estimates and the use of actuarial and statistical projections. OC including claims IBNR are estimated for settlement of claims in future which are impacted by a number of factors which include the trends in severity of historical claims, frequency of historical claims, and changes in Laws and Regulations. In particular, the claims arising from death or disability covered under motor insurance contracts involve complex and subjective judgements about future events, both internal and external to the business, for which small changes in assumptions can materially impact on the valuation of these liabilities.

#### ***Related disclosures***

Refer to note 28, note 3 (accounting policies) and note 4(a) (critical accounting estimates) of the accompanying financial statements.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDIAN OCEAN GENERAL ASSURANCE LTD

**2. As at 30 June 2022, the Company had outstanding claims which including claims incurred but not reported (IBNR) as disclosed in Note 28 to the financial statements.  
(Continued)**

### ***Audit response***

- We assessed and tested the design and operating effectiveness of selected key controls relating to the claims handling and reserving process, including controls over completeness and accuracy of the claims' estimates recorded.
- We performed substantive tests on the amounts recorded for a sample of claims notified, focusing on those with most significant impact on the financial statements, to assess whether claims are appropriately estimated and recorded.
- We evaluated the competence, objectivity and independence of the independent actuary appointed by management of the Company to review the adequacy of QC including claims IBNR.
- We tested the completeness, accuracy and integrity of the underlying insurance data provided by management to the independent actuary to estimate the IBNR provisions. We focused our test of key controls over management's collection, extraction and data validation processes.
- We critically appraised the reasonableness of assumptions used in the actuarial report, especially around mortality, disability, morbidity, expenses and risk discount rates, through a combination of analytical procedures and benchmarking against market trends as well as regulatory and reporting requirements for consistency.
- We assessed the adequacy of the Company's related disclosures by reference to International Financial Reporting Standards (IFRSs).

### **Other Information**

The directors are responsible for the other information. The other information comprises the Chairman's Review, Management Review by Chief Executive Officer and Certificate from the Company 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.

### **Corporate Governance Report**

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for noncompliance 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. 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 and satisfactory explanation disclosed on the principles of the Code which have not been complied with.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDIAN OCEAN GENERAL ASSURANCE LTD**

### **Report on the Audit of the financial statements (Continued)**

#### ***Responsibilities of directors and those charged with governance 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, Financial Reporting Act 2004 and the Insurance Act 2005, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### ***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 scepticism 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 MEMBERS OF INDIAN OCEAN GENERAL ASSURANCE LTD

### ***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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

#### **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 members 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 members, for our audit work, for this report, or for the opinions we have formed.

#### *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.

#### *Insurance Act 2005*

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



**MOORE**  
Chartered Accountants

**PORT LOUIS**  
**REPUBLIC OF MAURITIUS**



**Arvin Rogbeer, FCA, FCCA**  
Licensed by FRC

**DATE:** 30 November 2022



**GROWTH AT YOUR  
FINGERTIPS**


# Indian Ocean General Assurance LTD

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
<b>ASSETS</b>							
<b>NON CURRENT ASSETS</b>							
Property, plant and equipment	6	2	2	38,713,135	39,755,774	38,713,137	39,755,776
Intangible assets	7	1	1	-	-	1	1
Right-of-use assets	8	-	-	666,040	84,387	666,040	84,387
Available-for-sale financial assets	9	34,585,107	31,910,012	57,712,885	53,857,088	92,297,992	85,767,100
Deposits	10	14,568,750	14,568,750	29,317,200	61,060,950	43,885,950	75,629,700
Investment property	11	1,100,000	1,100,000	-	-	1,100,000	1,100,000
Loans and receivables	12	-	-	530,473	296,805	530,473	296,805
		50,253,860	47,578,765	126,939,733	155,055,004	177,193,593	202,633,769
<b>CURRENT ASSETS</b>							
Loans and receivables current	12	627,186	639,560	-	-	627,186	639,560
Receivables and prepayments	13	3,263,067	1,970,884	29,393,837	22,826,386	32,656,904	24,797,270
Amount due by reinsurers	14	-	-	2,544,131	7,642,325	2,544,131	7,642,325
Current tax assets	25	13,607	13,607	-	-	13,607	13,607
Receivable on claim paid and pay'ble	15	-	-	11,948,574	23,544,925	11,948,574	23,544,925
Short term deposits	10	-	-	42,131,250	17,387,500	42,131,250	17,387,500
Cash and cash equivalents	16	1,961,972	5,187,284	139,597,998	129,245,764	141,559,970	134,433,048
		5,865,832	7,811,335	225,615,790	200,646,900	231,481,622	208,458,235
<b>TOTAL ASSETS</b>		<b>56,119,692</b>	<b>55,390,100</b>	<b>352,555,523</b>	<b>355,701,904</b>	<b>408,675,215</b>	<b>411,092,004</b>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
Stated capital	17	-	-	25,000,000	25,000,000	25,000,000	25,000,000
Revaluation reserves	18	23,581,669	20,906,574	54,640,646	50,784,848	78,222,315	71,691,422
Retained earnings		-	-	138,850,143	134,976,689	138,850,143	134,976,689
		23,581,669	20,906,574	218,490,789	210,761,537	242,072,458	231,668,111
<b>TECHNICAL PROVISIONS</b>							
Unearned premium reserves	19	-	-	41,488,370	33,951,498	41,488,370	33,951,498
Premium deficiency reserve	20	-	-	2,501,989	3,187,589	2,501,989	3,187,589
Life assurance fund	21	31,198,322	33,142,087	-	-	31,198,322	33,142,087
		31,198,322	33,142,087	43,990,359	37,139,087	75,188,681	70,281,174
<b>NON CURRENT LIABILITIES</b>							
Deferred tax liability	22	-	-	426,121	380,401	426,121	380,401
Lease liability	23	-	-	515,751	619,301	515,751	619,301
Retirement benefit obligation	24	-	-	4,151,124	4,211,124	4,151,124	4,211,124
		-	-	5,092,996	5,210,826	5,092,996	5,210,826
<b>CURRENT LIABILITIES</b>							
Current tax liabilities	25	-	-	856,156	856,156	856,156	856,156
Amount due to reinsurers	26	35,893	47,526	6,831,358	13,526,922	6,867,251	13,574,448
Leasing liability	23	-	-	423,510	-	423,510	-
Payables	27	1,303,808	1,293,913	6,703,920	5,426,929	8,007,728	6,720,842
Outstanding claims	28	-	-	70,166,435	82,780,447	70,166,435	82,780,447
		1,339,701	1,341,439	84,981,379	102,590,454	86,321,080	103,931,893
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>56,119,692</b>	<b>55,390,100</b>	<b>352,555,523</b>	<b>355,701,904</b>	<b>408,675,215</b>	<b>411,092,004</b>

These financial statements have been approved by the Board of Directors on 30th September 2022 and signed on its behalf by:

Director



Director



The notes on pages 39 to 87 form an integral part of these financial statements

# Indian Ocean General Assurance LTD

## STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Life June 2022 Rs	Life June 2021 Rs	General June 2022 Rs	General June 2021 Rs	Composite June 2022 Rs	Composite June 2021 Rs
<b>Gross premium</b>		967,410	1,277,473	85,282,503	72,197,437	86,249,913	73,474,910
Premium ceded to reinsurers		(73,969)	(41,192)	(13,726,336)	(13,074,451)	(13,800,305)	(13,115,643)
Net premium		893,441	1,236,281	71,556,167	59,122,986	72,449,608	60,359,267
Movement in unearned premium reserves	19	-	-	(7,536,873)	(4,387,777)	(7,536,873)	(4,387,777)
Movement in premium deficiency reserves		-	-	685,600	2,343,072	685,600	2,343,072
<b>Net earned premium</b>		893,441	1,236,281	64,704,894	57,078,281	65,598,335	58,314,562
Investment and interest income		2,426,597	1,274,680	5,796,282	3,789,878	8,222,879	5,064,558
Net gain on foreign exchange		-	-	1,113,226	3,549,139	1,113,226	3,549,139
Other income		-	800	3,803,009	2,594,265	3,803,009	2,595,065
Total other income		2,426,597	1,275,480	10,712,517	9,933,282	13,139,114	11,208,762
Net claim incurred	28.3	(4,329,501)	(3,540,354)	(39,017,921)	(35,902,454)	(43,347,422)	(39,442,808)
Commission received		8,409	4,471	3,357,357	1,864,174	3,365,766	1,868,645
Commission paid and payable		(2,507)	(5,169)	(8,229,626)	(7,481,313)	(8,232,133)	(7,486,482)
Net Commission		5,902	(698)	(4,872,269)	(5,617,139)	(4,866,367)	(5,617,837)
Management expenses		(892,988)	(814,204)	(22,418,560)	(18,996,136)	(23,311,548)	(19,810,340)
Depreciation and amortisation		-	-	(1,806,374)	(2,712,167)	(1,806,374)	(2,712,167)
		(5,216,587)	(4,355,256)	(68,115,124)	(63,227,896)	(73,331,711)	(67,583,152)
<b>Net (loss)/profit before tax</b>		(1,896,549)	(1,843,495)	7,302,287	3,783,667	5,405,738	1,940,172
Less corporation tax	25	-	-	-	-	-	-
Add/(less) deferred tax	22	-	-	(45,720)	-	(45,720)	-
Less CSR	31	(47,214)	-	(30,288)	-	(77,502)	-
<b>(Loss)/Profit after tax for the year</b>		(1,943,763)	(1,843,495)	7,226,279	3,783,667	5,282,516	1,940,172
Less appropriations:							
Founder's share commission		-	-	(852,825)	(721,974)	(852,825)	(721,974)
<b>(Loss)/Profit for the year</b>		(1,943,763)	(1,843,495)	6,373,454	3,061,693	4,429,691	1,218,198
Other comprehensive income							
Items that can be reclassified back to profit or loss :							
Gain on foreign exchange of AFS financial assets		2,172,664	1,589,650	624,318	2,642,731	2,796,982	4,232,381
Items that cannot be reclassified back to profit or loss:							
Gain on revaluation of AFS financial assets		502,431	1,371,493	3,231,480	2,147,393	3,733,911	3,518,886
Transfer to life fund and revaluation reserve		1,943,763	1,843,495	-	-	1,943,763	1,843,495
<b>TOTAL COMPREHENSIVE INCOME</b>		2,675,095	2,961,143	10,229,252	7,851,817	12,904,347	10,812,960

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Consolidated 2022 Rs	Consolidated 2021 Rs
<b>Cash flows from operating activities</b>							
<b>Profit before taxation</b>		(1,896,549)	(1,843,495)	7,302,287	3,783,667	5,405,738	1,940,172
<b>Adjustments for:-</b>							
Depreciation/amortisation	6	-	-	1,806,374	2,712,167	1,806,374	2,712,167
Investment and interest income		(2,426,597)	(1,275,285)	(5,796,282)	(3,789,878)	(8,222,879)	(5,065,163)
Foreign exchange rate changes		-	-	(1,218,742)	(3,472,069)	(1,218,742)	(3,472,069)
Founder's share commission		-	-	(852,825)	(721,974)	(852,825)	(721,974)
Finance cost related to lease of right of use assets	23	-	-	44,899	105,502	44,899	105,502
Release to general fund		-	-	6,851,273	2,044,705	6,851,273	2,044,705
Retirement benefit obligations provision		-	-	370,000	370,000	370,000	370,000
Operating (loss)/profit before working capital changes		(4,323,146)	(3,118,780)	8,506,984	1,032,120	4,183,838	(2,086,660)
Working capital changes:							
Movement in receivables and prepayments		(1,292,183)	(70,408)	(2,010,344)	5,805,194	(3,302,527)	5,734,786
Movement in amount due by reinsurers		-	-	5,098,194	(3,257,851)	5,098,194	(3,257,851)
Movement in reinsurance contract		-	-	11,596,351	5,793,473	11,596,351	5,793,473
Movement in payables		9,895	65,466	1,276,991	(280,045)	1,286,886	(214,579)
Movement in amount due to reinsurers		(11,633)	35,251	(6,695,564)	4,493,547	(6,707,197)	4,528,798
Movement in outstanding claims		-	-	(12,614,012)	(6,417,416)	(12,614,012)	(6,417,416)
Cash generated from operations		(5,617,067)	(3,088,471)	5,158,600	7,169,022	(458,467)	4,080,551
Retirement benefit obligation paid during the year	24	-	-	(430,000)	-	(430,000)	-
Interest and dividend income received		2,426,597	1,715,034	1,239,170	1,292,680	3,665,767	3,007,714
Taxation and corporate social responsibility paid		(47,214)	(460,231)	(30,288)	(724,940)	(77,502)	(1,185,171)
<b>Net cash flows from operating activities</b>		(3,237,684)	(1,833,668)	5,937,482	7,736,762	2,699,798	5,903,094
<b>Cash flows from investing activities</b>							
Purchase of property, plant and equipment	6	-	-	(406,128)	(594,538)	(406,128)	(594,538)
Decrease in deposits		-	-	7,000,000	3,000,000	7,000,000	3,000,000
<b>Net cash flows from investing activities</b>		-	-	6,593,872	2,405,462	6,593,872	2,405,462
<b>Cash flows from financing activities</b>							
Dividends paid		-	-	(2,500,000)	-	(2,500,000)	-
Lease payments	23	-	-	(664,200)	(941,400)	(664,200)	(941,400)
Net loans received ( paid )		12,374	6,999	(233,668)	290,836	(221,294)	297,835
<b>Net cash flows from financing activities</b>		12,374	6,999	(3,397,868)	(650,564)	(3,385,494)	(643,565)
Effect of foreign exchange rate changes on cash and cash equivalents		-	-	1,218,742	3,472,069	1,218,742	3,472,069
<b>Net movement in cash and cash equivalents</b>		(3,225,310)	(1,826,669)	10,352,228	12,963,729	7,126,918	11,137,060
Movements in cash and cash equivalents							
Cash and cash equivalents at the beginning of the year		5,187,284	7,013,953	129,245,765	116,282,036	134,433,050	123,295,990
<b>Cash and cash equivalents at the end of the year</b>	16	1,961,974	5,187,284	139,597,993	129,245,765	141,559,968	134,433,050

