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Annual Report 2020

C-Care (Mauritius) Ltd

Annual Report
FINANCIAL YEAR ENDED 30 JUNE 2020

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Chairperson's Statement
Hélène Echevin

Dear Shareholders,

It is with great honour that I am presenting, on behalf of the Board of Directors of C-Care (Mauritius) Ltd ("C-Care"), the results of the financial year ended 30 June 2020.

This year, which is coming to a close, is like no other, given the unprecedented crisis created by the Covid-19 pandemic. Like most countries, Mauritius took prompt actions in its bid to impede the spread of the virus among the population. A very strict lockdown was implemented, coupled with other timely measures. The sanitary risk was indeed controlled with commendable results at national level. Several measures have been adopted and theses have had important repercussions on C-Care, like on many other corporate entities, through a noticeable decrease of up to 65% of our turnover during the lock down period.

Our commitment

During this outbreak, C-Care has demonstrated much agility by rapidly reassessing our processes, thus leading to the prompt implementation of the necessary safety and sanitary protocols across all its healthcare centres, mainly Clinique Darné and Wellkin Hospital. I would like to seize this opportunity to commend our medical and non-medical staff, including those who work behind the scenes, for their hard work and dedication, especially at the peak of the crisis. By quickly adjusting to their new work environment, they embodied our values and mission, particularly that of putting our patients first. They played an instrumental role in the implementation of our preparedness plan, the aim of which was to ensure our resilience.

At the level of C-Care, no stone was left unturned to ensure that our patients, doctors, colleagues, and visitors were protected at all times within our precincts. Offering a safe environment to our patients and colleagues remains at the heart of C-Care's commitment by following the same protocols until the end of the pandemic. It came at a cost but was done for the good reasons.

C-Care invested significantly to set up a new isolation ward and a dedicated pathway for suspected and positive Covid-19 cases at the Wellkin Hospital. In only ten days, C-Lab managed to successfully launch a Molecular Biology Laboratory (Biosafety Level 2) to conduct Covid-19 testing using the latest technology in line with the World Health Organisation recommendations. In doing so, C-Lab became the first private medical laboratory in Mauritius to conduct RT-PCR Covid-19 testing.

Our performance

Given its unprecedented scale, the pandemic's impact on our economy as well as on our social fabric has been profound. The period we are going through is marked by several uncertainties, especially regarding economic perspectives, both in Mauritius and worldwide. The Covid-19 crisis coupled with the new Workers Right Act affected our financial performance.

Amidst this difficult context, C-Care managed to remain profitable and has shown a decrease in profit after tax from Rs. 114.8M to Rs. 42.2M.

Our journey for continuous improvement

To name a few, the financial year under review has been marked by the opening of 11 new private rooms and a Day Care Centre at Wellkin Hospital in order to cater more for patients' needs. The chemotherapy activity has been centralised at Wellkin Hospital for a better patient experience and reallocation of space and which thereby implies more space at Clinique Darné for future expansion. Over and above the revamping of its new Doctor's Lounge, Clinique Darné will soon be equipped with a new state-of-the-art MRI, the commissioning of which is scheduled to take place in the weeks to come. This process has been delayed due to the Covid-19 crisis. The Hospital Information System at Wellkin Hospital was replaced.

C-Lab is also continuously expanding its operations and as at end of June 2020, C-Lab counts 7 collection centres around the island.

Moreover, C-Care is undertaking the ambitious project of obtaining the Comprehensive Health Knowledge System (CHKS), a UK Hospital accreditation for Clinique Darné, Wellkin Hospital, C-Care Clinic and C-Lab. This process, to further enhance the customer journey, is well underway with all the teams involved. Across C-Care, 100 CHKS champions have been designated and are actively working towards this objective.

Amongst others, the CHKS project will be a boost in our commitment to constantly work on improving our patient safety and patient satisfaction.

Appreciation

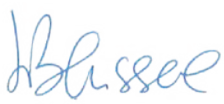
C-Care is therefore taking the necessary steps to further its development during the coming years and improve its resilience to weather the difficult times and challenges lying ahead.

May I end by reiterating my appreciation to the entire C-Care family, whether medical, para-medical and non-medical personnel for their commitment during this financial year, especially since the outbreak of Covid-19 in Mauritius. I have no doubt that C-Care will continuously benefit from their passion and expertise.

I would also like to thank our insurance partners for bringing the best solutions to their clients, hence allowing the population to get access to the best healthcare services in Mauritius.

In concluding, may I extend my gratitude to my colleagues of the Board, more especially to those who contributed to its committees, for their valuable support and guidance throughout the year and who, by their dedication and hard work, contributed to the commendable performance of C-Care.

On behalf of the Board of Directors of C-Care, I seize this opportunity to thank our patients for their continuous trust in our teams and our services.



Hélène Echevin
Chairperson

Corporate Information

BOARD OF DIRECTORS

DIRECTORS

Hélène Echevin, *Chairperson*
Guillaume Dalais
Yougendranath (Yogesh) Kissoondary
Deonanan (Raj) Makoond
Sylvain Pascal
Sukhmeet Singh Sandhu
Christine Sauzier
Michel Thomas
Jérôme Vidal

BOARD COMMITTEES

CORPORATE GOVERNANCE, ETHICS, REMUNERATION AND NOMINATION COMMITTEE

Deonanan (Raj) Makoond, *Chairperson*
Hélène Echevin
Sukhmeet Singh Sandhu
Christine Sauzier

AUDIT AND RISK COMMITTEE

Sylvain Pascal, *Chairperson*
Yougendranath (Yogesh) Kissoondary
Michel Thomas
Jérôme Vidal

CHIEF OFFICERS

Clive Chung, *Chief Operating Officer:* Clinique Darné
Thomas Mathew, *Chief Operating Officer:* Wellkin Hospital
Claire Wanquet, *Chief Officer – Operational Excellence and Quality:* C-Care
Sujit Woozageer, *Chief Officer – Shared Services:* C-Care

COMPANY SECRETARY

CIEL Corporate Services Ltd
5th Floor, Ebène Skies
Rue de l'Institut, Ebène
Mauritius
Tel: +230 404 2200
Fax: +230 404 2201

SHARE REGISTRY AND TRANSFER OFFICE

If you are a shareholder and have inquiries regarding your account, wish to change your name and address, or have questions about lost certificates, share transfers or dividends, please contact our Share Registry and Transfer Office:

MCB Registry & Securities Limited
Ground Floor, Raymond Lamusse Building
9-11, Sir William Newton Street, Port Louis
Tel: +230 202 5640

REGISTERED OFFICE

5th Floor, Ebène Skies
Rue de l'Institut, Ebène
Mauritius
Tel: +230 404 2200
Fax: +230 404 2201

BANKERS

AfrAsia Bank Limited
Bank One Limited
The Mauritius Commercial Bank Limited

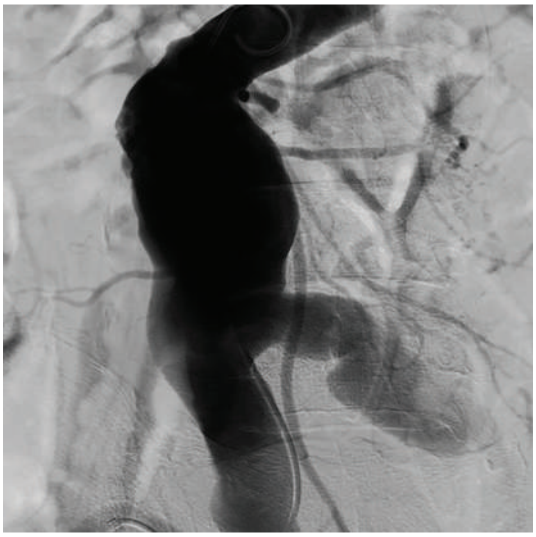
C-Care (Mauritius) Ltd remains committed to its defined Mission, Vision and Values. At C-Care, our capacity for innovation and multidisciplinary medicine is unmatched, and yet our teams provide so much more. Taking care of our patients is an opportunity to not only bring healing, but to stand with them and protect them in the face of life's biggest health challenges. With the unprecedented outbreak of Covid-19, we have reinforced our precautionary measures and there is no doubt that this pandemic has forever changed how health care is delivered. In many ways, the experience has affirmed that the Group is ready to embrace the future and continue to be a leader in innovation.

A STEP FORWARD TOWARDS EXCELLENCE IN HEALTHCARE

1. The first successful of Endovascular Aneurysm Repair (EVAR)

The first successful of Endovascular Aneurysm Repair (EVAR) conducted by a team of local medical experts was conducted at Clinique Darné in January 2020. Over the past two decades, endovascular repair has slowly but surely become the goal standard for treatment of abdominal aortic aneurysms. Unlike the conventional open surgery, which requires a large abdominal incision to replace the diseased aorta with a graft, the endovascular operation is limited to two small groin incisions through which the aortic stent graft is inserted to exclude the aneurysm from the circulation. The risk of death with endovascular repair is less than 1% (compared to a risk of 5% or higher with open repair) and the risk of complications is also much lower than that associated with the open repair.

This expertise is now available in Mauritius for both local and international patients to benefit. With this premiere, we are positioning ourselves as one of the very few medical centres offering EVAR in the Indian Ocean.



2. C-Lab and its collection centres

C-Lab has launched 4 collection centres across the island during this financial year. Aligned with the Values of the C-Care Group of being 'Approachable', C-Lab has been extending its services to the population by being closer to them. C-Lab comprises of 2 main laboratories at Clinique Darné & Wellkin Hospital, 1 Emergency Lab at C-Care Clinic at Grand Baie and 7 collection centres (Floréal, Moka, Grand Baie, Riverland – now at Cap Tamarin, Quatre-Bornes, Mapou and SPARC in Cascavelle).

3. Home Phlebotomy Service

C-Lab has launched the Home Phlebotomy Service since September 2019. This service was introduced with the main objective of bringing our services closer to the population. It has proved to be an essential service during the lockdown period. Easy to remember, the speed dialing number is **86888**!

Operations Review

4. C-Care in collaboration with Polytechnics Mauritius to form new Nurses

Given the fact that there is a shortage of nurses on the market, C-Care has signed an agreement in December with Polytechnics Mauritius to form new nurses who will have the opportunity to also on-the-job training at our institutions and have a possibility of joining one of the C-Care institutions.

5. CHKS Accreditation

C-Care is undertaking the ambitious project of obtaining the Comprehensive Health Knowledge System (CHKS) accreditation for Clinique Darné, Wellkin Hospital, C-Care Clinic and C-Lab in June 2021. The CHKS journey at C-Care is well underway with all the teams actively working towards obtaining the accreditation in 2021.

100 CHKS champions across C-Care are working on the CHKS standards and preparing documentation and evidence for the survey.

6. Revamping of the Doctors' Lounge at Clinique Darné

As part of Clinique Darné's Doctors Engagement and Welfare programme, the Doctors' Lounge has been revamped into a comfortable and contemporary space. The new environment now provides a more holistic space for Doctors to unwind and catch-up with their peers. The official opening was held on Friday 7th August 2020 and the guest of honour, Dr Tamin, proceeded to the ribbon cutting.

7. Introduction of new private rooms at Wellkin Hospital

In view of responding to the increasing demand of the market, Wellkin Hospital has introduced 11 rooms on the Level 3. This has for main objective to improve the patient journey.

8. HIS at Wellkin Hospital

The new HIS has been implemented at Wellkin Hospital in order to improve the patient experience and thus positively impact the process flow.

9. New Day Care Centre at Wellkin Hospital

A new Day Care Centre has been launched at Wellkin Hospital on the 2nd floor. The main purpose of the Centre is to solve one of our main existing challenges of bed occupancy for IP patients. This Centre comprises of 8 rooms and dedicated personnel with a bed turnaround of 2 times per day.

MEASURES TAKEN FOLLOWING COVID-19

10. Covid-19 Testing: Implementation of a Molecular Biology Laboratory (Biosafety Level 2) at C-Lab

C-Lab has been the first private medical laboratory to conduct Covid-19 tests by RT-PCR. As of the 8th of April 2020, following the authorisation from the Ministry of Health and Wellness, C-Lab at Wellkin Hospital, has started to conduct the Reverse Transcriptase Polymerase Chain Reaction (RT-PCR) test for Covid-19 for both inpatients and outpatients.

In that respect, the Molecular Biology Laboratory (Biosafety Level 2) has been set using the latest technology from Thermo Scientific to meet WHO recommendations. The structure has been implemented outside Wellkin Hospital facility in order to collect samples (Nasopharyngeal or oropharyngeal swabs) for the suspected cases of Covid-19. This was done to ensure the maximum safety and security for our patients and staff.

11. A new isolation ward set-up at the basement/ Dedicated pathway for suspected and Covid-19 cases and an advanced screening facility at Wellkin Hospital

Within 2 weeks, a new and fully equipped and isolated ward has been built and a dedicated and distinct space has been designed for the suspected cases and positive cases of Covid-19. All those measures have been put in place to ensure that the establishment will continue, in parallel, to serve other patients in safe environment and to guarantee quality medical follow-up.

