

# Directors

## REPORT

### THE GROUP

2022 was a year of challenges for most businesses as it represented a first full year of operations after the Covid-19 period, but with some changes in the business landscape. The pandemic has accelerated the use of technology and altered customer behaviour to a certain extent. Challenges were present at the macro-economic level, namely the inflationary pressures from international supply shocks, which were exacerbated by the depreciation of the rupee, the National Debt situation, the slowing investment rate and an increase in interest rates, coupled with the uncertainty prevailing in the global economy following the war in Ukraine. Nevertheless, following the re-opening of the borders in October 2021, we noted a boom in the travel industry post-covid-19, helping the recovery of the tourism and hospitality sector in 2022.

From a turnover perspective, the Group managed to achieve a better performance of 2022 as compared to 2021. We saw an improvement of 12% on Group revenue in 2022, while Group gross profit Margin increased by 15% as compared to last year, mainly attributable to a better performance in the Telecommunication & Media Cluster as well as the real estate cluster. In terms of other income, we noted a significant increase from 2021, due to the telecommunication & media, real estate and hospitality & tourism clusters. As a result of this, the Group achieved an operating profit of Rs 835m in 2022 compared to Rs 401m in 2021.

With regards to finance costs, the several increases in Prime Lending Rate (PLR) during 2022 generated a negative impact. Net finance costs for 2022 amounted to Rs 456m as compared to RS 415m for 2021.

Share of profits of associates amounted to Rs 94m in 2022 as compared to Rs 60m in 2021, due to improvement in the profit of associated companies operating within the energy sector.

Financial assets at fair value through other comprehensive income – a negative movement in exchange rate has resulted in a downside in the value of our financial assets amounting to a loss of Rs 111m in 2022 as compared to a gain of Rs 330m in 2021.

Revaluation of properties, although generating a positive impact in 2022, were lower as compared to 2021, with gains amounting to Rs 136m in 2022 as compared to Rs 273m in 2021.

The Group's liabilities on Retirement Benefit Obligations (RBO) has improved in 2022. The increase in the discount rate used for calculation of the RBO liabilities has had a positive impact on the RBO liabilities and as a result, we have registered a gain in our other comprehensive income for an amount of Rs 63m pertaining to RBO 2022, as compared to a gain of Rs 136m for 2021.

Other comprehensive income for the year were lower in 2022 as compared to 2021. There were lower gains on revaluation of properties and remeasurement of post-employment benefit respectively. Coupled with this, the negative effects on the Group's financial assets at fair value through other comprehensive income resulted in the other comprehensive income being only at Rs 98m in 2022 as compared to Rs 811m in 2021. The net financial result, total comprehensive income, was Rs 438m for 2022 as compared to Rs 720m in 2021.

### THE COMPANY

On the Company's front, the dividend received from the subsidiaries in 2022 were higher than 2021, amounting to Rs 490m for this year. Administrative expenses have gone up from Rs 237m in 2021 to Rs 303m in 2022 due to an increase in staff costs and a lower positive RBO impact in 2022. However, the net profit after tax for this year is more or less in line with last year being an amount of Rs 159m as compared to Rs 153m in 2021. The remeasurement of RBO as at December 2022 brought a favourable impact to the Company's other comprehensive income, generating a gain of Rs 23m in 2022 as compared to a profit of Rs 78m in 2021. Total comprehensive income of the Company in 2022 reached Rs 183m compared to Rs 231m in 2021.

The Company paid out a dividend of Rs 129.5m in 2022 compared to Rs 112.5m in 2021.

### DIRECTORS

The following directors held office during the year ended 31 December 2022 and as at the date of this report:

Mr. Bashirali A Currimjee

Mr. Anil C Currimjee

Mr. M. Iqbal Oozeer

Mr. Ashraf M Currimjee

Mr. Azim F Currimjee

Mr. Riaz A Currimjee

Mr. Christophe de Backer

Mr. Shahrukh D Marfatia

Mrs. Aisha C Timol

Mr. Karim Barday

Mr. Manoj K Kohli

Mr. Uday K Gujadhur

# Directors

## REPORT

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements 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.

### DONATIONS

During the year ended 31 December 2022, donations amounting to Rs 8,232,000 and Rs 8,177,000 (2021 – Rs 415,000 and Rs 415,000) were made by the Group and the Company, respectively.

### AUDITOR

The Auditor, PricewaterhouseCoopers, has indicated its willingness to continue in office. The directors shall propose their re-appointment at the Annual Meeting.

### ACKNOWLEDGEMENT

On behalf of the Board, we wish to express our sincere appreciation and gratitude to Management and staff for their hard work, dedication, commitment and loyalty to the Company.



**Mr Bashirali A Currimjee, G.O.S.K**

Chairman

Date : 19 May 2023



**Mr Anil C Currimjee**

Managing Director