The notes on pages 39 to 87 form an integral part of these financial statements

# Indian Ocean General Assurance LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

### Composite statement: Life and General businesses:

	Stated Capital Rs	Revaluation Reserve		Total Revaluation Reserve Rs	Retained Earnings Rs	Total Equity Rs
		Freehold Land & Building Revaluation Reserves Rs	Available- for-Sales Revaluation Reserve Rs			
At 1 July 2020	25,000,000	13,846,034	50,094,121	63,940,155	131,914,996	220,855,151
Profit from General Insurance Business for the year	-	-	-	-	3,061,693	3,061,693
Transfer to premium deficiency reserve	-	-	-	-	-	-
Other comprehensive income:						
Net gain on foreign exchange	-	-	4,232,381	4,232,381	-	4,232,381
Revaluation of property	-	-	-	-	-	-
Net fair value loss on available for sales financial assets	-	-	3,518,886	3,518,886	-	3,518,886
<b>At 30 June 2021</b>	<b>25,000,000</b>	<b>13,846,034</b>	<b>57,845,388</b>	<b>71,691,422</b>	<b>134,976,689</b>	<b>231,668,111</b>
Profit from General Insurance Business for the year	-	-	-	-	6,373,454	6,373,454
Dividends paid during the year	-	-	-	-	(2,500,000)	(2,500,000)
Other comprehensive income:						
Net gain on foreign exchange	-	-	2,796,982	2,796,982	-	2,796,982
Net fair value gain on available for sales financial assets	-	-	3,733,911	3,733,911	-	3,733,911
<b>At 30 June 2022</b>	<b>25,000,000</b>	<b>13,846,034</b>	<b>64,376,281</b>	<b>78,222,315</b>	<b>138,850,143</b>	<b>242,072,458</b>

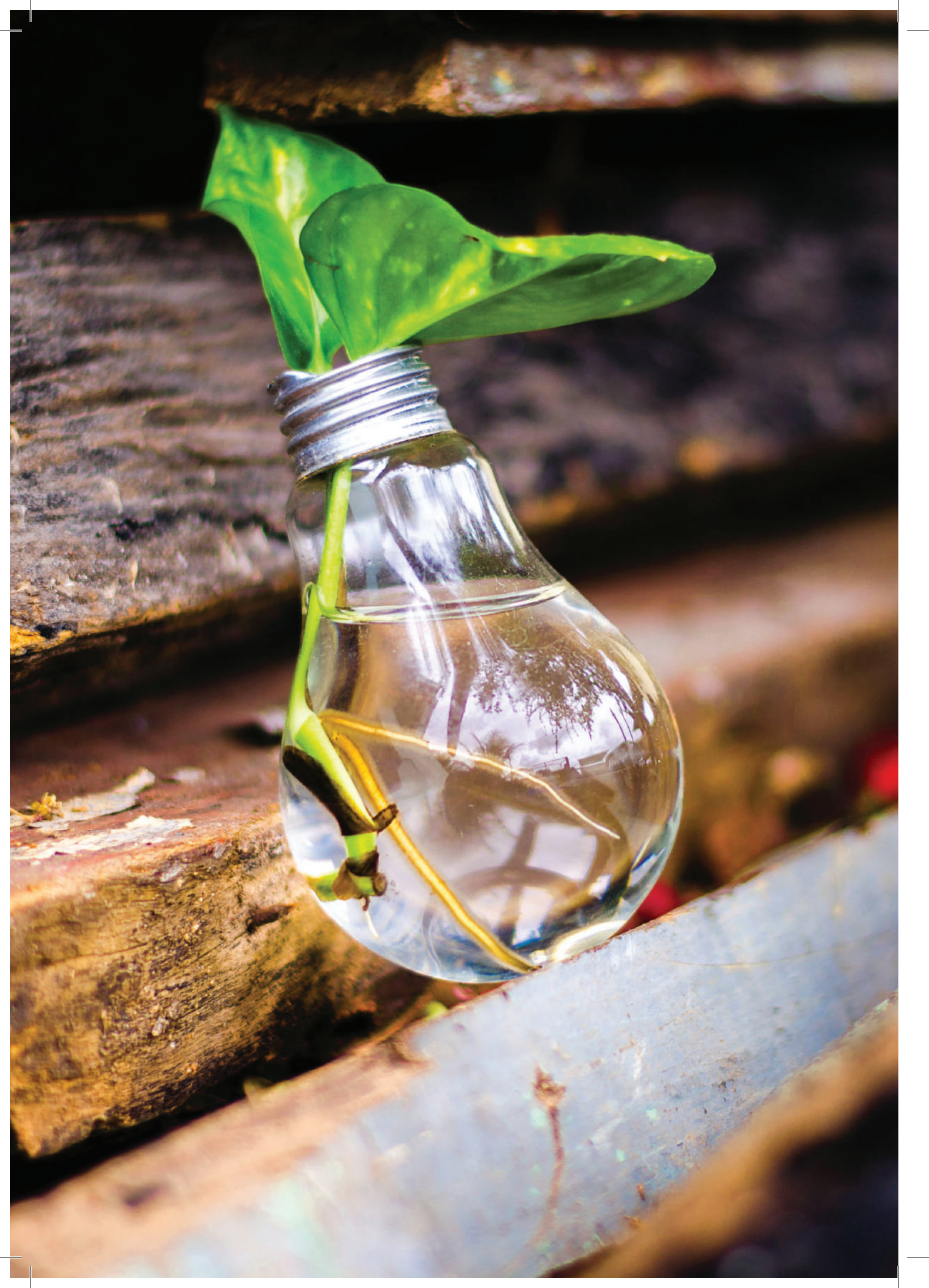
## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

### Life Business

	Stated Capital Rs	Revaluation Reserve		Total Revaluation Reserve Rs	Retained Earnings Rs	Total Equity Rs
		Freehold Land & Building Revaluation Reserves Rs	Available- for-Sales Revaluation Reserve Rs			
At 1 July 2020	-	-	17,945,431	17,945,431	-	35,890,862
Other comprehensive income:						-
Net gain on foreign exchange	-	-	1,589,650	1,589,650	-	3,179,300
Revaluation of property	-	-	-	-	-	-
Net fair value gain on available for sales financial assets	-	-	1,371,493	1,371,493	-	2,742,986
At 30 June 2021	-	-	20,906,574	20,906,574	-	41,813,148
Other comprehensive income:						-
Net gain on foreign exchange	-	-	2,172,664	2,172,664	-	4,345,328
Net fair value gain on available for sales financial assets	-	-	502,431	502,431	-	1,004,862
At 30 June 2022	-	-	23,581,669	23,581,669	-	47,163,338

### General Business

	Stated Capital Rs	Revaluation Reserve		Total Revaluation Reserve Rs	Retained Earnings Rs	Total Equity Rs
		Freehold Land & Building Revaluation Reserves Rs	Available- for-Sales Revaluation Reserve Rs			
At 1 July 2020	25,000,000	13,846,034	32,148,690	45,994,724	131,914,996	184,964,289
Profit from General Insurance Business for the year	-	-	-	-	3,061,693	3,061,693
Other comprehensive income:						
Net gain on foreign exchange	-	-	2,642,731	2,642,731	-	1,053,081
Net fair value loss on available for sales financial assets	-	-	2,147,393	2,147,393	-	775,900
At 30 June 2021	25,000,000	13,846,034	36,938,814	50,784,848	134,976,689	189,854,963
Profit from General Insurance Business for the year	-	-	-	-	6,373,454	6,373,454
Dividends paid during the year	-	-	-	-	(2,500,000)	(2,500,000)
Other comprehensive income:						
Net gain on foreign exchange	-	-	624,318	624,318	-	(1,548,346)
Net fair value gain on available for sales financial assets	-	-	3,231,480	3,231,480	-	2,729,049
At 30 June 2022	25,000,000	13,846,034	40,794,612	54,640,646	138,850,143	194,909,120



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 1. Reporting entity

**Indian Ocean General Assurance Ltd** ("the Company") is a Public Limited Company incorporated and domiciled in Mauritius under the Companies Act 2001 and is subject to the Insurance Act 2005. The Company was incorporated on 10th April 1970 and its head office is located at 12 Volcy Pougnet Street, Port Louis, Mauritius. The Company carries out short term and long-term insurance businesses. It is licensed to write property, liability, transportation, guarantee, motor and travel accidents insurance. The Company does not underwrite any new long-term business which is under run off basis.

These financial statements have been authorised for issue by the Board of Directors on 30 September 2022.

#### *Statement of compliance*

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and comply with both the Mauritian Companies Act 2001 and the Mauritian Insurance Act 2005.

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

In the current year the Company comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and has applied all the new and revised Standards and Interpretations effective at the start of the reporting period, some either do not have an impact on the Company's reporting or is not applicable.

#### **New standards and amendments to published standards effective for the year ended 30 June 2022**

##### **Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.**

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7).

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments are not relevant to the Company and have no impact on the Company's financial statements.

##### **Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16**

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

#### New standards and amendments to published standards effective for the year ended 30 June 2022 (Continued) Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16 (Continued)

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b) Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022); and
- c) There is no substantive change to other terms and conditions of the lease.

The amendments have no impact on the Company's financial statements.

#### Amendments to References to the Conceptual Framework in IFRS Standards

The Company has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

#### Amendments to IFRS 3 Definition of a business

The Company has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

#### New standards and amendments to published standards effective for the year ended 30 June 2022 (Continued)

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 01 January 2020.

#### Amendments to IAS 1 and IAS 8 Definition of material

The Company has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

#### New standards and amendments to published standards issued but not yet effective at 30 June 2022

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

<b>IFRS 17</b>	Insurance Contracts <i>Effective date: 01 January 2023</i>
<b>IFRS 9</b>	Financial Instruments <i>Effective date: 01 January 2023 on adoption of IFRS 7</i>
<b>IFRS 10 and IAS 28 (amendments)</b>	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <i>Effective date: Not yet set by IASB</i>
<b>Amendments to IAS 1</b>	<i>Classification of Liabilities as Current or Non-current Effective date: 01 January 2023</i>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

#### New standards and amendments to published standards issued but not yet effective at 30 June 2022(Continued)

**IFRS 17** Insurance contracts - In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts. The main features of the new accounting model for insurance contracts under IFRS 17 are, as follows:

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

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. Retrospective application is required. However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach. The Group plans to adopt the new standard on the required effective date. The Company expects that the new standard will result in an important change to the accounting policies for insurance contract liabilities of the Company and is likely to have a significant impact on the surplus and life assurance fund together with presentation and disclosure.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

#### New standards and amendments to published standards issued but not yet effective at 30 June 2022(Continued)

**IFRS 9** replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The mandatory application date for the standard was January 1, 2018. However, the Company plans to defer the application of IFRS 9 until the earlier of the effective date of the new insurance contract standard (IFRS 17) of January 1, 2023, opting for the temporary exemption from applying IFRS 9 by the amendments to IFRS 4. The temporary exemption from IFRS 9 is available to the companies whose activities are predominantly connected with insurance. Accordingly, the Company continues to apply IAS 39 Financial Instruments: Recognition and Measurement.