In addition, an advanced screening facility, including an X-Ray machine, has been set-up outside Wellkin Hospital to identify suspicious Covid-19 cases arriving at the emergency room. This allowed medical staff to direct them to the specially designed care pathway if need be.

12. Introduction of a Free Teleconsultation Service

On the 24th of March 2020 during the lockdown period, C-Care introduced free teleconsultation services for all those who present flu and Covid-19 symptoms. This service was to encourage an initial sorting of symptoms in order to respect the protocol of the Ministry of Health and that real emergencies are dealt with in real time by our emergency services.

13. Introduction of Facebook Live Video with our Doctors

During the lockdown period, C-Care launched live interactive sessions on Facebook with specialists. This initiative of the Group was to give the public the opportunity to interact directly with doctors.

COMMUNITY OUTREACH & CONTRIBUTIONS

At C-Care, we leave no stone unturned and through various initiatives, we ensure positive contributions to human rights, the community, environment, and society in which we operate.

1. No to plastic!

C-Care in its approach to positively contribute to the society is also committed to being part of the solution to end plastic waste. We are proud that our employees are actively involved in this mission! We happily changed our existing policy of providing food in polystyrene box to biodegradable boxes. To help end plastic waste, we are embracing our responsibility to be a catalyst for good in our communities.

2. Awareness Talks at Clinique Darné & Wellkin Hospital

Operations Review

3. Free screening done at Grand Baie La Croisette

4. MDA – Muscular Dystrophy Association
5. Free screening organised in collaboration with Rotaract of Beau Bassin – Rose Hill in August
6. Antenatal classes done at CD & WH

SPONSORING EVENTS

Our main sponsoring events at C-Care

1. CIEL Ferney Trail

2. Grit Colin Mayer Tour

3. Ocean Active Festival

Corporate Governance

COMPANY PROFILE

C-Care (Mauritius) Ltd ("C-Care" or the "Company")

- By way of a Special Resolution, the Company changed its name from The Medical and Surgical Centre Limited to C-Care (Mauritius) Ltd, as evidenced by a Certificate of Incorporation on Change of Name issued by the Registrar of Companies ("ROC"), Mauritius on 6 June 2019.
- Public company limited by shares incorporated on 17 July 1972 with ROC.
- Ordinary shares of no-par value listed on the Development and Enterprise Market ("DEM") of the Stock Exchange of Mauritius Ltd ("SEM") since August 2006.
- Reporting Issuer with the Financial Services Commission ("FSC") since the promulgation of the Securities Act 2005 and Public Interest Entity as defined by the Financial Reporting Act 2004.
- Provision of medical facilities under the umbrella of two private hospitals namely Clinique Darné ("CD") and Wellkin Hospital ("Wellkin") and a Day Care Centre, C-Care Clinic; medical laboratories, C-Lab; retail pharmacies; and nursing/clinical training.

COMPLIANCE WITH THE NATIONAL CODE OF CORPORATE GOVERNANCE FOR MAURITIUS (2016)

The Board of Directors of C-Care ("the Board") is committed to the creation of long-term sustainable value for the benefit of the shareholders of the Company and wider stakeholders, and strong and robust corporate governance is integral in supporting this.

This Corporate Governance Report includes insight into how the corporate governance underpins and supports the business activities and the decisions taken by the Board and the management team of C-Care during the year under review and the extent to which the Company has been compliant with the National Code of Corporate Governance for Mauritius (2016) (the "Code").

Principle 1: GOVERNANCE STRUCTURE

C-Care has a strong and effective governance system and responsibility for good governance lies with the Board.

Shareholders of the Company

The Board
Responsible for the overall conduct of the Company's business including its long-term success; setting its purpose; values; standards and strategic objectives; reviewing its performance; and ensuring a positive dialogue with the stakeholders is maintained.

Chairperson of the Board
Responsible for leadership of the Board

Audit and Risk Committee ("ARC")
Reviews the integrity, adequacy, and effectiveness of the Company's system of internal control, including the risk management framework and related compliance activities.

Corporate Governance, Ethics, Remuneration and Nomination Committee ("CGERNC")
Evaluates Board composition and ensures Board diversity and a balance of skills.

Monitors the implementation of the Remuneration Policy.

Oversees matters relating to corporate governance and ethics.

Executive Committee
Focuses on strategy implementation, financial and competitive performance, commercial and technological developments, succession planning and organisational development.

External auditor/Internal auditor

The role of the Board

- Comprised of the Chairperson, Non-Executive and Independent Directors, the Board is collectively responsible for the oversight and success of the business.
- The Board discharges some of its responsibilities directly and others through its principal Board Committees and through management.
- The Board is responsible for ensuring leadership through effective oversight and review, it sets the strategic direction and aims to deliver sustainable stakeholder value over the longer term.
- The Board oversees the implementation of appropriate risk assessment systems and processes to identify, manage and mitigate C-Care's principal risks.
- The Board is also responsible for matters relating to finance, audit and internal control, reputation, corporate governance, and effective succession planning much of which is overseen through its principal Committees.

Other than the Board Charter[1] which details the composition, scope of authority, responsibilities, powers and functioning of the Board, the Board also ensures adherence to the Constitution[2] of the Company, the provisions of the Companies Act 2001, the Code, the DEM Rules and other applicable laws, rules and regulations.

1. The Board Charter was updated and approved by the Board on 20 February 2020 and can be found in the Investors' corner of the Company's website.

2. The Constitution of the Company is in conformity with the provisions of the Companies Act 2001 and the DEM Rules. There are no clauses deemed material enough for special disclosure. A copy is available upon written request to the Company Secretary or is available for consultation on the website of the Company.

Responsibilities and Accountabilities

C-Care has a clear division of responsibilities between its Chairperson and Chief Officers, each role is clearly defined and is quite distinct from one another.

Chairperson

- Leads the Board, sets each meeting agenda and ensures the Board receives accurate, timely and clear information to monitor, challenge, guide and take sound decisions.
- Promotes a culture of open debate between Non-Executive and Independent Directors.
- Regularly meets with the Chief Officers and other senior management to stay informed.
- Ensures effective communication with shareholders and other stakeholders.
- Promotes high standards of corporate governance and ensures Directors understand the views of the Company's shareholders and other key stakeholders so they can consider them in Board discussions and decision-making.
- Promotes and safeguards the interests and reputation of the Company.
- Represents the Company to customers, suppliers, governments, shareholders, financial institutions, the media, and the public at large.

Chief Officers

- Provide coherent leadership of the facilities of the Company.
- Lead the management team in running the Company's operations.
- Develop and implement the Company's objectives and strategy having regard to shareholders and other stakeholders.
- Manage the Company's risk profile and ensures appropriate internal controls are in place.
- Ensure there are effective processes for engaging with, communicating with, and listening to, employees and others working for the Company.

Code of Business Conduct and Ethics, Values and Purpose Statement

- C-Care's culture is defined through its Values and Code of Conduct. Together these set out what the Company expects from its Directors, officers, employees, and other related parties and how it expects business to be carried out.
- By embedding its Values, the Company strives for a culture of honesty, integrity, simplicity, and trust; and by endorsing its brand identity, the Company aims at leveraging and implementing the best management practices and ensuring the highest standard of care to its patients across its facilities namely Clinique Darné, Wellkin Hospital, C-Care Clinic and C-Lab.
- The leaders of C-Care have a critical role in setting the tone of the Company and championing the behaviours expected to be seen. The Executive team led campaigns and engagement throughout the year to highlight the Company's values and beliefs. Various indicators are used to provide insight into the Company's culture, including employee engagement, health, safety and well-being measures and diversity indicators. C-Care regularly assesses the state of its culture, through activities such as compliance reviews and behaviours that fall short of the Company's standards and expectations are promptly addressed by the team.

Vision: Excellence in Healthcare – to be the preferred choice for quality healthcare in the region, always innovating.

Mission: Patient first – delivering medical services and passionate care we can all be proud of.

Values: Medical Expertise; Approachable; People at Heart; and Progressive.

The key documents articulating the governance structure of the Company are available in the Investors' corner of the Company's website accessible on: http://www.c-care.mu.

Principle 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES

Board Size and Structure as date of the report

Unitary Board Structure

- 1 Executive Chairperson
- 5 non-Executive Directors
- 3 Independent Directors

Board Tenure

- 0-2 years: 6
- 2-4 years: 1
- 4-6 years: 1
- 6+ years: 1

Board Balance

- 2 Women
- 6 Men

Composition of the Board and Profiles of the Directors as at date of the report

C-Care is led by its Board of Directors who has adequate expertise and experience across the following fields: Healthcare, Legal, Financial services (accounting, insurance, economics, commerce), Tourism planning, Food Sciences and Technology.

Corporate Governance

Hélène ECHEVIN

Executive Chairperson, appointed Director and Chairperson as from 5 June 2017
Age: 43
Nationality/Country of Residency: Mauritian/Mauritius
Committee membership: Corporate Governance, Ethics, Remuneration and Nomination Committee

Skills and Experience:

- Holder of a degree in Food Sciences and Technology from Polytech Engineering School, Montpellier, France and followed Management Executive Program at INSEAD.
- Joined CIEL Group in March 2017 as Chief Officer – Operational Excellence after 17 years of working experience in similar position and on 1 July 2019, was designated as Chief Executive Officer of CIEL Healthcare Ltd which regroups all healthcare activities of the CIEL Group including IMG (Uganda) and Hygeia (Nigeria).
- Sits on the Board of Directors of CIEL Healthcare Ltd.
- Played a key role developing the healthcare cluster of CIEL Group and leading CIEL's operational excellence journey.
- Been the first lady President of the Mauritius Chamber of Commerce in Industry in 2015/2016.
- Also, a Member of the Board of Directors of Maurilait Ltd and MARENA.
- **Directorships in other listed companies of the SEM* :** Sun Limited

Guillaume Pierre Arnaud DALAIS

Non-Executive Director, appointed Director on 22 September 2020
Age: 38
Nationality/Country of Residency: Mauritian/Mauritius
Committee membership: None

Skills and Experience:

- Holder of a Master 2 from Ecole Superieur de Gestion (now Paris School of Business) in Finance and Accounting, Paris, France; also completed HEC Paris Executive Education.
- Former experience in the investment Banking sector by working at Métier Investments & Advisory Services in South Africa and CIEL Capital Limited in Mauritius.
- Joined the CIEL Textile Group in 2010.
- Appointed Executive Director of the Knits Cluster of the CIEL Textile Group in 2012.
- Chief Executive Officer of the Knitwear cluster of the CIEL Textile Group since July 2016.
- CEO of CIEL Properties since 01 July 2020.
- Also, a member of the Board of Directors of other companies in Mauritius, including those of CIEL Group.
- **Directorships in other listed companies of the SEM*:** CIEL Limited

Yogesh KISSOONDARY

Non-Executive Director, appointed Director on 22 September 2020
Age: 40
Nationality/Country of Residency: Mauritian/Mauritius
Committee membership: Audit and Risk Committee

Skills and Experience:

- Fellow of the Association of Chartered Certified Accountants (ACCA), holder of an Executive MBA as well as an Advance Certificate in an energy concerned economy from HEC – Paris, France and completed Level 2 of the Chartered Financial Analysts.
- Joined CIEL Group in May 2017 as Group Head of Corporate Finance. Leads investment and Mergers and Acquisitions strategies across the Group, other than project manages transition and integration plan for new acquisitions.
- Sits on the Board of Directors of various subsidiary companies of CIEL Group as Director/Alternate Director.
- Highly qualified entrepreneurial and operational finance professional with extensive experience in leading financial strategies to facilitate company's growth plans.
- **Directorships in other listed companies of the SEM*:** Not applicable

Raj MAKOOND

Independent Director, appointed Director on 25 February 2019
Age: 68
Nationality/Country of Residency: Mauritian/Mauritius
Committee membership: Corporate Governance, Ethics, Remuneration and Nomination Committee (Chairperson)

Skills and Experience:

- Holder of a BA (Hons) in Economics and an MSC in Tourism Planning.
- Program Director of Eclosia Group.
- Chairman of the Financial Services Institute (FSI); the University of Technology of Mauritius (UTM); and the Business Mauritius Regional Energy Working Group.
- Member of the Research and Development Working Group of the Mauritius Research and Innovation Council.
- Board Member of Rogers Co Ltd and Les Moulins de la Concorde Ltée.
- Was previously the Chief Executive Officer of Business Mauritius, the coordinating body of the Mauritius private sector.
- Prior to joining Business Mauritius, been Director of the Joint Economic Council (1994-2015); Deputy Secretary-General of