**IFRS 15** Revenue from Contracts with Customers is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The application date for the standard was January 1, 2018, The Company, which is applying IFRS 4, is excluded from the scope of the standard.

The directors have not yet assessed the impact that the adoption of the Standards listed above will have on the financial statements of the Company in future periods.

### 3. Significant accounting policies

#### ***Basis of preparation***

The financial statements have been prepared on historical cost basis except for investment properties which are stated at fair values and financial assets and financial liabilities which are either stated at fair values or at amortised cost, at end of each reporting period, as explained in the accounting policies below.

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

#### ***Functional and presentation currency***

The financial statements are presented in Mauritian Rupee (Rs) which is the Company's functional and presentation currency and represents the currency of the primary economic environment in which the entity operates.

#### ***Foreign currency translation***

Transactions in foreign currencies are recorded into the functional currency using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the reporting date. Nonmonetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. All exchange differences on translation are dealt with in the statement of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 3. Significant accounting policies (Continued)

#### Basis of preparation (Continued)

##### **Property, plant and equipment**

All property, plant and equipment are initially recorded at cost or revalued amounts less accumulated depreciation. Cost includes any costs directly attributable to bringing the asset to working condition for its intended use.

Revaluation surpluses or deficits are dealt with in the revaluation reserves except for movements below the depreciated cost which are dealt with in the Statement of Comprehensive Income.

##### **Level of fair value hierarchy**

Freehold Land and Building are unobservable inputs as per IFRS 13.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date. The Company develops unobservable inputs using the best information available in the circumstances, which might include the Company's own data, considering all information about market participants assumptions that is reasonably available.

Each year the difference between depreciation based on revalued amount of the assets (the depreciation charged to Statement of Comprehensive Income) and depreciation based on asset's original cost is transferred from revaluation reserve to Statement of Comprehensive income.

##### **Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The cost of the day-to-day servicing of property plant and equipment are recognised in the Statement of Comprehensive Income as incurred.

Depreciation is calculated to write off the cost or revalued amount of the assets on a straightline basis over the expected useful lives at the following rates per annum:

Freehold Building	2%
Office equipment	20%-33,1/3%
Motor vehicles	20%
Furniture and fittings	20%
Right-of use Assets -Building	48%

Freehold land is not depreciated.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are considered in determining profit before tax.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 3. Significant accounting policies {Continued} Basis of preparation (Continued)

#### ***Investment Property***

Investment Property is held to earn rentals and/or for capital appreciation and is measured initially at cost, including transaction costs. Gains and losses arising from changes in the fair value of investment property will be reclassified to profit or loss in the period when specific conditions are met.

Investment Property represents land acquired from defaulted secured mortgage loans. The loans have been written off and the values of the assets were initially recognised at cost. No valuation has yet been carried out.

#### ***Intangible assets***

Intangible assets which comprise computer software and development costs are initially recorded at cost and amortised using the straight-line method over its expected useful life.

#### ***Impairment of non-financial assets***

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

#### ***Financial instruments***

The Company classifies its financial instruments into the following categories based on the purpose for which the asset was acquired, or liability incurred. All transactions are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

#### ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money or services directly to a debtor with no intention of trading the receivables. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequently to initial recognition, loans and receivables are measured at amortised costs using the effective interest method, less any impairment. They are included in current assets when maturity is within twelve months after the end of the reporting period or non-current assets for maturities greater than twelve months.

#### ***Available-for-sale (AFS) financial assets***

Non-derivative financial assets that are not classified in any other category are classified as available-for sale and comprise investments in equity instruments including investments in public foreign companies. These instruments are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition. Subsequently they are carried out at fair value based on their quoted market price in an active market. When they do not have a quoted market price in an active market and fair value is not reliably determinable, they are valued at net asset value.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 3. Significant accounting policies {Continued}

#### Basis of preparation (Continued)

#### Financial instruments (Continued)

##### *Available-for-sale (AFS) financial assets(continued)*

Changes in fair value are recognised as a separate component of other comprehensive income and accumulated in equity under investment revaluation reserve. Where the investments are disposed or impaired the cumulative gain or loss previously recognised in the revaluation reserve is transferred to the statement of comprehensive income for the year.

Dividends on Available-for-sales equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

##### *Trade receivables*

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any impairment losses. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on part of policyholders, or default by agencies) that the Company will be unable to collect all the amounts due under the term receivable. Provision for amounts due from policyholders and reinsurers, which are reported net, are recorded in a separate allowance/provision account with the loss being recognised in net income. On confirmation that the amounts receivable will not be collectable the gross carrying value of the assets is written off against the associated provision.

##### *Deposits*

Deposits are term deposits placed with banks and other financial institutions and are measured at amortised cost. Cash and cash equivalents

These comprise cash at banks and in hand as well as bank overdraft which is repayable on demand and form an integral part of the Company's cash management.

##### *Payables*

Payables and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 3. Significant accounting policies {Continued} Basis of preparation (Continued)

#### Insurance contracts

Insurance contracts are those contracts that transfer significant insurance risk at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expired. Insurance risk is transferred when the Company agrees to compensate a policyholder if a specified uncertain event adversely affects the policyholder. Some insurance contracts contain a Discretionary Participation Feature (DPF). This feature entitles the holder to receive, as a supplement to a guaranteed benefit, additional benefits, or bonuses. Insurance Contracts issued by the Company are classified within the following main categories: (a) Contracts under which the Company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary are classified as insurance contracts. Insurance risk is risk other than financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable, provided that in the case of a nonfinancial variable, the variable is not specific to a party to the contract. Insurance contracts may also transfer some financial risk. (b) Contracts under which the transfer of insurance risk to the Company from the policyholder is not significant are classified as investment contracts.

*Insurance contracts issued by the Company are categorized as follows:*

#### **Short-term insurance contracts**

Short term insurance contracts are mainly in respect of motor business, but the Company also sells fire and allied perils, marine, engineering and other miscellaneous insurance contracts. These contracts protect the Company's customers from damage suffered to property or goods, value of property and equipment lost, losses and expenses incurred sickness and loss of earnings resulting from the occurrence of the insured events. General insurance contracts permit the Company to sell property acquired in settling a claim (i.e., salvage). The Company has the right to sue third parties for the payment of some or all the cost incurred (i.e., subrogation). Estimation of salvage recoveries is included as allowance in the measurement of the insurance liabilities for claim and salvage property is recognized in other assets when the liability is settled.

#### **Long-term insurance contracts with fixed and guaranteed terms**

These contracts insured events associated with human life, i.e., death, disability or survival over long term. A liability for contractual benefits that are expected to be incurred in future are recorded once the first premium under such a contract has been paid. The liability is based on best estimates assumptions regarding future mortality, persistence and maintenance expenses and investment income that are determined at each evaluation date based on an analysis of recent experience modified by expectation of future trends. The best estimates assumptions are adjusted to include a margin for prudence.

#### **Long-term insurance contracts with fixed term and DPF**

These types of contracts contain a DPF which entitles the contract holder, in addition to a guaranteed amount, to a contractual right to receive additional profit or bonuses. The magnitude of the profit or bonuses as well as the timing of the payment is however at the discretion of the Company. The Company has an obligation to eventually pay to contract holders up to 20% of the DPF eligible surplus. The remaining 80% is payable to the policy holders at maturity.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 3. Significant accounting policies {Continued}

#### Basis of preparation (Continued)

#### Insurance contracts (Continued)

*Insurance contracts issued by the Company are categorized as follows: (continued)*

#### **Long-term insurance contracts without fixed terms and with DPF**

These types of insurance contracts contain a DPF which entitles the contract holder in addition to a guaranteed amount, to a contractual right to receive additional profit or bonuses.

The amount or timing is contractually at the Company's discretion and is based on:

- (a) Realized and/or unrealized investment returns on a specified pool of assets held by the Company; or
- (b) The profit or loss of the Company that issues the contracts.

#### **Reinsurance contracts**

Contracts entered by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company are classified as reinsurance contracts held. Insurance contracts entered by the Company under which the contract holder is another insurer (inward reinsurance) are included with reinsurance contracts.

Reinsurance contracts used by the Company are proportional and non-proportional treaties and facultative arrangements. Proportional reinsurance can be either 'quota share' where the proportion of each risk reinsurance is stated or "surplus" which is a more flexible form of reinsurance and where the Company can fix its retention limit. Non-proportional reinsurance is mainly an 'excess-of-loss' type of reinsurance where, in consideration for a premium, the reinsurer agrees to pay all claims in excess of a specified amount, i.e. the retention, and up to a maximum amount. Facultative reinsurance contracts generally relate to specific insured risks which are underwritten by the Company falling under the term and limits of treaties are reinsured automatically. Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance liabilities.

Short-term balances due from reinsurers are classified within trade and other receivables. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognized as an expense when due.

#### **Impairment of reinsurance assets**

If a reinsurance asset is impaired, the Company reduces the carrying amount accordingly and recognizes the impairment in the statement of profit and loss and other comprehensive income. A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that the Company may not receive all amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 3. Significant accounting policies {Continued} Basis of preparation (Continued)

#### Revenue Recognition

Revenue represents earned premiums receivable net of reinsurance. Premium revenue comprises amounts charged to policyholders for insurance contracts. Premium is recognised as earned from the date of attachment of risk. The unearned portion of premium is recognised as an unearned premium liability on the statement of financial position.

Other revenues earned by the Company are recognised on the following bases:

Interest income: on time proportion basis taking into account the effective yield on the investments.

Dividend income: when the shareholder's right to receive payment is established.

Reinsurance commission receivable: as it accrues in accordance with the relevant treaty agreements.

#### (a) Premium earned

##### (1) Short term insurance

Premium on short-term insurance contracts represents gross premium net of premium ceded to reinsurers and is recognized as revenue (net earned premium) on an inception basis (daily method).

##### (2) Long term assurance

Premium on long-term assurance contracts is recognized in the Life Assurance Fund when receivable, i.e., when payments are due.

#### (b) Unearned Premium-Short Term Insurance

Short term insurance unearned premium represents the portion of premium written relating to periods of insurance risks after 30 June 2022 calculated based on  $1/365$ th of the premium written less premium ceded to reinsurers.

#### (c) Other Revenues

Other revenues earned by the Company are recognized on the following bases: Commission income from reinsurers is recognized on an accrual basis in accordance with the substance of the relevant agreement.

Profit commission from reinsurers is recognized on an accrual basis.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 3. Significant accounting policies {Continued} Basis of preparation (Continued)

#### Claims expenses and outstanding claims provisions

Outstanding claim provisions are based on the ultimate cost of all claims incurred but not secured at the end of the reporting period, whether reported or not (IBNR).

Notified claims are only recognized when the Company considers that they have contractual liabilities to settle the claims.

There are often delays between the occurrence of the insured event and the time it is actually reported to the Company, particularly in respect of the liabilities business, the ultimate cost cannot be known with certainty as to magnitude and timing of the statement of the claim. Outstanding claim provisions are not discounted and exclude any allowances for expected future recoveries.

Recoveries represent claims recoverable from third party insurers. Recoveries are accounted for as and when received. However, non-insurance assets that have been acquired by exercising rights to sell or subrogate under the terms of the insurance contracts are included when providing for outstanding claims.

#### Review of insurance liabilities

##### (a) Short-term insurance

At the end of each reporting period the Company performs a liability adequacy test on its insurance liabilities to ensure that the carrying value is adequate, using current estimates of future cash flow considering the relevant investment return. If the assessment shows that the carrying amount of the liabilities is inadequate, any deficiency is charged as an expense to the statement profit and loss and other comprehensive income in recognizing a provision for unexpired risks. The unexpired risks provision is assessed in aggregate for future business classes which are managed together.

##### (b) Long-term insurance

Estimates of future benefit payments under long term insurance contracts are provided for based on estimates made by the Company's Actuary. Estimates are made as to the expected number of deaths for each of the years in which the Company is exposed to risk. Estimates are based on standard industry mortality tables that reflect recent historical mortality experience, adjusted where appropriate to reflect the country's and the Company's own experience.

#### Life Assurance Fund

The decrease in the Life Assurance Fund represents the increase in the value of policy liabilities. The adequacy of the liabilities is determined annually by actuarial valuation. At the end of every year, a valuation of assets and liabilities is done and every three years an evaluation of assets and liabilities is done to find the DPF eligible surplus. In the light of the latter a rate of bonus is set for policy holders. The distributable share of the surplus is transferred annually to the life fund. The amount of the DPF eligible surplus distributable to shareholders limited to 1 /9th of the cost of the final bonuses allocated to the policyholders. The holder's share of the DPF eligible surplus is recognized annually and transferred from the Life Assurance Fund to the statement of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 3. Significant accounting policies {Continued}

#### Basis of preparation (Continued)

#### Life Assurance Fund (Continued)

The non-distributable share and the surplus are transferred annually from the retained earnings to a non-distributable reserve in the Statement of Changes in Equity. Whenever bonuses are paid or credited to policyholders, an amount representing 1/91h of these bonuses is transferred from the nondistributable surplus to retained earnings in the Statement of Changes in Equity.

#### Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

##### *Current tax*

The current income tax charge is based on taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period.

##### *Deferred tax*

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future profit will be available against which deductible temporary differences can be utilised.

#### Retirement Benefit Obligation

The Company does not operate any retirement benefit plan. However, provision for retirement benefit obligations have been made for employees according to the Employment Rights Act 2008. Provision for retirement benefits is accrued based on time spent in the organisation in order to recognise future liabilities already covered. Cost for future benefits is accounted for as they are earned. The Company also intend to implement the new provisions introduce under the Act in remitting this fund provided for to the Mauritius Revenue Authority

##### *Other retirement benefits:*

The present value of other retirement benefits in respect of Employment Rights Act 2008 gratuities is recognised in the statement of financial position as a non-current liability. The rate used to discount the retirement benefits is assumed to be the same as that which reflects future salary increases.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 3. Significant accounting policies {Continued} Retirement Benefit Obligation (Continued)

State plan:

Contributions to the National Pension Scheme and defined contribution pension plan are expensed to the statement of comprehensive income in the period in which they fall due.

#### Lease

From July 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 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 from use of the asset, not those incidentals to legal ownership or other potential benefits.

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 3. Significant accounting policies {Continued} Lease (Continued)

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 reasonably certain to assess that option.
- any penalties payable for terminating the lease, if the term of the lease has been estimated based on 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 reassesses 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.
- 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 or 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 3. Significant accounting policies {Continued} Lease (Continued)

- 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.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e., it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

### 4. Critical Accounting estimates and judgements

In the process of applying the significant accounting policies, certain critical accounting estimates and assumptions are used, and certain judgements are made. The estimates and related assumptions are based on experience and other factors that are reasonable, the results of which form the basis for judgements about the carrying values of assets and liabilities. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods if relevant. The areas where the estimates and assumptions involve a high degree of judgement or complexity and are considered significant to the financial statements, listed together with reference to the notes to the financial statements where more information is provided, are:

#### (a) Insurance contracts

Insurance contracts relate to premium, claims and losses reported, reinsurance covers and other recoveries and payable on outstanding claims.

- (i) Estimates of future claims payments, unearned premiums, and recoveries on outstanding claims

The uncertainty inherent in the financial statements of the Company arises mainly in respect of insurance liabilities, which include liabilities for unearned premiums and outstanding claims provision including incurred but not reported (IBNR) on 30 June 2022. In addition to the inherent uncertainty when estimating liabilities, there is also uncertainty as regards to the eventual outcome of claims. As a result, the Company applies estimation techniques to determine the appropriate provisions. Outstanding claims provision is determined based upon knowledge of events, terms, and conditions of relevant policies, on interpretation of circumstances as well as previous claims experience and court judgement. Similar cases and historical claims payment trends are also relevant.

The Company employs a variety of techniques and a few different bases to determine appropriate provisions. The use of triangular claim development tables analysis expected loss ratios and estimates based upon a projection of claims numbers and average cost.

Large claims impacting each relevant business class are generally assessed separately, being measured either at the face value of the loss adjuster's recommendation or based on management's experience. Provisions are calculated gross of any reinsurance recoveries.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 4. Critical Accounting estimates and judgements {Continued}

#### (a) Insurance contracts (Continued)

There are various ways to estimate unearned premium reserves. The Company has adopted a more realistic approach by using the 11365th method since 30th June 2017.

##### (ii) Uncertainties and judgement

The uncertainty arising under insurance contracts may be characterised under a few specific headings, such as:

- Uncertainty as to whether an event has occurred which would give rise to a policy holder suffering an insured loss
- Uncertainty as to the amount of insured loss suffered by a policyholder as a result of the event occurring; and
- Uncertainty over the timing of a settlement to a policyholder for a loss suffered.

The degree of uncertainty will vary by policy class according to the characteristics of the insured risks. For certain classes of policy, the maximum value of the settlement of a claim may be specified under the policy terms while for other classes, the cost of a claim will be determined by an actual loss suffered by the policyholder.

There may be some reporting lag between the occurrence of the insured event and the time it is reported. Upon the identification and notification of an insured loss, there may still be uncertainty as to the magnitude and timing of the settlement of the claim. There are many factors that will determine the level of uncertainty such as judicial trends and reported information and so on.

#### (b) Impairment financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been affected. This determination requires significant judgement. In making this judgement the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of the near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operation and financing cash flow.

#### (c) Sensitivity analysis

The reasonableness of the estimation process is tested by an analysis of sensitivity around several different scenarios and the best estimate is used. Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. There is a correlation between the assumptions and the other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Company's assets and liabilities are actively 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5. Management of insurance and financial risk

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

#### (a) Insurance risk

The risk under any insurance contract is the possibility that an insured event occurs and the uncertainty of the amount of resulting claim.

The main risk that the Company faces under its insurance contracts is that the actual claims and benefits are greater than estimated. Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy so as to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, accumulation of risk and type of industry covered.

#### *Motor and liability insurance*

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

The Company's underwriting strategy attempts to ensure that the underwritten risks are well diversified in type, amount of risk and industry. The Company has underwriting limits by type of risks and by industry. Performances of individual insurance policies are reviewed by management and the Company reserves the right not to renew individual policies.

The Company can impose deductibles and has the right to reject the payment of a fraudulent claim. Where relevant, the Company may pursue third parties for payment of some or all liabilities (subrogation). Claims development and provisioning levels are closely monitored.

The reinsurance arrangements of the Company include proportional, excess of loss and catastrophe coverage and as such, the maximum loss that the Company may suffer in any one event is predetermined.

#### *Property insurance*

In case of property insurance contracts, climatic changes give rise to more frequent and severe external natural weather events (for example cyclone claims). Property insurance is subdivided into different risk groups, fire, business interruption, cyclone damage and other perils.

The insurance risk arising from these contracts is balanced between commercial and personal properties in the overall portfolio of insured buildings. Although the reinsurers are liable to the extent of the reinsurance ceded, the Company remains primarily liable to the policy holder as the direct insurers of all risks reinsured.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5.Management of insurance and financial risk (Continued)

#### (a) Insurance risk (Continued)

##### Concentration of insurance risks - short term insurance

The following table discloses the concentration of risk by the spread of business between the following classes of business, policies in issue, gross premium underwritten, and net claim incurred.

The business experiences a high concentration of risk in the motor class of business. The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

##### Concentration of insurance risks - short term insurance

The table below exhibit the spread of business under various short-term classes:

Class of businesses	2022			2021		
	No. of Policies Unit	GPI Rs	Net Claim Rs	No. of Policies Unit	GPI Rs	Net Claim Rs
Motor	18,102	71,690,415	36,239,418	15,082	61,775,933	35,745,377
Accident & Health	56	2,070,789	200,540	62	343,512	35,883
Engineering	122	3,036,537	484,372	109	2,548,214	(96,209)
Liability	225	1,606,466	7,351	170	2,849,170	233,030
Property	245	1,640,029)	825,000	183	1,364,616	(67,584)
Transportation	114	2,398,798	543,240	94	1,626,291	73,836
Guarantee	55	1,924,702	118,000	38	1,452,048	(46,522)
Miscellaneous	469	914,769	600,000	36	237,653	24,643
	19,388	85,282,505	39,017,921	15,774	72,197,437	35,902,454

##### Concentration of insurance risks - long term insurance

The following table presents the concentration of insured benefits across bands of insured benefits per individual life assured.

Annuity payable per annum per life assured on 30 June 2022

Class of businesses Sum Assured	2022		2021	
	%	Rs	%	Rs
	Gross		Gross	
0 - 50,000	3%	46,250	2%	45,952
50,000 - 100,000	6%	92,239	5%	92,727
100,000 - 150,000	8%	135,833	8%	139,375
150,000 - 200,000	12%	200,000	11%	200,000
200,000 - 250,000	14%	230,000	13%	240,000
250,000 - 300,000	0%	-	16%	300,000
> 300,000	57%	933,333	45%	933,333
	100%	1,637,655	100%	1,951,387

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5.Management of insurance and financial risk (Continued)

#### (a) Insurance risk (Continued)

##### Sources of uncertainty

##### *Motor and liability insurance*

Claims on motor and liability insurance contracts are payable on a loss occurrence basis for motor and liability business and on a risk attaching basis for non-motor. Under the loss occurrence basis, the Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract. As a result, liability claims may be settled over a long period of time and an element of the claim provision relates to incurred but not reported claims (IBNR). For the risk attaching basis, the Company is liable for such claims as related to the underwriting year in which the risk was underwritten.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of subrogation and salvage recoveries. The Company ensures that claims provisions are determined using the best information available of claims settlement patterns, forecast inflation and settlement of claims. Estimation techniques also involve obtaining corroborative evidence from a wide range of sources as possible and combining these to form the best overall estimates. However, given the uncertainty in claims provisions, the probability exists that estimated cost and subsequent settlement amounts would differ.

As shown on the Claim Development Table below the Company's average cost of claim varies significantly for both gross claims incurred, and net claim incurred. The impact of a sensitive increase in cost of claim will depend on the reinsurance structure and effectiveness of the treaty cover to ensure a healthy financial position at 30 June 2022.

Below is the result of a 5% change in cost and basis of claim provisioning

The effect of a 5% change in claim provisioning assuming the reinsurance remains at same rate will result in a decrease or increase in net profit by Rs 2,784,793 (2021 Rs 2,961,776).

	2022	2021
	Rs	Rs
Outstanding claims	70,166,435	82,780,447
Increase in claim cost by 5%	3,508,322	4,139,022
Receivable on claim paid and payable :	11,948,574	23,544,925
Decrease in claim cost in proportion to amount recoverable	(597,429)	(1,177,246)
Effect on Net Claim incurred	2,910,893	2,961,776
Effect on Net Profit	2,910,893	2,961,776

##### Claims development table

The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The table below illustrates how the estimates of total claims experienced based on date of loss for each year ends and reconciles the cumulative outstanding claims to the amount appearing in the statement of financial position.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5. Management of insurance and financial risk (Continued)

#### (a) Insurance risk (Continued)

##### Claims development table (Continued)

	2017 Rs	2018 Rs	2019 Rs	2020 Rs	2021 Rs	2022 Rs	Total Rs
Estimate of cumulative claims at end of accident year	45,542,705	45,219,245	47,749,150	52,795,152	49,178,673	55,327,254	
One year later	52,340,792	46,718,595	43,217,383	56,966,614	47,813,581	-	
Two years later	50,378,703	46,663,504	53,178,272	52,663,229	-	-	
Three years later	50,497,596	44,838,515	51,232,876	-	-	-	
Four years later	48,962,308	43,030,592	-	-	-	-	
Five years later	47,268,311	-	-	-	-	-	
Current estimate of cumulative claim cost	47,268,311	43,030,592	51,232,876	52,663,229	47,813,581	55,327,254	
Cumulative payments	43,475,110	39,561,455	45,702,825	43,935,946	38,184,034	30,270,809	
Outstanding claims	3,793,201	3,469,137	5,530,051	8,727,283	9,629,547	25,056,445	56,205,664
Outstanding claims 2016 and prior							9,396,839
IBNR							4,563,932
Total Gross Outstanding claims (note 28.1)							70,166,435