Corporate Governance

the Mauritius Chamber of Commerce and Industry (1991-1994); and Senior Economist at the Ministry of Economic Planning and Development (1975-1991).
- Co-chaired a number of joint Government/ Private Sector Committees, Task Force and Working Groups, namely the joint Public Private Business Facilitation Task Force, the Steering Committee on Global Financial Crisis, the Textile Emergency Support Team, the National Computer Proficiency Programme, the Collaborative Research and Innovative Grant Scheme and the National Skills Development Programme.
- Been a Director of the European Centre for Development Policy Management (ECDPM); a Member of the Board of Investment (2001-2014), Statistics Mauritius (2014-2018), Mauritius Africa Fund (2014-2018) and Financial Services Commission (2001-2015).
- **Directorships in other listed companies of the SEM*:** Rogers and Company Limited and Les Moulins de la Concorde Ltée

Sylvain PASCAL

Independent Director, appointed Director on 23 August 2019
Age: 65
Nationality/ Country of Residency: Mauritian/Mauritius
Committee membership: Audit and Risk Committee (Chairperson)

Skills and Experience:
- Holder of a master's in business administration from the Witwatersrand Business School.
- Been the Managing Director of Medscheme (Mauritius) Ltd; and Finance and Administration Director of Island General Insurance Co. Ltd.
- Been the Executive Secretary of the Association of Private Health Plans and Administrators from June 2011 till June 2019.
- Non-Executive Director of Guardrisk Group in Mauritius, Island Life Assurance Co. Ltd, and Spice Finance Ltd.
- Member of the Committee set up by the Ministry of Health to monitor and prepare National Health Accounts since inception in 2006.
- **Directorships in other listed companies of the SEM*:** Not applicable

Sukhmeet Singh SANDHU

Non-Executive Director, appointed Director on 22 September 2020
Age: 58
Nationality/Country of Residency: Indian/Uganda
Committee membership: Corporate Governance, Ethics, Remuneration and Nomination Committee

Skills and Experience:

- Dynamic and seasoned senior professional with 37 years' rich experience in Business Development, Business Operations, Hospital Administration, Sales & Marketing and Retail Value Management with two leading Indian Brands in their respective industry - Fortis Healthcare Limited and Tata Steel Limited.
- Has exposure of Indian and overseas markets in healthcare delivery domain. Took active part in Acquisition process of leading Indian brands like Escorts, Wockhardt and Hiranandani hospitals by Fortis. Led O&M strategy and business model for emerging markets with both greenfield and expansion formats.
- Recently appointed Chief Executive Officer of the International Medical Group Limited ("IMG"), Kampala, Uganda.
- Formerly the Chief Executive Officer of Nairobi West Hospital – Kenya.
- Been the Head – International Operations, responsible for Expansion and International operations of Fortis Healthcare Limited and been the Chief Executive Officer of C-Care.
- **Directorships in other listed companies of the SEM*:** Not applicable

Christine Marie Isabelle SAUZIER

Non-Executive Director, appointed Director on 4 June 2014 and Chairperson as from 10 June 2015 up to 5 June 2017
Age: 54
Nationality/Country of Residency: Mauritian/Mauritius
Committee membership: Corporate Governance, Ethics, Remuneration and Nomination Committee

Skills and Experience:

- Holder of an LLB (Hons) from the University of Mauritius and a Licence en droit privé from the Faculté des Sciences Juridiques, Université de Rennes, France, Attorney- at- Law.
- Qualified Attorney-at-Law since 1994 having more than 15 years' experience in private practice and nearly 14 years as in-house lawyer.
- Group General Counsel, CIEL Group.
- Advising the Board on compliance, deal structuring and shareholder matters, while also liaising with international and local lawyers in drafting, reviewing, and negotiating commercial contracts and other legal documents.
- Been instrumental in dealings with the regulators like Bank of Mauritius, Financial Services Commission and with the SEM.

Corporate Governance

- Been involved in various Mergers & Acquisitions transactions for the Group with exposure to diverse industries like Banking, Hotels, Property, Healthcare, Private Equity, Textile, Agro Business, and Fiduciary.
- Been involved in cross border deals in various countries notably in Sub-Saharan Africa, Indian Ocean and Asia.
- Been recently appointed Director on the Board of Bank of Mauritius and a member of the Monetary Policy Committee of Bank of Mauritius.
- Also, Chairperson of the Mauritius Institute of Directors and Member of Business Mauritius Council.
- Member of the Financial Reporting Council.
- **Directorships in other listed companies of the SEM*:** IPRO Growth Fund Ltd and IPRO Funds Ltd (IPRO African Market Leaders Fund – Class (I2) Institutional Class)

Michel THOMAS

Non-Executive Director, appointed Director on 25 May 2009

Age: 61

Nationality/Country of Residency: Mauritian/Mauritius

Committee membership: Audit and Risk Committee

Skills and Experience:

- Holder of a Master of Laws (UK), Fellow of the Chartered Insurance Institute (UK), Associate member of the Chartered Institute of Arbitrators, Chartered Insurer (UK) and Member of the British Insurance Law Association.
- Chief Operations Officer (COO) as well as a board member of Swan General Limited.
- Responsible for the Short-Term Operations of the Swan Group.
- Principal areas of specialisation: Insurance and Reinsurance contract law including policy drafting.
- Having extensive experience and skill in the handling of complex liability claims including medical negligence/malpractice claims.
- Been working with international law firms and barristers on a variety of high value casualty and engineering claims as well as on reinsurance conflict of laws and coverage issues.
- Been specialising in arbitration law and alternative dispute resolution (ADR) procedures.
- **Directorships in other listed companies of the SEM*:** Swan General Ltd

Jérôme VIDAL

Independent Director, appointed Director on 19 November 2019

Age: 57

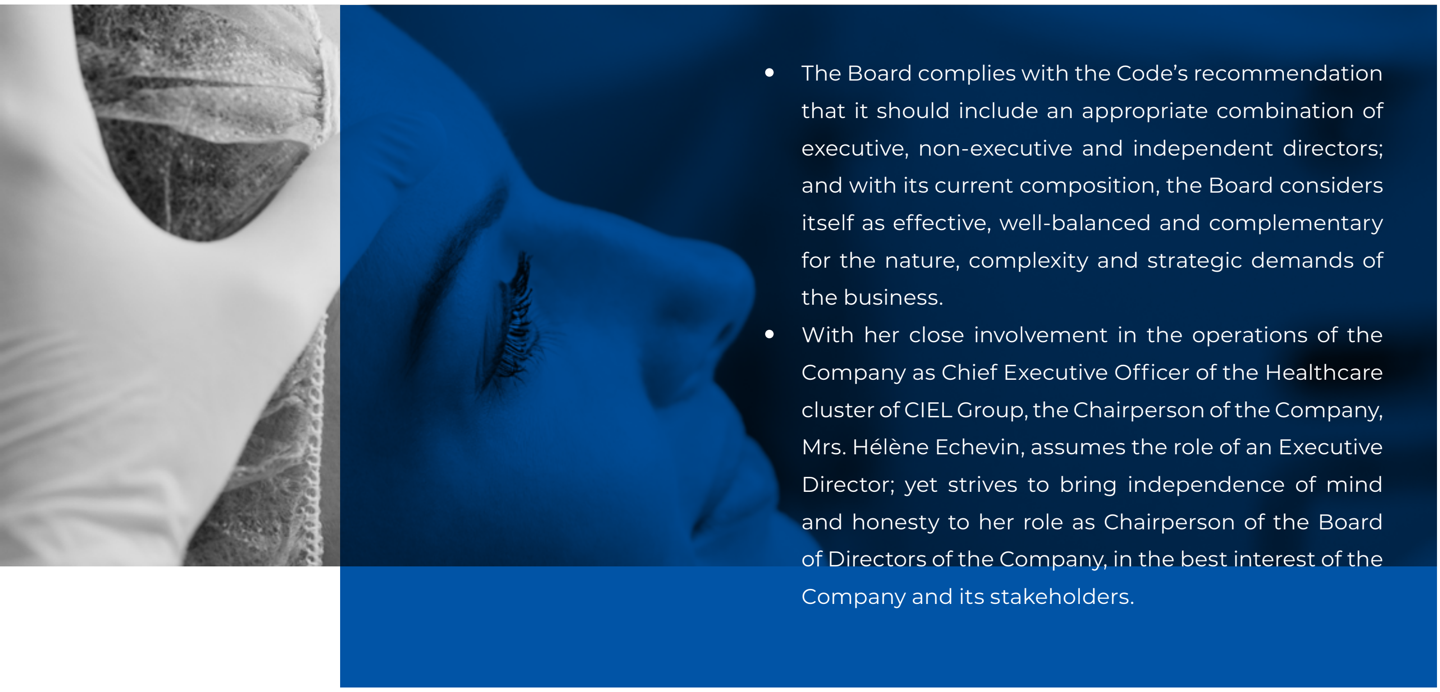
Nationality/Country of Residency: French / France

Committee membership: Audit and Risk Committee

Skills and Experience:

- Holder of a master's in management business Unit from HEC.
- Chief Executive Officer of AKOYA, a consulting and interim management company specialising in the healthcare sector in France.
- Having more than 17 years of experience as Managing Director of Medical and Surgery clinics.
- Having extensive experience and skill in leading or assisting organisations in the health sector facing turnaround, reorganisation, or development critical phases.
- Having entrepreneurship/ Mergers and Acquisitions/ Negotiation and Change management experience.
- Having finance expertise.
- Organisation and Performance optimisation through Information System.
- **Directorships in other listed companies of the SEM*:** Not applicable

*** The Board of Directors of C-Care has decided to disclose only directorships in listed companies.**



- The Board complies with the Code's recommendation that it should include an appropriate combination of executive, non-executive and independent directors; and with its current composition, the Board considers itself as effective, well-balanced and complementary for the nature, complexity and strategic demands of the business.
- With her close involvement in the operations of the Company as Chief Executive Officer of the Healthcare cluster of CIEL Group, the Chairperson of the Company, Mrs. Hélène Echevin, assumes the role of an Executive Director; yet strives to bring independence of mind and honesty to her role as Chairperson of the Board of Directors of the Company, in the best interest of the Company and its stakeholders.

Company Secretary

CIEL Corporate Services Ltd ensures the role of Company Secretary through a service agreement the Company holds with its controlling shareholder, CIEL Healthcare Limited by CIEL Corporate Services Ltd. The Company Secretary:

- Ensures compliance with Board procedures and provides support to the Chairperson, to ensure Board effectiveness.
- Assists the Chairperson by organising induction and training programmes and ensuring that all Directors have full and timely access to all relevant information.
- Ensures the Board and its Committees has high-quality information, adequate time, and appropriate resources to function effectively and efficiently.
- Provides advice and keeps the Board updated on corporate governance developments.

The role of the Chairperson and that of the Company Secretary are set out in more details in the Position Statement which has been adopted by the Board on 12 November 2018 and is available for consultation on the website of the Company.

Board Meetings

Board meetings are structured to allow open discussion. At each meeting, the Directors are made aware of the key discussions and decisions of the two principal Committees by the respective Committee Chairs. Minutes of Board and Committee meetings are circulated to all Directors after each meeting. The Board held four scheduled meetings during the year and additional meetings as required.

In line with the Constitution of the Company, decisions taken at Board meetings are decided by a majority of votes, with each director having one vote; and the Chairperson shall not have a casting vote. Where resolutions need to be taken between Board meetings, a written proposal is circulated to all directors for approval.

Key activities in the FY 2020:

- Reports from the Chairpersons of the respective Board Committees with respect to key agenda items debated at these committee meetings.
- Approval of the audited accounts for the financial year ended 30 June 2019 and its abridged version.
- Review of operations.
- Update on C-Care projects.
- Impact of Covid-19 on the operations of C-Care.

Board Committees

The Board has delegated certain of its duties and responsibilities to its two committees led by a Board-elected Chairperson and governed by clearly defined and approved Terms of Reference which are subject to review, when deemed necessary.

Committee	**Audit and Risk Committee ("ARC")**	**Corporate Governance, Ethics, Remuneration and Nomination Committee ("CGERNC")**
Composition as at 30 June 2020	3 members: 1 Non-Executive Director 2 Independent Directors	3 members: 1 Executive Director 1 Non-Executive Director 1 Independent Director
Members as at 30 June 2020	• L.J. Jérôme De Chasteauneuf, Chairperson* • Sylvain Pascal • Michel Thomas	• Raj Makoond, Chairperson • Hélène Echevin • Christine Sauzier
**Recommendation of the Code: The Chairperson of the ARC should be an independent director. In his capacity as Non-Executive Chairperson of the ARC of C-Care, Mr. De Chasteauneuf with his financial experience, aims at bringing an independent mindset to the discussions and decisions taken up at the level of the Company.*		
Regular attendees by invitation	• Chief Officers • Head of Finance • Data Protection Officer/Risk Officer • Internal auditor of the Company • External auditor of the Company	• Group Head of Human Resources, CIEL Group • Chief Operating Officers of CD and Wellkin • Head of Human Resources
Quorum	2 members	
Summarised Terms of Reference	• Reviewing the Company's interim and audited financial statements, accounting policies and any formal announcements relating to the Company's financial performance before submission to the Board for approval. • Reviewing the effectiveness of the Company's internal control and risk management systems. • Overseeing relations with the external auditors. • Monitoring and reviewing the effectiveness of the Company's internal audit function; approving the appointment/termination of the internal auditors. • Maintaining lines of communication between the Board and the internal/external auditors.	• Determining, agreeing, and developing the Company's and Group's general policies and strategies on corporate governance in accordance with the recommendations of the Code. • Reviewing the Board structure, size and composition and making recommendations to the Board with regards to any adjustments that are deemed necessary. • Determine specific remuneration packages for the medical and non-medical staff of the Company, including but not limited to basic salary, benefits in kind, any annual bonuses, performance-based incentives, share incentive pensions and other benefits.

Corporate Governance

Number of meetings held during the FY 30 June 2020	4 meetings	
Summary of the ARC's key activities during the FY 30 June 2020	• Financial review/Audited accounts for the FY 30 June 2019/Quarters ended 30 September 2019/31 December 2019/31 March 2020 and Abridged versions of these accounts. • Management letter/Audit report from PwC • Meeting with the external auditor without management's presence. • Follow up on outstanding internal audit points remaining to be closed. • Update on HIS and its implementation. • Internal audit plan for the FY 30 June 2020 and internal audit reports – Payroll and Review of SOPs and design adequacy of controls. • C-Care risk management report • Update on GDPR and Data Protection Act 2017 of Mauritius • Updated Terms of Reference including the whistleblowing mechanism.	• Corporate Governance Report for the FY 30 June 2019. • Results on the Board Effectiveness Survey 2018/2019 and recommended remedial action plan. • New Employee Rights Act 2019: Consequences and mitigating factors from C-Care. • Pension Schemes. • Salary Grading and Collective Bargaining. • Impact of Covid-19 on HR costs. • Salary Increment and Performance Bonus for 2020-2021. • New recruits at Executive level of C-Care. • Appointment of new directors. • Updated Terms of Reference including the Ethics and Business Conduct.

The Company Secretary confirms that the Board and its Board Committees have fully complied with their terms of reference during the reporting period.

Other Committees

- Other than the Board Committees, there are several in-house committees which have been set up at both CD and Wellkin to promote best medical, clinical, and operational practices. With the support of the newly appointed Head of Medical Services, the sub-committees have been reviewed in terms of Composition, Duties/Responsibilities and Objectives with clearly defined KPIs to track the efficiency of these committees, and International standards by aligning with UK guidelines.
- These sub-committees have a direct reporting line to the Medical Executive Committee which has been set up at the level of C-Care with the objective of promoting cross-synergies between CD and Wellkin.

Attendance at meetings

Directors are expected to attend Board meetings, Committee meetings and the Annual Meeting of Shareholders unless there are exceptional circumstances that prevent them from doing so.

The attendance of the Directors, which was either in person or through electronic means of communication at the Board and Board committees' meetings held during the financial year ended 30 June 2020 were as follows:

Board/Board Committee Member	Board Meetings	ARC Meetings	CGERNC Meetings
Hélène Echevin, Chairperson	6 out of 6	-	4 out of 4
Andre Ackerman	6 out of 6	-	-
L.J. Jérôme De Chasteauneuf	6 out of 6	4 out of 4	-
Raj Makoond	5 out of 6	-	4 out of 4
Sylvain Pascal	6 out of 6	4 out of 4	-
Christine Sauzier	4 out of 6	-	1 out of 4
Michel Thomas	6 out of 6	4 out of 4	-
Jérôme Vidal[1]	5 out of 6	1 out of 4	-

1. Mr. Jérôme Vidal was appointed Director and Member of the ARC on 19 November 2019

Executive Management team

The Executive Management team of C-Care plays a pivotal role in the day-to-day management of the Company's business operations. With the support of the Chairperson, a leaner structure has been redefined to ensure adequate segregation of roles and responsibilities for efficient deliverables in the best interest of all the stakeholders of the Company as below:

Chairperson

Medical Advisor – Deepak Singh | **Board of Directors of C-Care**

Chief Operating Officer: Wellkin	Chief Operating Officer: CD	Chief Officer-Shared Services: C-Care	Chief Officer – Operational Excellence and Quality: C-Care	Head of Finance: C-Care	Head of HR: C-Care	General Manager of C-Lab
Thomas Mathew	Clive Chung	Sujit Woozageer	Claire Wanquet	Kevin Fok	Joelle Hitie-Baillache	Tina Sharma

Each member of the senior management team has been assigned with clearly defined job objectives reviewed by the CGERNC of C-Care and is subject to annual performance appraisal with measurable KPIs overseen by the Chairperson of C-Care.

Principle 3: DIRECTOR APPOINTMENT PROCEDURES

Appointment of Directors

The appointment of new Directors falls within the scope of responsibilities of the CGERNC of C-Care. In recommending appointments to the Board, the CGERNC has a vital role in ensuring that the Board has the right mix of skills and experience to drive the strategies of C-Care.

Upon approval from the Board, new Directors hold office until the next Annual Meeting of shareholders ("AMS") of the Company at which their appointment is submitted for approval by the shareholders of the Company.

During the year under review, the CGERNC recommended the following nominations which were subsequently approved by the Board/ shareholders of C-Care:

- Mr. Sylvain Pascal appointed by the Board on 23 August 2019 and approved by the shareholders at the last AMS held on 13 December 2019.
- Mr. Jérôme Vidal appointed by the Board on 19 November 2019; appointment to be submitted for approval at the next AMS meeting of the Company to be held in December 2020.

To note that these two new Directors have also been appointed Members of the ARC of C-Care.

Appointment of Directors post the Balance Sheet date 30 June 2020

The CGERNC also recommended the following changes in the Board/Board Committees composition which were approved by the Board of Directors at the Board Meeting of 22 September 2020:

At the level of the Board:

Resignation of:

- Mr. André Ackerman, effective as from 01 September 2020
- Mr. Jérôme De Chasteauneuf, effective as from 22 September 2020

Appointment of:

- Mr. Guillaume Dalais as Non-Executive Director
- Mr. Yogesh Kissoondary as Non-Executive Director
- Mr. Sukhmeet Sandhu as Non-Executive Director

At the level of the ARC

With the resignation of Mr. De Chasteauneuf,

- Mr. Sylvain Pascal has been nominated as Chairman of the ARC in his capacity as Independent Director of C-Care; henceforth complying with the recommendation of the Code.
- Mr. Yogesh Kissoondary has been appointed as Member of the ARC.

At the level of the CGERNC

- The appointment of Mr. Sukhmeet Sandhu as additional Member of the CGERNC.

The nomination of the new Directors would be submitted to approval by the shareholders at the next AMS of the Company to be held in December 2020.

Re-election of Directors

Pursuant to the Company's Constitution, the Directors of C-Care, including the Chairperson, have no fixed term of appointment and are re-elected annually and individually by the shareholders of the Company at the AMS.

Director Independence

The CGERNC reviews the independence of the Directors concerned and all of them are considered independent in accordance with the Code and the Companies Act 2001. The Independent Directors continue to make effective contributions and effectively challenge management.

C-Care is compliant with the recommendation of the Code with at least two independent directors.

Time commitments

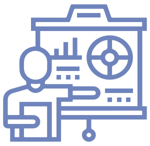
All Directors are expected to attend all meetings of the Board and any committees of which they are members, as well as the AMS. By accepting their appointment as Director of C-Care, the Directors have confirmed that they are able to allocate sufficient time to the Company to discharge their responsibilities effectively.

Induction of Directors/Ongoing training and development

At the governance level of C-Care, the Company Secretary has a comprehensive induction programme in place for the newly appointed Directors of C-Care.

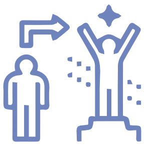
- Each new Director is provided with a tailored induction programme to suit their individual needs. This involves meetings with other members of the Board including the Chairperson and senior management, it also covers technical briefings and site visits.
- During the induction, each Director is encouraged to identify areas which they would like additional information on, or further meetings, which are then arranged by the Company Secretary.
- On completion of the induction programme, all new Directors have sufficient knowledge and understanding of the business to enable them to effectively contribute to strategic discussions and oversight of the Company.

On joining the Board, the new Directors were provided with an induction programme which has been designed to ensure they gain a full understanding of the Company and Group, including the business, culture and values, strategy, governance and financial position.



Directors' Development and Training

To assist the Board in undertaking its responsibilities, ongoing training is provided for all Directors and training needs are assessed as part of the Board evaluation procedure. The Board programme includes regular presentations from management, site visits and informal meetings, to build their understanding of the business and sector. From the Board Evaluation Survey, the need to have a comprehensive training on the new Data Protection laws was earmarked. Unfortunately, due to the outbreak of the Covid-19, the training would be planned for the FY 2021.



Succession planning

The CGERNC has the responsibility, as delegated by the Board, in reviewing succession plans, development and talent management for the senior management team as well as considering the balance, skills and diversity of the Board.

The said Committee is confident that the Board has the necessary mix of skills and experience to contribute to the Company's strategic objectives but aims to further strengthen the healthcare experience on the Board during the next financial year; a weakness point which has been highlighted in the Board Evaluation Survey conducted last year.

Principle 4: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Legal duties

As part of their fiduciary duties, Directors should remain abreast of any updates pertaining to applicable rules and regulations; the Companies Act 2001, the Code and other obligations they must comply with.

The Company Secretary acts as a watchdog to ensure that Directors fulfill their duties and responsibilities within the appropriate and legal and governance framework.

Conflicts of Interest/ Related Party Transactions

All Directors have a duty under the Companies Act 2001 to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. The Company's Constitution also includes provisions for dealing with directors' conflicts of interest in accordance with the Companies Act 2001. The Company has procedures in place, which it follows, to deal with such situations.

- Each Director notifies the Company of any situation in which he or she has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
- Directors have a continuing duty to update any changes to their conflicts of interest and the register is updated accordingly.
- Upon appointment, as part of the induction pack, new directors are prompted to complete detailed interest disclosures which are then subject to updates on an annual basis or when a change occurs.
- In situations where Directors may have a direct or indirect interest that conflicts with the Company's interest, such Directors may attend the Board or Board Committee meeting but shall abstain from participating in the discussion and decision-making of this particular subject matter.

The Interest register is available for consultation upon written request to the Company Secretary.

Details of related party transactions which have been concluded in the ordinary course of business during the year under review is disclosed in the 'Notes' section of the Financial Statements.

In its endeavour to promote best practices and good governance, the Board has approved a Conflict of Interest/Related Party Transactions Policy articulating the appropriate guidelines on what constitutes a conflict of interest and a related party transaction and how they will be managed.

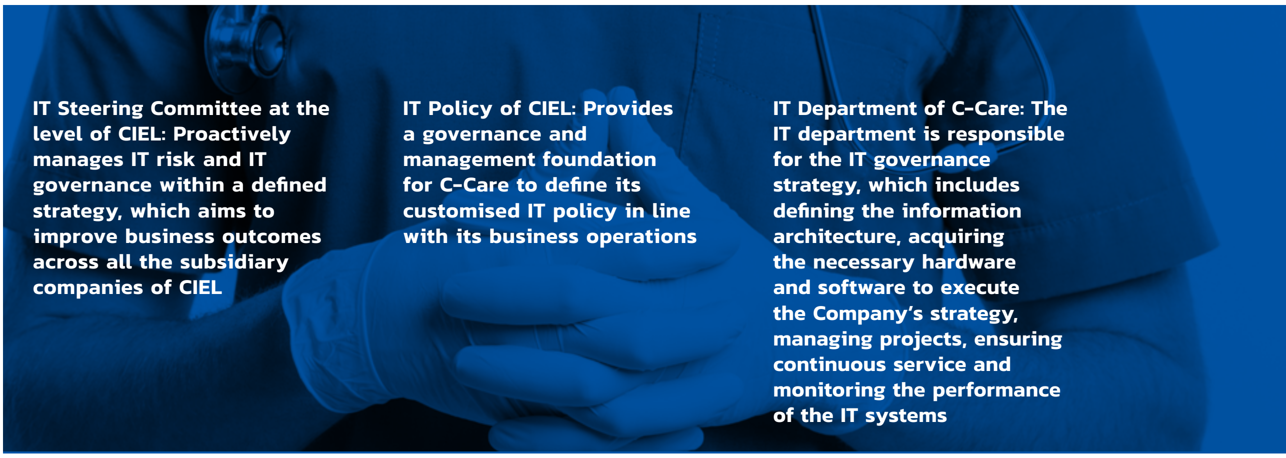
Directors' dealings in the Company's securities

The Company has in place a Share Dealing policy under which, all Directors and employees are prohibited from dealing (or causing or encouraging a third party to deal) in the Company's shares at any time while they are in possession of price-sensitive information. The Company Secretary ensures that the Directors are made aware of these price-sensitive or closed periods.

As at 30 June 2020, none of the Directors of C-Care held any shares in the Company.