##### Claims development table- Reinsurance claim recovered and recoverable

Estimate of cumulative claims at end of accident year	5,192,402	5,717,165	6,465,619	14,206,907	9,180,032	8,482,714	
One year later	11,379,427	8,401,021	11,582,888	15,196,629	7,921,448	-	
Two years later	12,036,700	9,007,389	13,374,877	11,433,974	-	-	
Three years later	13,684,385	9,206,091	12,476,904	-	-	-	
Four years later	14,248,860	7,857,106	-	-	-	-	
Five years later	11,366,968	-	-	-	-	-	
Current estimate of cumulative claim recoverable and recovered	11,366,968	7,857,106	12,476,904	11,433,974	7,921,448	8,482,714	
Cumulative receipts	10,518,118	7,760,020	12,395,386	10,613,464	7,697,414	4,906,879	
Outstanding claims recoverable	848,850	97,086	81,518	820,510	224,034	3,575,835	5,647,833
Outstanding claims 2016 and prior							6,300,741
IBNR							-
Total Outstanding claims recoverable ( note 28.2)							11,948,574

##### Claims development table- Net claim incurred

Estimate of cumulative claims at end of accident year	40,350,303	39,502,080	41,283,531	38,588,245	39,998,641	46,844,540	
One year later	40,961,365	38,317,574	31,634,495	41,769,985	39,892,133	-	
Two years later	38,342,003	37,656,115	39,803,395	41,229,255	-	-	
Three years later	36,813,211	35,632,424	38,755,972	-	-	-	
Four years later	34,713,448	35,173,486	-	-	-	-	
Five years later	35,901,343	-	-	-	-	-	
Current estimate of cumulative claim cost	35,901,343	35,173,486	38,755,972	41,229,255	39,892,133	46,844,540	
Cumulative net payments	32,956,992	31,801,435	33,307,439	33,322,482	30,486,620	25,363,930	
Outstanding claims	2,944,351	3,372,051	5,448,533	7,906,773	9,405,513	21,480,610	50,557,831
Outstanding claims 2016 and prior							3,096,098
IBNR							4,563,932
Total Net Outstanding claims (note 28.2)							58,217,861

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5. Management of insurance and financial risk (Continued)

#### (a) Insurance risk (Continued)

##### *Property insurance*

Property insurance claims are analysed separately for cyclone and non-cyclone claims. The development of large losses and catastrophes are analysed separately. Non-cyclone claims can be estimated with greater reliability, and the Company estimation process reflects all the factors that influence the amount and timing of cash flows from these contracts. The shorter settlement period for these claims allows the Company to achieve a higher degree of certainty about the estimated cost of claims and relatively little IBNR is held at the end of the reporting period.

##### *Long-term insurance*

Uncertainty in the estimation of future benefit payments and premium receipts for long-term insurance contracts arise from the unpredictability of long-term changes in overall levels of mortality and the variability in contract holder behaviour.

The Company uses appropriate base tables of standard mortality according to the type of contract being written and the territory in which the insured person resides. An investigation into the actual experience of the Company over the last three years is carried out and statistical methods are used to adjust the crude mortality rates to produce a best estimate of expected mortality for the future.

#### (b) Financial risks

The Company is exposed to financial risks through its financial assets and liabilities. In particular, the key financial risk is that proceeds from its financial assets are not sufficient to fund the obligations arising from insurance contracts.

##### **Interest rate risks**

Interest rate risk arises from the Company's investments in long term debt securities, fixed income securities, bank balances and deposits which are exposed to fluctuations in interest rates. The financial Instruments that guarantee benefits payable to long term life assurance contracts represent 158 % (146% on 30 June 2021). Exposure to interest rate risk on short term business is monitored by the Audit & Technical Committee through a close matching of assets and liabilities. The impact of exposure to sustain low interest rates is also regularly monitored.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5.Management of insurance and financial risk (Continued)

#### (b) Financial risks (Continued)

##### Interest rate risks (Continued)

The table below summarises the Company's interest rate risk exposure

Description	Up to 1 Year Rs	1 - 5 Years Rs	Above 5 Years Rs	Total Rs
<b>As at 30 June 2022</b>				
Statutory Deposits	8,568,750	10,000,000	-	18,568,750
Deposits	48,131,250	14,387,500	4,929,700	67,448,450
Loans and receivables	627,186	530,473	-	1,157,659
Cash in hand and at bank	141,559,970	-	-	141,559,970
	192,887,156	49,486,723	4,929,700	228,734,829
<b>As at 30 June 2021</b>				
Statutory Deposits	8,568,750	10,000,000	-	18,568,750
Deposits	8,818,750	60,700,000	4,929,700	74,448,450
Loans and receivables	296,805	639,560	-	936,365
Cash in hand and at bank	134,433,048	-	-	134,433,048
	152,117,353	71,339,560	4,929,700	228,386,613

##### Sensitivity

The impact on the Company's results had interest rates varied by plus or minus 1 % would have been as follows:

Sensitivity impact	2022	2021
	Rs	Rs
Actual interest income	2,825,707	2,612,018
Effective interest rate	1.2%	1.1%
A 1% point decrease in rate Interest income would be :	538,359	-
Decrease in interest income	(2,287,348)	(2,612,018)
A 1% point increase in rate interest income would be :	5,113,055	4,567,732
Increase in interest income	2,287,348	1,955,714

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5.Management of insurance and financial risk (Continued)

#### Credit risk

Credit risk is the risk of financial loss to the Company if one party or counterparty to a financial instrument fails to meet all or part of his obligations. The Company's credit is primarily attributable to its financial assets, which include bank deposits, fixed income securities and receivables from both policyholders and reinsurers.

Bank deposits are placed with financial institutions of good credit rating and are spread over a few of them to avoid undue concentration. The Company is also subject to concentration limit placement as regulated by the Financial Services Commission.

Reinsurance arrangements mitigate insurance risk but expose the Company to credit risk.

Reinsurer's share of insurance on outstanding claims and incurred but not reported (IBNR) losses:

- amounts due from reinsurers in respect of claims already paid.
- amounts due from insurance contract holders; and
- amounts due from insurance intermediaries.

The Company has always recourse to non-renewal of policy at maturity and withholding any unpaid premium following a claim lodged against the policyholder. The expected loss ratio adopted is nil for these categories

The Company has applied a 25% loss ratio on amount due from local insurers in connection with claim paid.

Except for amounts receivable from reinsurers, the Company has no significant concentration of credit risk with exposure spread over many clients, salesmen, agents, and brokers.

The amounts presented in the statement of financial position are net of allowances for estimated irrecoverable receivables, based on management's prior experience and the current economic environment.

Maximum Exposure to credit risk of financial assets:

	2022	2021
	Rs	Rs
Deposit with banking institutions	193,061,520	187,412,621
Deposits with other institutions	39,087,500	39,087,500
Reinsurance receivables	14,492,705	31,187,250
Receivable from Policyholders	16,385,853	12,129,939
Receivable from financial and non financial institutions	14,658,305	10,248,359
Loan receivables	1,157,659	936,365
	278,843,542	281,002,034

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5.Management of insurance and financial risk (Continued) Credit risk (Continued)

The following table provides information regarding the carrying value of the financial assets related to receivables in connection with policy underwritten as of 30 June 2022 that have been impaired and the ageing of the financial assets that are past due but not impaired.

	Outstanding for Less than 60 days Rs	60 days to 1 year Rs	Over 1 year Rs	Total Gross Amount Rs	Provision/ Bad Debts written Rs	Net Amount Rs
<b>As at 30 June 2022</b>						
From Agents	3,907,737	-	-	3,907,737	-	3,907,737
From Brokers	1,733,104	846,946	3,969,857	6,549,907	-	6,549,907
From Policyholders	3,465,019	1,762,830	700,360	5,928,209	-	5,928,209
From Re Insurers	2,543,185	-	-	2,543,185	-	2,543,185
From insurers on claim outstanding and paid	2,468,614	2,122,831	10,894,363	15,485,808	(3,537,234)	11,948,574
<b>As at 30 June 2022</b>	<b>14,117,659</b>	<b>4,732,607</b>	<b>15,564,580</b>	<b>34,414,846</b>	<b>(3,537,234)</b>	<b>30,877,612</b>
<b>As at 30 June 2021</b>						
From Agents	3,201,606	-	-	3,201,606	-	3,201,606
From Brokers	1,298,004	1,703,857	4,203,636	7,205,497	(1,800,000)	5,405,497
From Policyholders	770,874	1,161,418	1,449,597	3,381,889	-	3,381,889
From Re Insurers	4,701,978	-	2,940,347	7,642,325	-	7,642,325
From insurers on claim outstanding and paid	2,561,724	2,517,854	18,465,347	26,392,736	(2,847,811)	23,544,925
<b>As at 30 June 2021</b>	<b>12,534,186</b>	<b>5,383,129</b>	<b>27,058,927</b>	<b>47,824,053</b>	<b>(4,647,811)</b>	<b>43,176,242</b>

#### Currency risk

The Company is exposed to currency risk arising from US Dollar currency exposures. Exposure to foreign currency is not hedged but closely monitored by management.

The Company's exposure to foreign exchange risk is summarised below:

The Company has mainly equity securities, bank balances and transactions with foreign reinsurers in US dollar and any fluctuation of the Mauritian Rupee against US dollar will affect the values of these financial instruments. On 30 June 2022, if the Rupee had weakened/ strengthened by 5% against foreign currencies with all other variables held constant, the Company's profit for the year would have been Rs 5,235,461 (2021 Rs 6,453,238) respectively higher/ lower mainly resulting from translation of foreign currency account as indicated below:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5.Management of insurance and financial risk (Continued) Currency risk (Continued)

#### Currency sensitivity analysis

		2022	2021
		Rs	Rs
Bank balance	USD	313,611	1,050,008
Investment in equity	USD	2,015,849	1,986,810
Actual exchange rate	Rs/Usd	44.95	42.50
	Rs	104,709,214	129,064,765
The effect of a 5% change in rate		5,235,461	6,453,238

The following table shows various currencies in which the assets and liabilities were dominated as of 30 June 2022.

The US dollar balances represent only 34% (2021 32%) of total assets while liabilities are denominated in the functional currency.

Financial assets and liabilities spread between different currencies:

	MUR Equivalent of USO	MJR	Total
At 30 June 2022	Rs	Rs	Rs
<b>Assets</b>			
Statutory deposits	-	18,568,750	18,568,750
Available-for-sale financial assets	90,544,084	1,753,908	92,297,992
Deposits	-	67,448,450	67,448,450
Loans and receivables	-	1,157,659	1,157,659
Receivables	-	31,330,696	31,330,696
Reinsurance contracts	-	11,948,574	11,948,574
Cash in hand and at bank	14,214,190	127,345,780	141,559,970
	104,758,274	259,553,817	364,312,091
<b>Liabilities</b>			
Amount due to reinsurers	-	6,867,251	6,867,251
Payables	-	8,007,728	8,007,728
Outstanding claims	-	67,644,435	67,644,435
	-	82,519,414	82,519,414

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5.Management of insurance and financial risk (Continued) Currency risk (Continued)

At. 30 June 2021	MUR Equivalent of USO Rs	MJR Rs	Total Rs
Assets			
Statutory deposits	-	18,568,750	18,568,750
Available-for-sale financial assets	84,439,399	1,327,701	85,767,100
Deposits	-	74,448,450	74,448,450
Loans and receivables	-	936,365	936,365
Receivables and prepayments	-	24,797,270	24,797,270
Reinsurance contracts	-	23,544,925	23,544,925
Cash in hand and at bank	44,625,366	89,807,682	134,433,048
	129,064,765	233,431,143	362,495,908
Liabilities			
Amount due to reinsurers	-	13,574,448	13,574,448
Payables	-	6,720,842	6,720,842
Outstanding claims	-	82,780,447	82,780,447
	-	103,075,737	103,075,737

#### Reinsurers' default

The Company is exposed to the possibility of default by reinsurers for their share of insurance liabilities and refunds in respect of claims already paid and outstanding. Management monitors the financial strength of reinsurers, and the Company has policies in place to ensure that risks are ceded to top-rated and credit-worthy reinsurers only.