Information, Information Technology, and Information Security Governance

The following structures have been duly implemented to promote good governance and best IT practices.



Adequate training was provided to facilitate in the adaptation of the new HIS. Post implementation, feedback surveys were launched to gauge the experience of the HIS users, both at CD and Wellkin to identify any anomalies/shortfalls for onward remedial actions. To further enhance the IT experience of its personnel, the Company has solicited the support of Ernst and Young ("EY") to review all Standard Operating Procedures ("SOPs"). EY also helped on the design and operating effectiveness of the controls implemented over the IT processes at C-Care by highlighting any loopholes prone to risks through audit reviews.

The IT department of C-Care, under the supervision of the Chief Officer – Shared Services, oversees all the IT projects of the Company with much focus on cost/time effectiveness. An amount, as determined by the immediate requirements of the Company, is budgeted annually to cater for any expenses pertaining to information technology.

In compliance with the data protection laws - EU GDPR regulations and the Data Protection Act 2017 of Mauritius, the Board has approved the Data Privacy Policy and Personal Data Breach Policy to promote a privacy culture within the Company and its subsidiaries and to ensure that all business units as well as the employees protect the privacy of personal information of individuals/patients in their daily operating activities. In addition, EY carried out a data privacy gap assessment exercise to assess the extent to which C-Care was compliant with the new laws and regulations as well as best practices; and came forward with some recommended actions. An implementation roadmap has then been defined as guideline and so far, management has succeeded to complete almost 75% of the projects recommended by EY. The implementation progress is reported quarterly at the ARC meetings. Moreover, management regularly runs awareness campaigns on GDPR and DPA to minimise the number of breaches.

Board Information

The Board ensures that it receives sufficient information from the management team through:

- Review of operations including financial highlights on a quarterly basis.
- Annual business plans and budgets, capital budgets and other updates.
- Minutes of meetings of the Board Committees as well as the minutes of meetings of the Medical Executive Committee.
- Regular progress updates on the C-Care projects.

Other than the meetings which remain the key platform for the sharing of information, the Company Secretary, acting as a conduit between the management team and the Board of C-Care, is responsible for the flow of information to the Board and its committees.

The Directors have unrestricted access to all Company's information, records, documents, and property. Directors are entitled, at the Company's expense, to seek professional advice about the affairs of the Company. This can be procured independently or coordinated through the Company Secretary.

Directors' and Officers' Liability Insurance

The Company has provided for both indemnities and Directors' and Officers' insurance in respect of their duties and responsibilities. A group cover has been subscribed by CIEL Limited covering its subsidiaries, including C-Care.

Board evaluation and development

As recommended by the Code, during the FY 30 June 2020, the Board conducted a self-assessment covering topics including Board efficiency and effectiveness; Board-Management relationship; Effectiveness of Board processes and meetings; Size, Composition and Independence of the Board; and the Chairperson. This process was conducted by the Company Secretary and the next one has been planned for the FY 30 June 2021.

Anonymous Survey	**Qualitative review**	**Outcome**
Each Board member filled out an anonymous survey.	Training was requested on the following key areas: • Data Protection Act • Medical aspects/Clinical outcomes • Main contributors of the hospital gross margin	Based on the results, an action plan has been worked out to address the shortfalls identified. Same was discussed at a CGERNC meeting and thereafter validated by the Board for implementation.
A report identifying the key strengths and challenges was produced for the Board and its committees.	The main strengths of the Board were highlighted as: • Open; Dedicated; Ambitious • Committed members; diverse backgrounds bring varied opinions which is good; and is very supportive of the management • Diversity; Respect; Openness • Competency; Pro-activeness; Freedom to express views • Close relationship and frequent interactions with management resulting in easy communication and trust; Multi-disciplinary board with different skills and backgrounds; Board members having strong financial expertise	Most of the action points have been duly implemented to enhance Board procedures and effectiveness; some pertaining to training remain to be addressed; same has been delayed due to the sudden outbreak of the pandemic Covid-19.

Statement of remuneration

As mandated by the Board, the CGERNC is responsible to review the yearly average salary increments of the employees of the Company, including the management team, the empaneled doctors, and the Directors' fees. A remuneration policy has been defined, as annexed to the Terms of Reference of the CGERNC and is subject to regular review to ensure that it continues to support the Company's strategy and business objectives.

For the year under review, the following factors have been taken into consideration when reviewing the remuneration packages:

- Impact of Covid-19 on the HR costs
- Impact of the new Workers' Rights Act 2019
- Collective Bargaining with the trade unions
- Statutory increase by the Government of Mauritius

Directors' Emoluments

The fees paid/payable to the Directors of C-Care for the FY 30 June 2020 were as follows:

Name of Director	Fees paid/ payable for the FY 30 June 2020 (Gross pay)
Raj Makoond, Independent	Rs. 375,000
Sylvain Pascal, Independent	Rs. 325,000
Michel Thomas, Non-Executive	Rs. 325,000
Jérôme Vidal, Independent	Rs. 225,000
No fees were paid to the other Directors of C-Care.	

Principle 5: RISK GOVERNANCE AND INTERNAL CONTROL

Internal Control and Risk Management

The Board is responsible for maintaining a risk management and internal control system and for managing principal risks faced by the Company. Such a system is designed to manage rather than eliminate business risks and can only provide reasonable and not absolute assurance against material mistreatment or loss.

The Board has ultimate responsibility for the oversight of enterprise risk management and satisfying itself that the risk management framework is sufficiently robust and sound. The Board has allocated responsibility for managing the Company's risks as follows:

Audit & Risk Committee	• Oversees the risk management system and processes. • Reviews, together with management, the prioritisation and management of risks, the risk portfolio/register and actions implemented by management. • Approves guidelines and reviews policies and processes. • Receives regular presentations from the Risk Officer of the Company.
Risk Oversight Committee	• Regularly assesses risks and fosters a culture of risk awareness, in line with the C-Care's Values. • Provides an integrated Enterprise Risk Management (ERM) framework to gather a holistic view and drive a culture of smart risk-taking. • Establish adequate risk prevention and mitigation strategies when risk exposure is identified, involving periodic meetings to track progress and review of the resources for mitigation. • Assess emerging risks, trends, and overall exposure.

Some of the prominent risks faced by the Company in its daily operational activities are summarised as:

- **Financial:** Financial risks, market risks including currency risks and price risks, credit risks and liquidity risks as detailed under the 'Notes' section of the Financial Statements.
- **Operational:** Risks of loss and/or opportunity foregone resulting from inadequate or failed internal processes, people, and systems or from external events.
- **Compliance:** Risks to which the Company is exposed for not complying with laws, regulations, and policies.
- **Reputational:** Risks of losses due to unintentional or negligent failure to meet a professional obligation towards stakeholders.
- **Climate:** Risk resulting from climate change, affecting systems and regions. A changing climate is a threat to the quality and continuity of care provided at healthcare facilities due to more frequent and severe extreme weather events and increased health risks from a range of other climate hazards including food, water, vector-borne and zoonotic diseases and poor air quality. Hence, healthcare facilities are increasingly vulnerable to impacts from climate change without adaptation. The facilities within the Company are encouraged to train their healthcare professionals and equip their facilities to diagnose and treat new and emerging diseases and to respond to a wider range of climate-related public health emergencies.
- **Strategic:** Risks relating to the uncertainties and untapped opportunities embedded in the corporate strategy.
- **Medical malpractice:** Any act or omission by a physician during treatment of a patient that deviates from accepted norms of practice in the medical community and causes an injury to the patient.
- **Pandemic Risks:** Pandemic risk is driven by the combined effects of spark risk (where a pandemic is likely to arise) and spread risk (how likely it is to diffuse broadly through human populations). Pandemics can cause sudden, widespread morbidity and mortality as well as social, political, and economic disruption. The facilities of C-Care are likely to be impacted by a pandemic in terms of reduced occupancy in the event of confinements or overflow of patients if allowed to treat patients. Hence, hospitals within C-Care need to devise a plan to be prepared to deal with such cases.

Whistleblowing

CIEL Healthcare Limited ("CHL"), the majority shareholder of C-Care, has adopted a whistleblowing policy for its group of companies since it believes in providing a confidential and anonymous channel for all internal and external stakeholders to express their concerns about any perceived wrong-doings, malpractices or improprieties, which is instrumental for maintaining sound, ethical and sustainable business practices and ensuring continuous improvement in its processes.

The grievance procedure for reporting a case has been detailed in the Whistleblowing Policy Guidelines which has been relayed to all employees of C-Care for information and action.

The reporting of any whistleblowing cases is now taken up at the level of the ARC of C-Care, as a standing agenda item at each quarterly meeting. In that respect, the Terms of reference of the ARC has been reviewed and updated to include the duties and responsibilities of the ARC members.

Principle 6: REPORTING WITH INTEGRITY

The Board acknowledges its responsibility in presenting a fair, balanced, and understandable assessment of the Company's financial, environmental, social and governance position, performance, and outlook in its annual report to ensure transparency to its shareholders.

A Statement of Directors' responsibilities is signed off upon the approval of the audited financial statements and is included in the Annual Report.

Environment, Health and Safety

The team of C-Care aims at creating a strong safety culture throughout the Company by turning its leaders into safety champions. Much emphasis is on training its employees to ensure compliance with the relevant regulations; streamlining the principles of communication and promoting interaction; and enhancing health and safety prevention and protection.

C-Care is aware that some of its activities have the potential to affect the environment and the public at large. For this reason, the Company strives to continuously improve its environmental performance and minimise the impact of its operations. To this end, C-Care has adopted an HSE (Health, Safety and Environment) management system which has been developed in compliance with the local rules and regulations as well as with the best international safety standards and tailor-made as per the Company's day-to-day operations.

Overview of the external environment

P.E.S.T.E.L. Factors

	Change Factor	Opportunity	Threat
Political	New budget		Government is investing MUR 12 b in the public health sector Government is setting up a National Centre for Disease Control and Prevention A new Cancer Hospital, using state of art technology, will be operational by December 2020 The construction of a new Eye Hospital at the Réduit Triangle will start by October 2020 The construction of a new Teaching Hospital at Flacq will begin early 2021 A renal transplant unit will be set up at JNH Hospital
Economic	New budget	Establish Mauritius as a medical hub	Real GDP Growth: -6.8% projection (IMF, 2020) Inflation: to increase from 2.2% to 4.0% 9.7% depreciation of MUR vs USD Unemployment rate can reach 15-20% Recruitment of medical and non-medical personnel New National Laboratory with latest technologies & improved testing capacity National Laboratory Information Management System (LIMS)

P.E.S.T.E.L. Factors (Continued)

	Change Factor	Opportunity	Threat
Social	Covid-19 Pandemic Ageing population; declining birth rate Construction of Royal Green project Change in lifestyle trends	Population increasingly health conscious Potential market for IVF (1250 couples/yr) Market likely to grow with increasing health concerns: homecare	Negative impact of Covid-19 pandemic on standard of living Home visit below income threshold More pressure on customer service Increased need for price transparency and education
Technology	Free Access to internet	New market through digitalisation	Implementation of e-health system Paperless administration
Environment	Increased interest in bio products Growing environmental and community awareness	Interest for sustainability programs Economic opportunities to market	

Business Model

Our outcome deliverables	World-class Clinical Results	World-class Customer Experience	Sustainable Financial Results
What we will focus on for now to build our reputation	Medical Programs, Clinical Outcomes	Build centres of Excellence	
Our internal process priorities-the processes we must excel at internally	Optimise Processes and clinical Pathways + Nursing strategy		Deliver cost savings, eliminate waste, and improve operational efficiency
	Build strategic partnerships - with doctors and partner organisations		
	Quality accreditation (CHKS) & continuous patient safety		
	Marketing: Sustaining the new brand & improve customer journey		
	Digitalisation of processes: Use IT as Business enabler		
Our people priorities	Recruit Retain and develop our talent	Promote staff engagement and communicate effectively	Patient - First Service Culture
Our values and behaviours	Medical Expertise, Approachable, People at Heart, Progressive		

Sustainability

C-Care's commitment to social, environmental, and economic sustainability is central to its business culture and underpins all its activities and those of its subsidiaries.

The overseeing of the sustainable development of the Company is championed by CIEL Healthcare Limited. Discussions/debates are collectively taken up at the level of the holding company, CIEL Limited which has established a distinct Corporate Sustainability Committee to ensure compliance with the relevant sustainability policies and practices.

Donations

For the year under review, C-Care contributed Rs 123,000 to CIEL Foundation, the CSR arm of the CIEL Group. CIEL Foundation has been involved over the past years in community development projects throughout the island, focusing on children in distress, including those who grow up in the streets and those facing difficult family situations.

No funds were allocated to any political parties.

C-Care also contributed to the CIEL Covid Fund either directly or indirectly through its personnel (management team/Directors) which has been set up for a common, cross-cluster and coordinated effort to support the CIEL employees/business units who have been affected by the Covid-19 crisis.

A copy of the Corporate Governance Report, included in the full set of the Annual Report of the Company for the financial year ended 30 June 2020, is available for consultation on the Company's website: http://www.c-care.mu.

Principle 7: AUDIT

Internal audit

The Internal Audit function is performed by Ernst & Young ("EY") which supports C-Care in achieving its objectives, identifying, and managing major risks; and complying with policies, laws, and regulations. EY conducts risk based internal audit reviews at both operational and corporate level as per an agreed audit plan and reports systematically to the ARC. Plans and tools for corrective actions and improvements are identified with management team to address any shortfalls arising from the audit findings.

As a recurrent agenda item on the agenda of the ARC meetings, the members of the ARC are updated on the audit findings arising from the last internal audit reports which remain to be addressed and closed. The internal auditor also conducts desktop follow-up reviews on those audit exercises conducted to ensure that the necessary remedial action points have been duly implemented.

For the financial year ended 30 June 2020, the following audit reviews were performed and presented to the ARC:

- Payroll processes at both CD and Wellkin
- Review of SOPs and design adequacy of processes and controls

The internal auditors have unrestricted access to the Company's records and information, as well as to employees and the management team to enable them to deliver effectively.

Internal Audit Fees

Audit fees payable by the Company in respect of the internal audit for the year under review were as per table below:

Internal Audit fees to:	**Company**	
	Rs.	Rs.
	2019/2020	**2018/2019**
Ernst & Young	**1,149,043**	-
BDO & Co	-	200,000
Fees paid for other services provided by:		
Ernst & Young		1,706,500

External audit

Upon the recommendation of the ARC, the Board nominated PricewaterhouseCoopers Ltd ("PwC") as external auditor of the Company, in replacement of EY, for approval at the Annual Meeting of shareholders ("AMS") of the Company held in December 2017. In accordance with Section 200 of the Companies Act 2001, PwC was re-appointed external auditor of the Company for the financial year ended 30 June 2020 at the last AMS of the Company held in December 2019.

The ARC monitors and preapproves the fees paid to the external auditor for all audit and non-audit services. The ARC gives the adequate comfort to the Board that PwC has the relevant policies in place with clear guidelines to ensure that its independence and objectivity as external auditor of the Company is preserved. In that respect, the external auditor limits the scope of services it may provide to the Company, stipulating certain permissible types of audit-related and non-audit services, including tax services and other services that have been agreed by management and validated by the ARC.

The external auditor, whose report is included in the audited financial statements, is responsible for providing an independent opinion on the financial statements. The external auditor is invited at the ARC meeting to present this report as well as to brief the members on the management letter points as well as the final key audit matters. The external auditor is also present at the AMS for any queries from the shareholders.

To ensure adherence with the Code, a meeting has been scheduled in September 2020 between the ARC members and the team of PwC without management's presence.

External Audit Fees

External audit fees payable during the year were as follows:

Audit fees to:	**Company**	
	Rs.	**Rs.**
	2019/2020	**2018/2019**
PwC	1,332,330	1,332,330
Out-of-scope services	-	-
Fees paid for other non-audit services provided by:		
PwC	165,370	283,752

Note: Fees are exclusive of VAT
The non-audit paid to PwC for the FY 2018/2019 were in respect of Training: Rs. 112,000; Taxation: Rs. 124,875; and CBRIS Filing: Rs. 46,877 whilst those paid for the FY 2019/2020 referred to Taxation: Rs 130,370 and CBRIS Filing: Rs. 35,000– fees exclusive of VAT

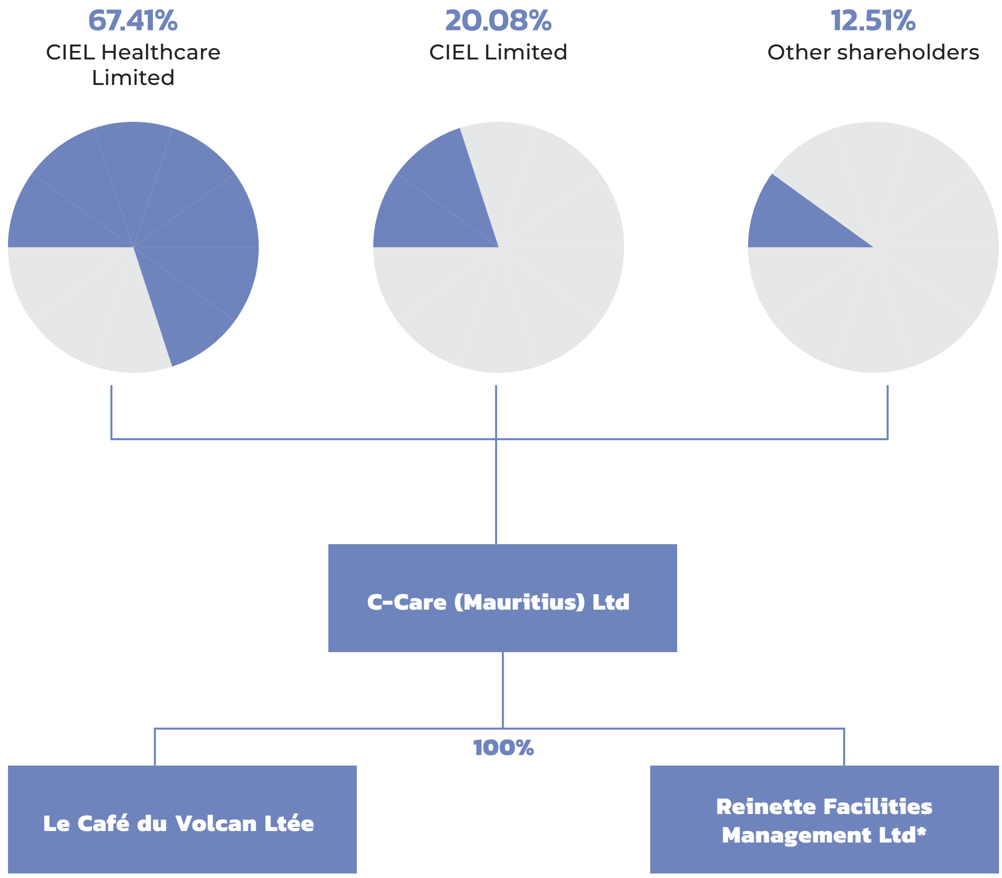
Principle 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

Shareholding

- **Register date: 30 June 2020**
- **Issued share capital: 569,940,822 no par value ordinary shares worth in total Rs. 289,801,318/-**

Holding structure of C-Care

The holding structure of C-Care as at 30 June 2020 was as follows:



*On 1 December 2019, C-Care acquired the entire shares held by CIEL Properties Ltd ("CPL") in Reinette Facilities Management Ltd ("RFML"). RFML is responsible for the catering needs of the patients, staff, and visitors in general of Wellkin Hospital whose business operations are fully owned by the Company. The rationale behind such acquisition was to consolidate the catering operations under C-Care for effective control and best practices.

Common Directors

The common Directors within the holding structure of the Company, as at 30 June 2020, were as follows:

Name of Directors of C-Care	CIEL Healthcare Limited	CIEL Limited
Hélène Echevin	✔	-
L.J Jérôme De Chasteauneuf	✔	✔
Christine Sauzier	✔	-

Substantial Shareholders

As at 30 June 2020, the shareholders holding more than 5% of the issued share capital of the Company were:

Shareholders	Number of shares owned	% Holding
CIEL Healthcare Limited	384,213,693	67.41%
CIEL Limited	114,461,596	20.08%

Shareholding profile

The share ownership and a breakdown of the category of shareholders as at 30 June 2020 was as below tables:

Number of shareholders	Size of shareholding	Number of shares owned	% Holding
112	1 - 500 shares	11,237	0.0020
25	501 - 1,000 shares	23,900	0.0042
48	1,001 - 5,000 shares	139,011	0.0244
23	5,001 - 10,000 shares	183,100	0.0321
37	10,001 - 50,000 shares	818,545	0.1436
10	50,001 - 100,000 shares	783,100	0.1374
6	100,001 - 250,000 shares	924,400	0.1622
3	250,001 - 500,000 shares	1,144,620	0.2008
11	> 500,001 shares	565,912,909	99.2933
275		**569, 940,822**	**100.00**

Number of shareholders	Category of shareholders	Number of shares owned	% Holding
234	Individuals	2,322,905	0.4076
2	Insurance and Assurance Companies	30,000,000	5.2637
12	Investment and Trust Companies	19,579,400	3.4353
3	Pension and Provident Funds	189,100	0.0332
24	Other Corporate Bodies	517,849,417	90.8602
275		**569,940,822**	**100.00**

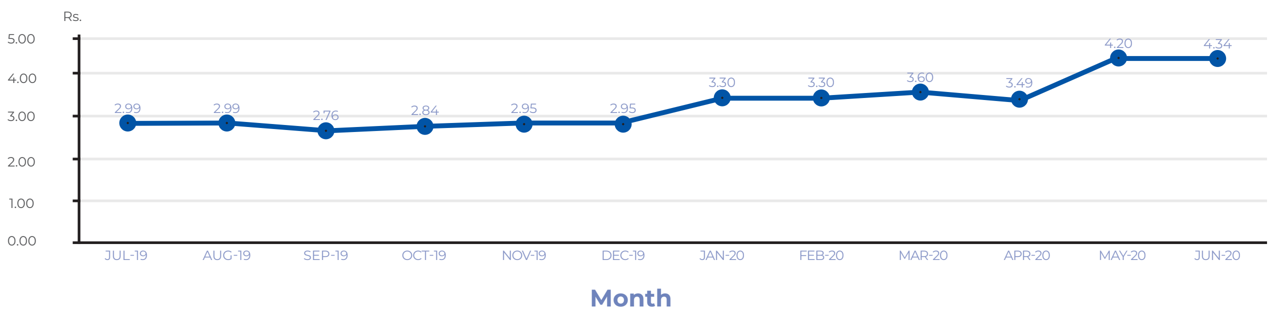
Shares in public hands

In accordance with the DEM rules of the SEM, more than 10% of the shareholding of C-Care is in the hands of the public.

Share Price Information

The price movement of the Company's ordinary shares which are listed on the DEM since August 2006 for the financial year ended 30 June 2020 is graphically represented as follows:

Share Price Information



Stakeholders' Relations and Communications

C-Care is committed to maintaining good communications and building positive relationships with all its stakeholders as the Company strongly perceives this as fundamental to building a sustainable business.

Patients

- C-Care listens carefully to its patients; works as a team and leverages on the very best medical expertise and latest healthcare technology in a wide range of specialties.
- C-Care strives to constantly improve its services to live up to the trust that the patients place in its hands.
- Initiatives recently implemented were namely the implementation of the new software, HIS with the objective of improving the waiting/discharge time and providing easy access to medical data through a standardised business process.
- Expansion of C-Lab, an avenue to reach out to the patients with the latest medical tests including that of the PCR test being conducted for the Covid-19 pandemic.

People

- C-Care strongly believes that its personnel is its pride, the pillar of patient experience.
- Throughout the year under review, much focus has been on enhancing the employees' welfare by deploying the relevant initiatives:

✔ Employee Engagement Survey to collect the feedback of the staff for onward remedial actions.

✔ Running adequate awareness campaigns promoting the values/strategies of the Company to ensure that the employees feel engaged and connected.

✔ Providing learning and development opportunities particularly in relation to building digital skills following the support implementation of the new HIS.

✔ Empowerment of the staff through the celebrations of special events such as Nurses' Day/Festivals/Birthdays.

✔ Enhancing the relationship with the Trade Unions through mutual and efficient discussions.

Suppliers

- C-Care actively engages with its suppliers to comply with its requirements given they can have a social, environmental, and ethical impact.
- C-Care recognises that it can make a difference working with its suppliers through regular meetings and adopting a professional, yet cordial relationship to improve on the supply chain.
- Suppliers of C-Care have the opportunity to take up either early or late invoice payments on a completely voluntary basis.

Local Communities and Non-Governmental Organisations ("NGOs")

- C-Care believes that the long-term success of its business is closely tied to the success of the communities in which it operates.
- C-Care strives to support the local communities through the following key social programmes:

✔ Sponsoring the Mega Health Camp in collaboration with the Rotary clubs.

✔ Participating in the Community Outreach Program.

- Organising blood donation.
- Preserving the environment by initiating the concept "One Life One Tree" whereby for every baby born at its medical facilities, an endemic is thereafter planted in the forest of Ferney La Vallée.
- Celebrating the World Heart Day in collaboration with the Cardiovascular Society of Mauritius.
- Participation in a nationwide Breast Cancer Awareness since C-Care believes in the motto "Prevention is better than Cure".
- Sponsoring other social events.
- Collaborating with the CSR arm of the CIEL Group, CIEL Foundation, on its mission towards the NGOs.