The table below shows the amount the Company is exposed to these risks on paid and unpaid insurance contracts:

	2022 Rs	2021 Rs
On reinsurance contract paid	2,543,185	7,642,325
On reinsurance contract unpaid	1,336,871	15,001,490
	3,880,056	22,643,815

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5.Management of insurance and financial risk (Continued)

#### Capital risk management

The Company's objective when managing capital are:

- To comply with the Minimum Capital Requirements of the Insurance Act 2005 and the Insurance Rules and Regulations 2007.
- To safeguard the Company's ability to continue as a going concern so that it can provide returns to the shareholders and benefits for its policyholders and other stakeholders.
- To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

The Minimum Capital Requirement on 30 June 2022 for General Insurance Business is as follows:

Financial Liabilities- 30 June 2022	Repayable on demand Rs	1mth - 3 mths Rs	4 nths - 1 year Rs	Total Rs
Insurance liabilities	70,166,435	6,867,251	-	77,033,686
Other financial liabilities	4,151,124	9,373,110	856,156	13,956,880
	71,795,559	16,240,361	812,261	88,848,181

#### Liquidity risk

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

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

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

The table below summarises the Company's trading liabilities, categorised by the earlier of contractual repricing or maturity dates on 30<sup>th</sup> June 2022.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5.Management of insurance and financial risk (Continued)

Financial Liabilities- 30 June 2022	Repayable on demand Rs	1mth - 3 mths Rs	4 nths - 1 year Rs	Total Rs
Insurance liabilities	67,644,435	6,867,251	-	74,511,686
Other financial liabilities	4,151,124	9,373,110	812,261	14,336,495
	71,795,559	16,240,361	812,261	88,848,181
Financial Liabilities- 30 June 2021				
Insurance liabilities	82,780,447	13,574,448	-	96,354,895
Other financial liabilities	5,210,826	6,720,842	842,549	12,774,217
	87,991,273	20,295,290	842,549	109,129,112

#### Premium risk

Premium risk is defined as the danger of insurance premium not being enough to cover the contractual claim liability that may arise. This risk is rigorously evaluated, and action has to be taken to arrange for reinsurance and building up of adequate reserves within the Company.

Actuarial report has confirmed the adequacy of premium by decreasing the Premium Deficiency Reserve to Rs 2,501,989 (2021: Rs 3,187,589).

#### Market risk

Market risk is the risk that the value of the financial instruments will fluctuate as a result of changes in market prices whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

#### Equity price risk

The valuations of the Company's available-for-sale equity portfolio are subject to equity price risk. Exposure to price risk on the equity portfolio is not hedged. The Company is subject to price risk due to daily changes in the market values of its equity securities portfolio. Equity price risk is actively managed to mitigate anticipated unfavourable market movements. In addition, local insurance regulations set out the capital required for risks associated with type of assets held, policy liabilities risks, catastrophes risk and reinsurance ceded. Investments above a certain concentration limit requires additional capital.

The Audit and Technical Committee actively monitors equity assets owned directly by the Company as well as concentration of specific Equity holdings. Equity price risk is also mitigated as the Company holds diversified portfolios of local and foreign investments in various sectors of the economy.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5.Management of insurance and financial risk (Continued)

#### Sensitivity

The impact on the Company's shareholders' equity had the equity market values increased/decreased by 10% with other assumptions left unchanged would have been as follows:

	2022	2021
	Rs	Rs
Level 1 - Quoted	1,753,908	1,589,077
Level 2 - Unquoted	90,544,084	84,178,023
	92,297,992	85,767,100
Impact on shareholders equity of a 10% change in market price	9,229,799	8,576,710

#### Fair values

##### Fair value measurements recognised in the statement of financial position

All assets are recognised at fair value are allocated to one of the fair value hierarchy levels of IFRS 13. The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation techniques:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value are not based on observable market data.

The following table provides an overview of the models used and analyses within the fair value hierarchy of the Company financial assets. Regularly at each reporting date an assessment is performed to ensure whether the allocation of the assets to the levels of the valuation hierarchy is still appropriate. If changes in the basis of valuation have occurred - for instance, if a market is no longer active or the valuation was performed using inputs requiring another allocation - necessary adjustments are made.

Available-for-sale financial assets comprise quoted and unquoted financial assets.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5.Management of insurance and financial risk (Continued)

#### Hierarchy of fair value measurement of assets:

	Level 1	Level 2	Level 3
	Rs	Rs	Rs
<b>At. 30 June 2022</b>			
Quoted equities	1,753,908		
Unquoted equities		90,544,084	
Investment property			1,100,000
Freehold land			9,240,000
Building			27,987,732
<b>Total</b>	<b>1,753,908</b>	<b>90,544,084</b>	<b>38,327,732</b>
<b>As at 30 June 2021</b>			
Quoted equities	1,628,123		
Unquoted equities		84,178,023	
Investment property			1,100,000
Freehold land			9,240,000
Building			28,645,155
<b>Total</b>	<b>1,628,123</b>	<b>84,178,023</b>	<b>38,985,155</b>

There have been no changes in basis of valuation during the last year and hence no movement in between the levels.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 6. Property, plant and equipment

The freehold land and building situated at 12 Volcy Pougnet Street Port Louis were revalued on 25 September 2019: the land at Rs 9.24m and the building at Rs 29.96m by independent valuers Primepillars Valuation Services Ltd on an open market basis, resulted in revaluation surplus of Rs 7.44m. on the land and Rs 6.41m on the building.

#### Life department

	Freehold Land Rs	Building Rs	Furniture & Fittings Rs	Office Equipment Rs	Motor Vehicles Rs	Total Rs
<b>COST/VALUATION</b>						
At 1 July 2020 - Cost	-	-	36,570	7,360	897,250	941,180
At 1 July 2020 - Revaluation	-	-	-	-	-	-
Additions	-	-	-	-	-	-
At 30 June 2021	-	-	36,570	7,360	897,250	941,180
Additions/disposals	-	-	-	-	-	-
At 30 June 2022	-	-	36,570	7,360	897,250	941,180
<b>ACCUMULATED DEPRECIATION</b>						
At 30 June 2020	-	-	36,570	7,359	897,249	941,178
Charge for the year	-	-	-	-	-	-
At 30 June 2021	-	-	36,570	7,359	897,249	941,178
Charge for the year	-	-	-	-	-	-
Disposal adjustments	-	-	-	-	-	-
At 30 June 2022	-	-	36,570	7,359	897,249	941,178
<b>NET BOOK VALUE</b>						
At 30 June 2022	-	-	-	1	1	2
At 30 June 2021	-	-	-	1	1	2

	Freehold Land Rs	Building Rs	Furniture & Fittings Rs	Office Equipment Rs	Motor Vehicles Rs	Total Rs
<b>General department</b>						
<b>COST/VALUATION</b>						
At 1 July 2020 - Cost	1,800,000	26,465,125	1,840,059	3,842,535	2,874,771	36,822,490
At 1 July 2020 - Revaluation	7,440,000	6,406,034	-	-	-	13,846,034
Additions	-	-	-	594,538	-	594,538
At 30 June 2021	9,240,000	32,871,159	1,840,059	4,437,073	2,874,771	51,263,062
Additions/disposals	-	-	93,507	312,621	(1,289,000)	(882,872)
At 30 June 2022	9,240,000	32,871,159	1,933,566	4,749,694	1,585,771	50,380,190
<b>ACCUMULATED DEPRECIATION</b>						
At 30 June 2020	-	3,568,581	1,695,246	2,841,932	1,718,367	9,824,126
Charge for the year	-	657,423	81,833	368,952	574,954	1,683,162
At 30 June 2021	-	4,226,004	1,777,079	3,210,884	2,293,321	11,507,288
Charge for the year	-	657,423	39,471	434,719	317,154	1,448,767
Disposal adjustments	-	-	-	-	(1,289,000)	(1,289,000)
At 30 June 2022	-	4,883,427	1,816,550	3,645,603	1,321,475	11,667,055
<b>NET BOOK VALUE</b>						
At 30 June 2022	9,240,000	27,987,732	117,016	1,104,091	264,296	38,713,135
At 30 June 2021	9,240,000	28,645,155	62,980	1,226,189	581,450	39,755,776

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 6. Property, plant and equipment (Continued)

#### Consolidated Life and General businesses

	Freehold Land Rs	Building Rs	Furniture & Fittings Rs	Office Equipment Rs	Motor Vehicles Rs	Total Rs
<b>COST/VALUATION</b>						
At 1 July 2020 - Cost	1,800,000	26,465,125	1,876,629	3,849,895	3,772,021	37,763,670
At 1 July 2020 - Revaluation	7,440,000	6,406,034	-	-	-	13,846,034
Additions	-	-	-	594,538	-	594,538
At 30 June 2021	9,240,000	32,871,159	1,876,629	4,444,433	3,772,021	52,204,242
Additions/disposals	-	-	93,507	312,621	(1,289,000)	(882,872)
<b>At 30 June 2022</b>	<b>9,240,000</b>	<b>32,871,159</b>	<b>1,970,136</b>	<b>4,757,054</b>	<b>2,483,021</b>	<b>51,321,370</b>
<b>ACCUMULATED DEPRECIATION</b>						
At 30 June 2020	-	3,568,581	1,731,816	2,849,291	2,615,616	10,765,304
Charge for the year	-	657,423	81,833	368,952	574,954	1,683,162
At 30 June 2021	-	4,226,004	1,813,649	3,218,243	3,190,570	12,448,466
Charge for the year	-	657,423	39,471	434,719	317,154	1,448,767
Disposal adjustments	-	-	-	-	(1,289,000)	(1,289,000)
<b>At 30 June 2022</b>	<b>-</b>	<b>4,883,427</b>	<b>1,853,120</b>	<b>3,652,962</b>	<b>2,218,724</b>	<b>12,608,233</b>
<b>NET BOOK VALUE</b>						
<b>At 30 June 2022</b>	<b>9,240,000</b>	<b>27,987,732</b>	<b>117,016</b>	<b>1,104,092</b>	<b>264,297</b>	<b>38,713,137</b>
At 30 June 2021	9,240,000	28,645,155	62,980	1,226,190	581,451	39,755,776

### 7. Intangible assets

Computer Software	Life Rs	General Rs	Composite Rs
<b>COST</b>			
At 30 June 2020	250,000	1,463,254	1,713,254
Addition	-	-	-
At 30 June 2021	250,000	1,463,254	1,713,254
Addition	-	-	-
<b>At 30 June 2022</b>	<b>250,000</b>	<b>1,463,254</b>	<b>1,713,254</b>
<b>AMORTISATION</b>			
At 30 June 2020	249,999	1,446,838	1,696,837
Amortisation for the year	-	16,416	16,416
At 30 June 2021	249,999	1,463,254	1,713,253
Amortisation for the year	-	-	-
<b>At 30 June 2022</b>	<b>249,999</b>	<b>1,463,254</b>	<b>1,713,253</b>
<b>NET BOOK VALUE</b>			
<b>At 30 June 2022</b>	<b>1</b>	<b>-</b>	<b>1</b>
At 30 June 2021	1	-	1
At 30 June 2020	1	16,421	16,422

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 8. Right of use assets

Assets-Building	Life Rs	General Rs	Composite Rs
<b>COST</b>			
At 30 June 2020	-	2,109,556	2,109,556
Addition	-	-	-
At 30 June 2021	-	2,109,556	2,109,556
Addition	-	939,261	939,261
<b>At 30 June 2022</b>	-	<b>3,048,817</b>	<b>3,048,817</b>
<b>AMORTISATION</b>			
At 30 June 2020	-	1,012,587	1,012,587
Amortisation for the year	-	1,012,582	1,012,582
At 30 June 2021	-	2,025,169	2,025,169
Amortisation for the year	-	357,608	357,608
<b>At 30 June 2022</b>	-	<b>2,382,777</b>	<b>2,382,777</b>
<b>NET BOOK VALUE</b>			
<b>At 30 June 2022</b>	-	<b>666,040</b>	<b>666,040</b>
At 30 June 2021	-	84,387	84,387
At 30 June 2020	-	1,096,969	1,096,969

### 9. Available-for-sale financial assets

	Life Fair value Rs	Life Cost Rs	General Fair Value Rs	General Cost Rs	Composite Fair Value Rs	Composite Cost Rs
<b>Year 30 June 2022</b>						
Available for sale:						
-Listed	-	-	1,753,908	187,270	1,753,908	187,270
-Unquoted-Local	34,585,107	4,241,102	46,166,521	5,661,307	80,751,628	9,902,409
-Unquoted-Overseas	-	-	9,792,456	1,733,573	9,792,456	1,733,573
<b>At 30 June 2022</b>	<b>34,585,107</b>	<b>4,241,102</b>	<b>57,712,885</b>	<b>7,582,150</b>	<b>92,297,992</b>	<b>11,823,252</b>
<b>Year 30 June 2021</b>						
Available for sale:						
-Listed	-	-	1,589,077	187,270	1,589,077	187,270
-Unquoted-Local	31,910,012	4,241,102	42,944,674	5,661,307	74,854,686	9,902,409
-Unquoted-Overseas	-	-	9,323,337	1,733,573	9,323,337	1,733,573
<b>At 30 June 2021</b>	<b>31,910,012</b>	<b>4,241,102</b>	<b>53,857,088</b>	<b>7,582,150</b>	<b>85,767,100</b>	<b>11,823,252</b>