Regulators and Government

- C-Care ensures that it is compliant to the rules and regulations issued by the regulators by regularly reviewing its governance framework including the documented policies to ensure best practices.
- Engaging with the public sector to promote a healthy environment in the best interest of the public at large.
- C-Care's recent engagement with the Government has involved identifying and putting forward areas of potential partnership to cope with the sudden outbreak of Covid-19 pandemic.

Shareholders

- C-Care aims at maintaining an active dialogue with its shareholders through a planned programme of investor relations activities.
- Queries from shareholders and analysts are responded through a dedicated platform including the Chairperson/Company Secretary and Management team and a section has been particularly earmarked on the website of the Company and dedicated to the shareholders and analysts for any statutory information.
- The Annual Meeting of the Shareholders The ("AMS") remains the primary platform engaging the shareholders to communicate directly with the Directors/external auditor and management team of the Company. Shareholders are thus encouraged to attend the AMS which is usually held in the month of December. The minutes of the last AMS are available for inspection by the shareholders who may also opt for a copy by written request to the Company Secretary, CIEL Corporate Services Ltd, 5th Floor, Ebène Skies, Rue de l'Institut, Ebène.
- Other than the Annual Report, pursuant to the DEM rules and the Securities Act 2005, the Company publishes abridged versions of its quarterly/yearly financial results, dividend declarations and other shares-related information in the press. The publication of these documents are also the relevant avenues to strengthen the collaboration of the shareholders/investors.

C-Care strongly supports the initiative "Go Green" and in that respect, appeals to its shareholders to opt in receiving copies of the annual reports and other informative documents by electronic means.

Role of C-Care:
Outbreak of Covid-19 in Mauritius

- Following the outbreak of the Covid-19 pandemic in Mauritius as reported on 19 March 2020, the treatment of the Covid-19 patients was solely borne by the Ministry of Health of Mauritius as per a protocol established by the Government.
- C-Care, as a healthcare service provider, came forward with some measures to help in fighting against this unprecedented challenge:
- C-Care via its laboratory, C-Lab, was accredited to conduct the RT-PCR tests whilst Wellkin was provided with the appropriate accreditation coupled with strict protocols to treat Covid-19 cases.

Corporate Governance

- ✔ The support of the factories of CIEL Textile Limited ("CTL") has been solicited to help in the stitching of masks to ensure adequate supply to C-Care thus allowing the clinics of C-Care to offer free masks to the incoming patients/visitors/doctors and also ensuring a adequate stock during service time.
- ✔ Setting up of separate flu clinics at both CD and Wellkin with special screening processes for patients/visitors/employees as well as doctors.
- ✔ The relevant protocols pertaining to the Health and Safety have been reviewed and finetuned to take into consideration the precautionary measures/steps brought forward/recommended by the World Health Organisation to prevent the spread of the Covid-19 disease.
- ✔ Admissions were strictly being done in line with the guidelines set by the Ministry of Health.
- ✔ Free online consultations and home care services offered as part of the customer satisfaction initiatives.
- ✔ Special awareness/training campaigns with the proper sanitary/social distancing guidelines were run both as a comforting and educative measure to address the anxiety of the employees.
- ✔ Implementation of the working from home policy for the back-office/administrative employees as well as redefining the shift system.

MV Wakashio

- C-Care responded positively to the initiatives deployed at the level of CIEL Group to contain the environmental damage following the oil spill crisis caused by the bulk carrier MV Wakashio by supplying some 500 overalls as well as gloves and protective masks, other than having medical teams on site.

Indicative calendar planning for the financial year ending 30 June 2021:

September 2020	Publication of audited accounts for the year ended 30 June 2020
November 2020	Publication of unaudited accounts for the quarter ending 30 September 2020
December 2020	Annual Meeting of Shareholders
December 2020	Declaration of Interim Dividend*
January 2021	Payment of Interim Dividend*
February 2021	Publication of unaudited accounts for the six months ending 31 December 2020
May 2021	Publication of unaudited accounts for the nine months ending 31 March 2021
May/June 2021	Declaration of Final Dividend*
June/July 2021	Payment of Final Dividend*

** Subject to the approval of the Board of Directors*

Dividend

As at 30 June 2020, the Company had no formal dividend policy. Dividends are declared and paid subject to the profitability of the Company, its cash flow, its foreseeable investment, capital expenditure/ working capital requirements or as otherwise decided by the Board.

At the Board Meeting of 22 September 2020, the Board of C-Care approved a dividend of Rs. 0.20 (20 cents) per ordinary share for the FY 30 June 2020.

The dividend was paid on 23 October 2020.

Share Registry and Transfer Office

For enquiries about share transfer and registration and/or change in name or address, and/or questions about lost share certificates, share transfers or dividends, shareholders are kindly invited to contact the Company's Share Registry and Transfer Office:

MCB Registry & Securities
2nd Floor, MCB Centre
9-11 Sir William Newton Street
Port Louis

Tel: +230 202 5397
Fax: +230 208 1167

Shareholders' agreements

There is a Share Purchase Agreement in place between the two substantial shareholders of the Company namely CIEL Limited and CIEL Healthcare Limited.

Other Agreements

The Company holds the following agreements with:

- Azur Financial Services Limited for its treasury management services.
- CIEL Healthcare Limited for the provision of the following services either directly or through the support of CIEL Corporate Services Ltd:
  - ✔ Strategic support & Group Strategy and Harmonisation;
  - ✔ Corporate Governance;
  - ✔ Company Secretary;
  - ✔ Legal Support;
  - ✔ Corporate Finance;
  - ✔ Corporate Sustainability;
  - ✔ Communication Support;
  - ✔ Human Resources Support; and
  - ✔ Payroll
- MCB Registry & Securities Ltd for the administration of the Company's Share Registry and Transfer department.
- National Insurance Co Ltd for the sublease of the land and the lease of the Hospital Building and Infrastructure in respect of Wellkin Hospital – the Lease and Sublease Agreement.

The Company did not enter into any other major agreements other than those in the ordinary course of business during the year under review. Save for the above, the Company is not aware of any agreement which affects the governance of the Company by the Board.

This report has been approved by the Board upon recommendation of the Corporate Governance, Ethics, Remuneration and Nomination Committee.

Hélène Echevin
Chairperson

Raj Makoond
Chairman of the CGERNC

Date: 22 September 2020

Other Statutory Disclosures

(Pursuant to Section 221 of the Companies Act 2001)

Nature of Business:

C-Care (Mauritius) Ltd is a public company incorporated and domiciled in Mauritius. The registered office of the Company is 5th Floor, Ebène Skies, Rue de l'Institut, Ebène. C-Care is engaged in the provision of the best healthcare services across Mauritius through highly trained and motivated staff, state-of-the art equipment, progressive clinical care, and collaborative teamwork.

Directorship of Subsidiaries

The following companies are wholly owned subsidiaries of C-Care.

Name	Le Café du Volcan Ltée	Reinette Facilities Management Ltd
Type of company	Private Company limited by shares	
Business Activity	Responsible for catering needs of the visitors and staff in general of Clinique Darné.	Responsible for catering needs of the patients, staff, and visitors in general of Wellkin Hospital.
Directors	• Hélène Echevin • Clive Chung	• Hélène Echevin • Yogesh Kissoondary • Kevin Fok

During the year under review, none of the Independent, Executive and Non-Executive Directors who served as directors of the subsidiaries received any emolument from C-Care or these subsidiaries.

Directors' Service Contracts

There was no service contract between the Company/subsidiaries of the Company and any of the respective Directors during the year under review.

Contract of Significance

There was no contract of significance subsisting during the year to which C-Care or its subsidiaries was a party and in which a Director of C-Care or subsidiaries of C-Care was materially interested, either directly or indirectly.

Employee Share Option Scheme

The Company has no specific employee share option plan.

Appreciation

The Board expresses its appreciation and thanks to all those involved for their contribution during the year.

ON BEHALF OF THE BOARD

Hélène Echevin
Chairperson

Raj Makoond
Chairman of the CGERNC

Date: 22 September 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors acknowledge their responsibilities for:

(i) adequate accounting records and maintenance of effective internal control systems;

(ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the cash flows for that period and which comply with International Financial Reporting Standard (IFRS) and Companies Act 2001;

(iii) the use of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

(i) adequate accounting records and an effective system of internal controls and risk management have been maintained;

(ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

(iii) International Financial Reporting Standards have been adhered to. Any departure has been disclosed, explained and quantified.

(iv) the Code of Corporate Governance has been adhered to in all material aspects and reasons provided for non-compliance.

ON BEHALF OF THE BOARD

Hélène Echevin
Chairperson

Sylvain Pascal
Chairman of the ARC

Date: 22 September 2020

COMPANY SECRETARY'S CERTIFICATE

In our capacity as Company Secretary of C-Care (Mauritius) Ltd ("the Company"), we hereby confirm that, to the best of our knowledge and belief, the Company has lodged with the Registrar of Companies as at 30 June 2020, all such returns as are required for a company in terms of the Companies Act 2001, and that such returns are true, correct and up to date.

CIEL Corporate Services Ltd
Company Secretary

Registered Office:
5^{th} Floor, Ebène Skies
Rue de l'Institut
Ebène
Mauritius

Dated this: 22 September 2020

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity ("PIE"): C-Care (Mauritius) Ltd

Reporting Period: 1 July 2019 to 30 June 2020

On behalf of the Board of Directors of C-Care (Mauritius) Ltd, we confirm, to the best of our knowledge that the PIE was compliant with the obligations and requirements under the National Code of Corporate for Mauritius (2016).

Hélène Echevin
Chairperson

Raj Makoond
Chairman of the CGERNC

Date: 22 September 2020

Independent Auditor's Report

To the Shareholders of C-Care (Mauritius) Ltd

Our Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of C-Care (Mauritius) Ltd (the “Company”) and its subsidiaries (together the “Group”) and of the Company standing alone as at 30 June 2020, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

C-Care (Mauritius) Ltd’s consolidated and separate financial statements set out on pages 67 to 113 comprise:

- the consolidated and separate statements of financial position as at 30 June 2020;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements” section of our report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (the “IESBA Code”). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

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

Key audit matters relating to the consolidated and separate financial statements	How our audit addressed the key audit matters
1. Recoverability of goodwill As detailed in Note 25 of the consolidated and separate financial statements, the Group's and the Company's goodwill is allocated to cash generating units (CGUs) that are identified as being the Wellkin Hospital and the Department of Cardiac Science and Critical Care. The valuation and recoverability of goodwill involves complex judgements and estimates, including projections of future income, terminal growth rate assumptions, and discount rates. These assumptions and estimates can have a material impact on the valuations and impairment decisions reflected in the consolidated and separate financial statements.	We have corroborated the justification of the CGUs defined by management for goodwill allocation. We tested the principles and integrity of the discounted cash flow models that supports the recoverable value calculations in order to assess the appropriateness of the methodology applied in the annual impairment assessments. We tested the reasonableness of the methodology and assumptions used including projections on future income (including a comparison of last year's forecast to actual results), terminal growth rate assumptions, discount rates and sensitivity analysis to determine the impact of those assumptions. We considered whether any possible change in the key assumptions required disclosures under IAS 36 – Impairment of Assets, was required. We engaged our internal valuation experts to assist in the testing of the discount rates and terminal growth rates.
2. Lease accounting and the impact of transition to IFRS 16 The Group adopted the new accounting standard IFRS 16 'Leases' from 1 July 2019 using the modified retrospective approach. The cumulative effect of the adoption of the new standard was recognised as an adjustment to opening retained earnings as at 1 July 2019. The first-time application of IFRS 16 resulted in material adjustments on the consolidated statement of financial position including recognising right-of-use assets of Rs 715 M and lease liabilities of Rs 784 million (refer to Note 29 of the consolidated financial statements for full details).	We updated our understanding of leases held by The Group, including the process of identifying lease contracts and other contracts that contain lease elements. We tested the calculation of the initial recognition of the right-of-use assets and lease liabilities

Independent Auditor's Report

Report on the Audit of the Consolidated and Separate Financial Statements (continued)

Key audit matters relating to the consolidated and separate financial statements (Continued)	How our audit addressed the key audit matters (Continued)
Accounting for leases under IFRS 16 involves the use of judgements, estimates and assumptions that impact the amounts recognised as right-of-use assets and lease liabilities. Key amongst these assumptions and estimates are the: • assessment of lease term and extension options; • discount rate used to determine the lease liability; and • application of clauses for cancellations or modifications. We focused on this area because of the significant judgement involved in determining the assumptions being applied under IFRS 16 and the sensitivity of the amounts recorded in the consolidated financial statements from changes in these assumptions and estimates.	by reference to a sample of leases, agreeing the lease terms back to the lease contract and re-performing the calculation of the opening adjustment. We also assessed the appropriateness of the discount rate applied at the date of initial application (the incremental borrowing rate). We tested a sample of leases entered into during the year and assessed the accounting impact of new leases by agreeing the lease terms used in the computations back to the lease contract. We tested the interest expense generated by the lease liabilities and the depreciation of the right-of-use assets. We assessed whether the related disclosures in Note 29 to the consolidated financial statements are consistent with the requirements of IFRS. We engaged our internal valuation experts to assist in the testing of the discount rate.