Available-for-sale investments comprise unquoted and listed equity securities. The fair value of the listed investments is based on Stock Exchange of Mauritius official market quoted prices at the close of business at the end of the reporting period. Unquoted securities are valued at net assets value from the most recent statement of affairs.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 9. Available-for-sale financial assets (Continued)

The fair value reserve is as follows:

	Life Fair value Rs	Life Cost Rs	General Fair Value Rs	General Cost Rs	Composite Fair Value Rs	Composite Cost Rs
At 1 July	20,906,574	17,945,431	36,938,814	32,148,690	57,845,388	50,094,121
Gain on foreign exchange	2,172,664	1,589,650	624,318	2,642,731	2,796,982	4,232,381
Gain on fair value	502,431	1,371,493	3,231,480	2,147,393	3,733,911	3,518,886
At 30 June	23,581,669	20,906,574	40,794,612	36,938,814	64,376,281	57,845,388

### 10. Deposits

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
Current	-	-	42,131,250	13,387,500	42,131,250	17,387,500
Non current	14,568,750	14,568,750	29,317,200	69,060,950	43,885,950	79,629,700
At 30 June	14,568,750	14,568,750	71,448,450	82,448,450	86,017,200	97,017,200
Maturing:						
up to 3 months	-	-	6,425,000	3,000,000	6,425,000	3,000,000
3 to 6 months	-	-	14,706,250	7,000,000	14,706,250	7,000,000
6 to 12 months	-	-	21,000,000	3,387,500	21,000,000	7,387,500
> 12 months	14,568,750	14,568,750	29,317,200	69,060,950	43,885,950	79,629,700
	14,568,750	14,568,750	71,448,450	82,448,450	86,017,200	97,017,200
Non current deposits consist of:						
Statutory deposits	8,568,750	8,568,750	10,000,000	10,000,000	18,568,750	18,568,750
Other deposit with financial institutions	6,000,000	6,000,000	19,317,200	59,060,950	25,317,200	57,060,950
	14,568,750	14,568,750	29,317,200	69,060,950	43,885,950	75,629,700

The statutory deposits represent term deposits with local banks and are pledged in favour of the Financial Services Commission.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 11. Investment Property

The Investment Property is held for capital appreciation and is not occupied by the Company.

In the opinion of the directors, the carrying amount of the Investment Property approximates its fair value.

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
Land held at cost At 30 June	1,100,000	1,100,000	-	-	1,100,000	1,100,000

### 12. Loans and receivables

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
<b>Mortgage loans</b>	718,104	730,478	-	-	718,104	730,478
Surrender values	12,609	12,609	-	-	12,609	12,609
Other loans			530,473	296,805	530,473	296,805
Provision for bad debts	(103,527)	(103,527)	-	-	(103,527)	(103,527)
	627,186	639,560	530,473	296,805	1,157,659	936,365
Analyse as follows:						
Non-current	-	-	530,473	296,805	530,473	296,805
Current	627,186	639,560	-	-	627,186	639,560
	627,186	639,560	530,473	296,805	1,157,659	936,365

- There is no concentration of risk with respect to mortgages and other loans since balances are widely spread.
- Mortgages and other loans are secured by life insurance policies and fixed charges.
- All mortgages and other loans are denominated in Mauritian rupees.
- The carrying amounts of mortgages and other loans approximate their fair values.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 13. Receivables and prepayments

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
Premium receivables	47,659	140,947	16,338,194	13,788,993	16,385,853	13,929,939
Provision for doubtful debts	-	-	-	(1,800,000)	-	(1,800,000)
Net premium receivables	47,659	140,947	16,338,194	11,988,993	16,385,853	12,129,939
Interest and dividends receivables	3,090,408	1,704,937	11,567,897	8,543,422	14,658,305	10,248,359
Other receivables and prepayments	125,000	125,000	1,487,746	2,293,971	1,612,746	2,418,972
	3,263,067	1,970,884	29,393,837	22,826,386	32,656,904	24,797,270

The statutory deposits represent term deposits with local banks and are pledged in favour of the Financial Services Commission.

(a) The ageing analysis of these net premium receivables is as follows:

	2022 Rs	2021 Rs
up to 3 months	3,907,737	3,189,280
3 to 6 months	5,198,123	2,053,547
6 to 12 months	2,609,776	2,678,506
> 12 months	4,670,217	4,208,606
	16,385,853	12,129,939

(b) The other classes within receivables and prepayments do not include impaired assets.

(c) The Company does not hold any collateral as security in respect of receivables and prepayments.

(d) All receivables and prepayments are denominated in Mauritian rupees.

(e) The carrying amounts of receivables and prepayments approximate their fair values.

### 14. Amount due by reinsurers

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
At 1 July	-	-	7,642,325	4,384,474	7,642,325	4,384,474
Movement during the year	-	-	(5,098,194)	3,257,851	(5,098,194)	3,257,851
At 30 June	-	-	2,544,131	7,642,325	2,544,131	7,642,325

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 15. Receivable on claim paid and payable

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
Provision on claim recoverable from reinsurers per reinsurance contract	-	-	1,336,871	15,001,490	1,336,871	15,001,490
Provision on claim recoverable from local insurance companies	-	-	14,148,937	11,391,247	14,148,937	11,391,247
Less provision for impairment	-	-	(3,537,234)	(2,847,812)	(3,537,234)	(2,847,812)
At 30 June	-	-	11,948,574	23,544,925	11,948,574	23,544,925

### 16. Cash and Cash Equivalents

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
Cash in hand	-	-	1,206,077	991,159	1,206,077	991,159
Cash at bank	1,961,972	5,187,284	138,391,921	128,254,605	140,353,893	133,441,889
	1,961,972	5,187,284	139,597,998	129,245,764	141,559,970	134,433,048

### 17. Stated Capital

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
Authorised, Issued and Fully Paid						
1 Founder share of Rs 10 each	-	-	10	10	10	10
2,499,999 ordinary shares of Rs 10 each	-	-	24,999,990	24,999,990	24,999,990	24,999,990
	-	-	25,000,000	25,000,000	25,000,000	25,000,000

Note: All above shares are at par value.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 18. Revaluation Reserves

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
At 1 July - Freehold Land	-	-	7,440,000	7,440,000	7,440,000	7,440,000
At 1 July - Other Assets	20,906,574	17,945,431	43,344,848	38,554,724	64,251,422	56,500,155
Increase in value - Freehold Land	-	-	-	-	-	-
Movement in value - Other Assets	2,675,095	2,961,143	3,855,798	4,790,124	6,530,893	7,751,267
<b>At 30 June</b>	<b>23,581,669</b>	<b>20,906,574</b>	<b>54,640,646</b>	<b>50,784,848</b>	<b>78,222,315</b>	<b>71,691,422</b>

The reserves under other assets relate to the surplus on revaluation on building and comprise cumulative net change in the fair value of available-for-sale financial assets that has been recognised in other comprehensive income until the investments are derecognised or impaired

### 19. Unearned premium reserves

Short-term insurance unearned premium represents the portion of premium written relating to periods of insurance risks subsequent to the statement of financial position calculated based on 11365th method. The unearned premium reserves are disclosed net of reinsurances as shown in the table below:

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
At 1 July	-	-	33,951,498	29,563,721	33,951,498	29,563,721
Movement during the year	-	-	7,536,872	4,387,777	7,536,872	4,387,777
<b>At 30 June</b>	<b>-</b>	<b>-</b>	<b>41,488,370</b>	<b>33,951,498</b>	<b>41,488,370</b>	<b>33,951,498</b>
Gross basis						
At 1 July	-	-	39,000,523	34,431,995	39,000,523	34,431,995
Movement during the year	-	-	7,895,113	4,568,528	7,895,113	4,568,528
At 30 June	-	-	46,895,636	39,000,523	46,895,636	39,000,523
Reinsurers share						
At 1 July	-	-	5,049,025	4,868,274	5,049,025	4,868,274
Movement during the year	-	-	358,241	180,751	358,241	180,751
At 30 June	-	-	5,407,266	5,049,025	5,407,266	5,049,025
Net basis						
At 1 July	-	-	33,951,498	29,563,721	33,951,498	29,563,721
Movement during the year	-	-	7,536,872	4,387,777	7,536,872	4,387,777
<b>At 30 June</b>	<b>-</b>	<b>-</b>	<b>41,488,370</b>	<b>33,951,498</b>	<b>41,488,370</b>	<b>33,951,498</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 20. Premium Deficiency Reserve

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
At 1 July	-	-	3,187,589	5,530,661	3,187,589	5,530,661
Movement subsequent to Actuarial revaluation	-	-	(685,600)	(2,343,072)	-	(2,343,072)
At 30 June	-	-	2,501,989	3,187,589	3,187,589	3,187,589

Following actuarial report, the latter has revised the reserve balance to Rs 2,501,989.

### 21. Life Fund

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
At 1 July	33,142,087	34,985,582	-	-	33,142,087	34,985,582
Net deficit for the year	(1,943,765)	(1,843,495)	-	-	(1,943,765)	(1,843,495)
At 30 June	31,198,322	33,142,087	-	-	31,198,322	33,142,087

The Life Assurance Fund represents the value of policy liabilities. The adequacy of the liabilities is determined annually by the actuarial valuation.

### 22. Deferred Tax Liability

Deferred taxation is calculated on all temporary differences under the liability method at the rate of 15% (2021: 15%). The movement on deferred tax account is as follows:

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
At 1 July	-	-	380,401	380,401	380,401	380,401
Charge for the year	-	-	45,720	-	45,720	-
At 30 June	-	-	426,121	380,401	426,121	380,401
The deferred tax balances comprise the following:						
Accelerated capital allowances	-	-	417,121	380,401	417,121	380,401
Loss carried forward	-	-	-	-	-	-
At 30 June	-	-	417,121	380,401	417,121	380,401

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 23. Lease Liability

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
<b>Right-to-Use Building</b>						
At 1 July	-	-	619,301	1,455,199	619,301	1,455,199
Additions	-	-	939,261	-	939,261	-
Interest expense	-	-	44,899	105,502	44,899	105,502
Lease payments	-	-	(664,200)	(941,400)	(664,200)	(941,400)
<b>At 30 June</b>	-	-	<b>939,261</b>	<b>619,301</b>	<b>939,261</b>	<b>619,301</b>
Analysed as follows :						
-Current	-	-	515,751	619,301	515,751	619,301
-Non-Current	-	-	423,510	-	423,510	-
	-	-	939,261	619,301	939,261	619,301

(i) Nature of leasing activities (in the capacity as lessee)

The Company leases a number of properties in Mauritius from which it operates. It is customary in Mauritius for lease contracts to provide for payments to increase each year by inflation or and in others to be reset periodically to market rental rates. In some jurisdictions property leases the periodic rent is fixed over the lease term.

(ii) Variable lease payments

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% on the balance sheet date to lease payments that are variable.

	Lease Contracts Number	Fixed payments %	Variable payments %	Sensitivity Rs
Property leases with fixed payment	2	12%	-	-
Property leases with periodic uplifts to market rentals	2	-	88%	± 63,203
	4	12%	88%	± 63,203

(iii) There are no extension and termination options in the property leases.

(iv) The total interest relating to lease liabilities included under finance cost amounted to Rs. 44,899 (2021: Rs 105,502) for the Company and the total cash outflows for leases in 2022 was Rs 664,200 (2020: Rs 941,400)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 24. Retirement Benefit Obligation

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
At 1 July	-	-	4,211,124	3,841,124	4,211,124	3,841,124
Charge for the year	-	-	370,000	370,000	370,000	370,000
Paid during the year	-	-	(430,000)	-	(430,000)	-
At 30 June	-	-	4,151,124	4,211,124	4,151,124	4,211,124
State Pension Plan: National Pension Scheme contribution expenses						
At 30 June	-	-	-	455,947	384,429	384,429

The Company does not have in place a defined benefit or contributory retirement benefit scheme. It provides for its statutory obligation towards Severance Allowances calculated in accordance with the Employment Rights Act 2008.

### 25. Taxation

Statement of financial position current tax assets/liabilities:

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
At 1 July	(13,607)	(13,607)	856,156	856,156	842,549	842,549
Charge during the year	-	-	-	-	-	-
Paid during the year	-	-	-	-	-	-
At 30 June	(13,607)	(13,607)	856,156	856,156	842,549	842,549
Profit before taxation	-	1,279,952	7,302,287	3,783,667	7,302,287	3,783,667
Tax thereon at 15%	-	191,993	1,095,343	567,550	1,095,343	567,550
Tax effects on :						
Exempt income	(330,717)	(184,136)	(1,694,904)	(497,206)	(2,025,622)	(497,206)
Other taxable income	-	-	90,000	-	90,000	-
Annual allowance	-	-	(287,826)	(266,920)	(287,826)	(266,920)
Other allowable deductions	-	(122,906)	(227,554)	(211,918)	(227,554)	(211,918)
Non-allowable expenses	515,785	-	277,691	273,586	793,476	273,586
Accumulated Losses	(406,374)	-	(597,833)	-	(1,004,208)	-
Tax credit for the year	(221,307)	(115,049)	(1,345,083)	(134,908)	(1,566,390)	(134,908)
Total tax payable	-	-	-	-	-	-

A reconciliation between the actual income tax charge and the theoretical amount that would arise using the applicable income tax rate of 15% is as follows: The Company is liable to income tax at the rate of 15% on its profit as adjusted for income tax purposes

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 26. Amount due to reinsurers

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
At 1 July	47,526	12,275	13,526,922	9,033,375	13,574,448	9,045,650
Movement during the year	(11,633)	35,251	(6,695,564)	4,493,547	(6,707,197)	4,528,798
At 30 June	35,893	47,526	6,831,358	13,526,922	6,867,251	13,574,448

### 27. Payables

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
Founder's share commission	-	-	2,841,637	-	2,841,637	1,988,812
Accrued expenses	-	-	1,274,000	-	1,274,000	924,436
Other payables	1,303,808	-	2,588,283	-	3,892,091	3,807,594
	1,303,808	1,293,913	6,703,920	5,426,929	8,007,728	6,720,842

### 28. Outstanding Claims

#### 28.1 Gross Claim Outstanding:

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
Short and long term insurance contracts: Claims reported and loss adjustment expenses Gross claim outstanding provision	-	-	65,602,503	78,210,515	65,602,503	78,210,515
Provision for claims incurred but not reported (IBNR)	-	-	4,563,932	4,569,932	4,563,932	4,569,932
Total gross insurance liabilities	-	-	70,166,435	82,780,447	70,166,435	82,780,447

#### 28.2 Gross claim receivable from reinsurers and insurers on claim paid and payable:

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
Receivable on claim paid and payable Recoverable from reinsurers	-	-	(1,336,871)	(15,001,490)	(1,336,871)	(15,001,490)
Recoverable from insurers	-	-	(10,611,703)	(8,543,435)	(10,611,703)	(8,543,435)
Total amount recoverable	-	-	(11,948,574)	(23,544,925)	(11,948,574)	(23,544,925)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 28. Outstanding Claims (Continued)

#### 28.3 Net claim outstanding.

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
Net claim outstanding provision	-	-	51,125,929	54,665,590	51,125,929	54,665,590
Provision for claims incurred but not reported "IBNR"	-	-	4,569,932	4,569,932	4,569,932	4,569,932
Total net insurance liabilities	-	-	55,695,861	59,235,522	55,695,861	59,235,522

#### 28.4 Net claim Incurred.

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
Gross claim provision at start	-	-	(78,210,515)	(84,493,901)	(78,210,515)	(84,493,901)
Paid during the year	4,329,501	3,540,354	52,217,872	52,319,651	56,547,373	55,860,005
Gross claim provision at end	-	-	65,602,503	78,210,515	65,602,503	78,210,515
Gross claim incurred	4,329,501	3,540,354	39,609,860	46,036,265	43,939,361	49,576,619
Reinsurance contracts recoverable						
Amount recoverable at start	-	-	(23,544,925)	(29,338,398)	(23,544,925)	(29,338,398)
Amount recovered during the year	-	-	12,182,290	15,793,254	12,182,290	15,793,254
Amount recoverable at end	-	-	11,948,574	23,544,925	11,948,574	23,544,925
Net amount recoverable	-	-	585,939	9,999,781	585,939	9,999,781
Net claim incurred						
Net claim provision at start	-	-	(54,665,590)	(55,155,503)	(54,665,590)	(55,155,503)
Net paid during the year	4,329,501	3,540,354	40,035,582	36,526,397	44,365,083	40,066,751
Net claim provision at end	-	-	53,653,929	54,665,590	53,653,929	54,665,590
Net claim incurred	4,329,501	3,540,354	39,023,921	36,036,484	43,353,422	39,576,838
IBNR movement	-	-	(6,000)	(134,030)	(6,000)	(134,030)
Net claim incurred after IBNR	4,329,501	3,540,354	39,017,921	35,902,454	43,347,422	39,442,808

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 29. Related party transactions

The Company entered the following transactions with key management personnel which are defined by IAS 24 Related Party Disclosures, as those persons having authority and responsibility in planning, directing and controlling the activities of the Company, including directors and key management personnel consisting of the Chief Executive Officer and Senior Managers.

Terms and conditions of transactions with related parties are made at market prices. Outstanding balances at the yearend are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. At each financial year, the assessment of provision for impairment is undertaken through examining the financial position of the related party and the market in which the related party operates.

Related party transactions during the year:

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
<b>Payable to related party:</b>						
Founder Share Commission to Promunit Ltd	-	-	2,841,637	1,988,812	2,841,637	1,988,812
<b>Receivable from related parties :</b>						
Outstanding insurances balances due from directors and related parties	-	-	58,562	52,794	58,562	52,794
Loan to director	-	-	-	-	-	-
Sale of services to:						
Directors and key management personnel						
Insurance contracted	-	-	388,845	652,923	388,845	652,923
<b>Remuneration of key management personnel :</b>						
Senior management teams remuneration	-	-	1,661,925	1,439,351	1,661,925	1,439,351
Directors emoluments and short term benefits	-	-	3,258,539	2,852,884	3,258,539	2,852,884
Founder Share Commission to Promunit Ltd	-	-	852,825	721,974	852,825	721,974

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 30. Earnings per share

The calculation of earnings per share is based on profit for the year for the year attributable to ordinary shareholders and on the number of shares issued.

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
Net profit from General insurance business for the year	-	-	6,373,454	3,061,693	6,373,454	3,061,693
Number of ordinary share in issue	-	-	2,500,000	2,500,000	2,500,000	2,500,000
Earning per share			2.55	1.22	2.55	1.22

### 31. Corporate Social Responsibility

Corporate Social Responsibility ("CSR") Fund equivalent to two per cent of its tax chargeable income derived during the preceding year is applicable as from 1st July 2009. Since the Company did not have a CSR Fund which is being separately monitored, the Management decided to pay the CSR contribution to Mauritius Revenue Authority (MRA). The Company has decided to remit the CSR contribution to the MRA upon payment of its Corporate Tax.

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
Contribution during the year	47,214	-	30,288	-	77,502	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### Appendix 1. Management expenses

	Life 2022 Rs	Life 2021 Rs	General 2022 Rs	General 2021 Rs	Composite 2022 Rs	Composite 2021 Rs
Staff costs	633,348	590,871	10,747,376	8,769,384	11,380,724	9,360,255
Rent & rates	-	-	474,990	239,365	474,990	239,366
Professional and consultancy fees	-	-	1,941,182	1,317,466	1,941,182	1,317,466
Maintenance / Repairs Expenses	-	-	1,358,747	1,326,950	1,358,747	1,326,950
Printing & Stationery	-	-	860,228	582,617	860,228	582,617
Directors Fees	-	-	763,950	595,350	763,950	595,350
Actuarial fee	101,138	105,855	511,820	(159,811)	612,958	(53,956)
Telephone & telex	-	-	654,508	641,924	654,508	641,924
Electricity	-	-	505,868	475,042	505,868	475,042
Advertising	-	-	725,943	369,261	725,943	369,261
Motor Expenses	-	-	381,191	304,307	381,191	304,307
Audit fees	-	-	483,550	377,800	483,550	377,800
Licence	125,000	100,206	192,835	195,070	317,835	295,276
Subscription fees	-	-	470,947	434,814	470,947	434,814
Bank charges	20,538	17,272	302,507	240,085	323,045	257,357
Staff welfare	-	-	364,728	238,796	364,728	230,296
Retirement benefit obligations	-	-	776,473	370,000	776,473	370,000
Mess Expenses	-	-	205,556	183,993	205,556	192,493
Secretary fees	-	-	207,000	207,000	207,000	207,000
Insurance	-	-	148,454	55,957	148,454	55,957
Postage and Stamps	-	-	145,208	133,163	145,208	133,163
Legal Fees	-	-	73,800	69,000	73,800	69,000
Training & development	-	-	-	30,000	-	30,000
Office Expenses	12,964	-	58,723	11,500	71,687	11,500
Water	-	-	10,302	9,480	10,302	9,480
Entertainment Business Lunch	-	-	-	41,330	-	41,330
Penalty	-	-	-	2,596	-	2,596
Travelling Expenses-Local	-	-	7,750	695	7,750	694
Donations	-	-	-	27,500	-	27,500
Bad debt Written off	-	-	25	1,800,000	25	1,800,000
Finance cost	-	-	44,899	105,502	44,899	105,502
	892,988	814,204	22,418,560	18,996,136	23,311,548	19,810,340

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**Appendix 1. Financial Summary**

	2022 Rs	2021 Rs	2020 Rs	2019 Rs	2018 Rs	2017 Rs
Share Capital	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Revenue reserves	138,850,143	134,976,689	131,914,996	124,827,162	123,955,308	122,546,745
Revaluation reserves	13,846,034	13,846,034	13,846,034	13,846,034	5,200,000	5,200,000
Fair value reserve	64,376,281	57,845,388	50,094,121	52,066,671	56,757,796	61,860,057
Profit /(loss) before taxation	7,302,287	3,783,667	9,127,155	8,273,986	(6,077,906)	(85,031)
Profit /(loss) after taxation	7,226,279	3,783,667	7,600,104	7,626,413	(5,497,270)	(1,040,714)
Profit for the year	6,373,454	3,061,693	7,087,833	6,871,846	396,862	2,370,445
Total comprehensive income/ (loss)	10,229,252	7,851,817	6,065,413	12,878,547	(1,253,707)	(1,549,515)
Dividend declared and paid	2,500,000	-	-	-	-	-
Earning per share	0.255	0.122	0.284	0.275	0.016	0.095

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### Appendix 1. Segmental reports

Year ended 30 June 2022	TOTAL Rs.'000	Motor Rs.'000	Accident Rs.'000	Engineering Rs.'000	Liability Rs.'000	Property Rs.'000	Transport Rs.'000	Guarantee Rs.'000	Misc. Rs.'000
Gross premium on direct business	85,283	71,690	2,071	3,037	1,606	1,640	2,399	1,925	915
Net premium written	71,556	68,315	1,297	160	271	207	453	428	426
Net earned premium	65,665	62,880	1,060	581	270	27	295	269	283
Net claims incurred	36,496	36,211	(5)	153	(61)	-	197	-	-
Net commission paid	(4,875)	(7,857)	49	1,135	105	629	495	523	46
Management expenses	22,419	18,846	544	798	422	431	631	506	240
Undewriting profit/(loss)	1,876	(34)	570	765	13	225	(38)	286	89
Investment and other income	10,713	9,005	260	381	202	206	301	242	115
Net profit before tax	12,588	8,971	830	1,146	215	431	264	528	204

Year ended 30 June 2021

Gross premium on direct business	72,197	61,776	344	2,548	2,849	1,365	1,626	1,452	238
Net premium written	59,123	56,855	53	429	507	149	534	517	80
Net earned premium	57,078	55,667	90	(85)	257	195	391	424	141
Net claims incurred	35,902	35,745	36	(96)	233	(68)	74	(47)	25
Net commission paid	(5,617)	(7,194)	78	495	196	342	224	215	28
Management expenses	21,708	18,575	103	766	857	410	489	437	71
Undewriting profit/(loss)	(6,150)	(5,848)	28	(260)	(637)	193	52	249	73
Investment and other income	9,933	8,499	47	351	392	188	224	200	33
Net profit before tax	3,784	2,652	76	90	(245)	381	276	449	106

# Indian Ocean General Assurance LTD

## NOTES

OVER  
**50**  
**YEARS**  
SERVING  
MAURITIANS

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# ioga

INDIAN  
OCEAN GENERAL  
ASSURANCE LTD

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