Independent Auditor's Report

Report on the Audit of the Consolidated and Separate Financial Statements (continued)

Other Information

The directors are responsible for the other information. The other information comprises the corporate governance report, the statement of directors' responsibilities, the company secretary's certificate and the statement of compliance but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition to the responsibilities described above and our work undertaken in the course of the audit, the Financial Reporting Act 2004 requires us to report certain matters as described below.

Corporate Governance Report

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate 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 consolidated and separate 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 Group's and 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 Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 the directors 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 the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) we have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as auditor and tax advisor of the Company;
(b) we have obtained all the information and explanations we have required; and
(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other Matter

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

PricewaterhouseCoopers
22 September 2020

Olivier Rey, licensed by FRC

Financial Statements

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020

		THE GROUP		THE COMPANY	
			Restated		Restated
	Notes	2020	2019	2020	2019
		Rs.	Rs.	Rs.	Rs.
ASSETS					
Non-current assets					
Property, plant and equipment	4	**806,053,723**	806,658,189	**805,170,112**	806,464,889
Right-of-use-assets	29	**715,395,805**	-	**715,395,805**	-
Intangible assets	5	**383,003,998**	393,017,444	**382,914,415**	393,017,444
Investment in subsidiary	6	**-**	-	**275,000**	25,000
Deferred tax assets	14	**95,464,655**	91,663,043	**95,464,655**	91,663,043
		1,999,918,181	1,291,338,676	**1,999,219,987**	1,291,170,376
Current assets					
Inventories	7	**132,936,245**	80,105,601	**132,064,415**	79,875,963
Trade and other receivables	8	**248,477,783**	312,156,050	**255,090,900**	316,561,722
Cash in hand and at banks	9	**157,315,875**	126,930,843	**147,357,717**	123,813,344
		538,729,903	519,192,494	**534,513,032**	520,251,029
Total assets		**2,538,648,084**	1,810,531,170	**2,533,733,019**	1,811,421,405
EQUITY AND LIABILITIES					
Equity					
Issued capital	10	**289,801,318**	289,801,318	**289,801,318**	289,801,318
Revaluation reserve		**265,454,220**	265,454,220	**265,454,220**	265,454,220
Retained earnings		**247,296,012**	256,475,847	**247,904,084**	258,478,583
Total equity		**802,551,550**	811,731,385	**803,159,622**	813,734,121
Non-current liabilities					
Other payables	15	**-**	20,000,000	**-**	20,000,000
Loans and borrowings	12	**365,353,693**	402,589,652	**365,353,693**	402,589,652
Lease liabilities	29	**774,524,362**	-	**774,524,362**	-
Employee benefit liabilities	13	**80,719,649**	54,093,690	**80,719,649**	54,093,690
		1,220,597,704	476,683,342	**1,220,597,704**	476,683,342
Current liabilities					
Trade and other payables	15	**455,849,248**	469,793,421	**450,326,111**	468,680,920
Lease liabilities	29	**9,666,650**	-	**9,666,650**	-
Loans and borrowings	12	**49,982,932**	52,323,022	**49,982,932**	52,323,022
		515,498,830	522,116,443	**509,975,693**	521,003,942
Total liabilities		**1,736,096,534**	998,799,785	**1,730,573,397**	997,687,284
Total equity and liabilities		**2,538,648,084**	1,810,531,170	**2,533,733,019**	1,811,421,405

These financial statements were approved by the Board of Directors on: 22 September 2020

Hélène Echevin
Chairperson

Sylvain Pascal
Chairman of the ARC

The notes on pages 67 to 111 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

		THE GROUP		THE COMPANY	
	Notes	**Year ended 30 June 2020**	Year ended 30 June 2019	**Year ended 30 June 2020**	Year ended 30 June 2019
		Rs.	Rs.	**Rs.**	Rs.
Revenue	16	**1,992,102,839**	1,908,698,040	**1,978,143,443**	1,898,555,656
Cost of sales		**(1,313,933,908)**	(1,201,554,442)	**(1,311,919,186)**	(1,193,511,123)
Gross profit		**678,168,931**	707,143,598	**666,224,257**	705,044,533
Other operating income	17	**12,732,331**	8,525,217	**4,935,868**	8,525,217
Administrative expenses		**(525,672,734)**	(631,940,581)	**(507,624,219)**	(628,621,408)
Impairment of financial assets	8	**(49,512,197)**	(117,361)	**(49,512,197)**	(117,361)
Operating profit		**115,716,331**	83,610,873	**114,023,709**	84,830,981
Finance income	19	**5,180,978**	3,511,268	**5,180,978**	3,511,268
Finance costs	20	**(78,798,267)**	(21,643,646)	**(78,798,267)**	(21,643,646)
Profit before tax		**42,099,042**	65,478,495	**40,406,420**	66,698,603
Income tax expense	21(a)	**117,286**	49,380,750	**415,244**	49,380,750
Profit for the period		**42,216,328**	114,859,245	**40,821,664**	116,079,353
Other comprehensive Income:					
Other comprehensive Income not to be reclassified to profit or loss in subsequent periods:					
Revaluation gain on land and buildings	4	**-**	26,310,160	**-**	26,310,160
Tax effect of revaluation gain on land and buildings	14(b)	**-**	(4,472,727)	**-**	(4,472,727)
Re-measurement (loss)/ gain on defined benefit obligations	13	**(19,919,809)**	41,090,968	**(19,919,809)**	41,090,968
Tax effect of re-measurement loss on defined benefit obligations	14(b)	**3,386,368**	(6,985,465)	**3,386,368**	(6,985,465)
		(16,533,441)	55,942,936	**(16,533,441)**	55,942,936
Total comprehensive income for the period, attributable to equity holders		**25,682,887**	170,802,181	**24,288,223**	172,022,289
Basic and diluted earnings per share (Rs)	22	**0.07**	0.20		

The notes on pages 67 to 111 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Issued Capital (Note 10)	Revaluation reserve (Note 11)	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.
THE GROUP				
At 1 July 2018	289,801,318	243,616,787	107,511,099	640,929,204
Profit for the year	-	-	114,859,245	114,859,245
Other comprehensive income	-	21,837,433	34,105,503	55,942,936
Total comprehensive income	-	21,837,433	148,964,748	170,802,181
At 30 June 2019	289,801,318	265,454,220	256,475,847	811,731,385
At 1 July 2019	**289,801,318**	**265,454,220**	**256,475,847**	**811,731,385**
Change in accounting policy	**-**	**-**	**(34,862,722)**	**(34,862,722)**
Adjusted as at 1 July 2019	**289,801,318**	**265,454,220**	**221,613,125**	**776,868,663**
Profit for the year	**-**	**-**	**42,216,328**	**42,216,328**
Other comprehensive income	**-**	**-**	**(16,533,441)**	**(16,533,441)**
Total comprehensive income	**-**	**-**	**25,682,887**	**25,682,887**
At 30 June 2020	**289,801,318**	**265,454,220**	**247,296,012**	**802,551,550**

	Issued Capital (Note 10)	Revaluation reserve (Note 11)	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.
THE COMPANY				
At 1 July 2018	289,801,318	243,616,787	108,293,727	641,711,832
Profit for the year	-	-	116,079,353	116,079,353
Other comprehensive loss	-	21,837,433	34,105,503	55,942,936
Total comprehensive income	-	21,837,433	150,184,856	172,022,289
At 30 June 2019	289,801,318	265,454,220	258,478,583	813,734,121
At 1 July 2019	**289,801,318**	**265,454,220**	**258,478,583**	**813,734,121**
Effect of changes in accounting policy	-	-	(34,862,722)	(34,862,722)
Adjusted as at 1 July 2019	**289,801,318**	**265,454,220**	**223,615,861**	**778,871,399**
Profit for the year	**-**	**-**	**40,821,664**	**40,821,664**
Other comprehensive income	**-**	**-**	**(16,533,441)**	**(16,533,441)**
Total comprehensive income	**-**	**-**	**24,288,223**	**24,288,223**
At 30 June 2020	**289,801,318**	**265,454,220**	**247,904,084**	**803,159,622**

The notes on pages 67 to 111 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	THE GROUP		THE COMPANY	
		Year ended 30 June 2020	Year ended 30 June 2019	**Year ended 30 June 2020**	Year ended 30 June 2019
		Rs.	Rs.	**Rs.**	Rs.
Operating activities					
Profit before tax		**42,099,042**	65,478,495	**40,406,420**	66,698,603
Non-cash adjustment to reconcile loss before tax to net operating cash flows:					
Depreciation of property, plant and equipment		**87,083,818**	111,207,797	**86,886,467**	111,156,532
Depreciation of right use of assets	29	**16,206,459**	-	**16,206,459**	-
Amortisation of intangible assets	5	**10,559,472**	10,970,640	**10,559,473**	10,970,640
Gain on acquisition		**(7,605,367)**	-	**-**	-
Scrap/disposal of plant and equipment	4	**275,143**	3,232,753	**275,143**	3,232,753
Movement in employee benefit liability	13	**11,283,763**	4,087,397	**11,283,763**	4,087,397
Impairment of receivables	8	**49,512,197**	117,361	**49,512,197**	117,361
Finance income	19	**(5,180,978)**	(3,511,268)	**(5,180,978)**	(3,511,268)
Finance costs	20	**78,798,267**	21,643,646	**78,798,267**	21,643,646
Working capital adjustments					
- Inventories		**(52,043,362)**	(15,168,089)	**(52,188,452)**	(15,150,294)
- Trade and other receivables		**22,680,091**	(51,631,840)	**11,958,630**	(53,975,393)
- Trade and other payables		**(23,399,397)**	12,460,102	**(18,354,816)**	12,520,125
		230,269,148	158,886,994	**230,162,573**	157,790,102
Defined benefits paid	13	**(4,577,613)**	(1,207,931)	**(4,577,613)**	(1,207,931)
Interest paid		**(20,226,078)**	(19,809,127)	**(20,226,078)**	(19,809,127)
Interest received		**5,180,978**	3,511,268	**5,180,978**	3,511,268
Interest portion of lease payment		**(39,003,871)**	-	**(39,003,871)**	-
Net cash flows from operating activities		**171,642,564**	141,381,204	**171,535,989**	140,284,312
Investing activities					
Purchase of property, plant and equipment	4	**(85,838,896)**	(93,784,528)	**(85,632,877)**	(93,784,528)
Purchase of intangible asset	5	**(850,400)**	(42,594,316)	**(850,400)**	(42,594,316)
Inflow through business acqusition	24 (d)	**6,690,103**	-	**-**	-
Acquisition of subsidiary		**-**	-	**(250,000)**	-
Proceeds from disposal of property, plant and equipment		**160,000**	-	**160,000**	-
Net cash flows from operating activities		**(79,839,193)**	(136,378,844)	**(86,573,277)**	(136,378,844)
Financing activities					
Payment of lease liabilities		**(1,842,291)**	(408,796)	**(1,842,291)**	(408,796)
Repayment of borrowings		**(35,592,043)**	-	**(35,592,043)**	-
Repayment of other payables		**(20,000,000)**	(20,000,000)	**(20,000,000)**	(20,000,000)
Net cash used in financing activities		**(57,434,334)**	(20,408,796)	**(57,434,334)**	(20,408,796)
Net increase/(decrease) in cash and cash equivalents		**34,369,037**	(15,406,436)	**27,528,378**	(16,503,328)
Cash and cash equivalents at 1 July		**122,319,949**	137,726,385	**119,202,450**	135,705,778
Cash and cash equivalents at 30 June	9	**156,688,986**	122,319,949	**146,730,828**	119,202,450

The notes on pages 67 to 111 form an integral part of these financial statements.

NOTES - 30 June 2020

1. CORPORATE INFORMATION

The financial statements of C-Care (Mauritius) Ltd (the "Company") and its subsidiaries (the "Group") for the year ended 30 June 2020 were authorised for issue in accordance with a resolution of the Directors on 22 September 2020. C-Care (Mauritius) Ltd is a limited liability company incorporated and domiciled in Mauritius, whose shares are publicly traded on the Stock Exchange of Mauritius (Development Enterprise Market). The address of its registered office is 5^{th} Floor, Ebène, Skies Rue de l'Institut, Ebène, Mauritius. The activities of the Group are to provide healthcare services and cafeteria sales at the clinic.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of C-Care (Mauritius) Ltd (the "Company") and its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board (IASB).

During the year, the Group and the Company made a profit of Rs. 42,216,328 (2019 – Rs. 114,859,245) and Rs. 40,821,664 (2019 – Rs'116,079,353) respectively. At the statement of financial position date, the Group and the Company were in a net current asset position of Rs. 23,231,073 (2019 – net current liability: Rs 2,923,949) and Rs. 24,537,339 (2019 – net current liability: Rs. 752,913) respectively.

The financial statements have been prepared on the going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future.

Covid-19 represents an unprecedented period of uncertainty and risk for business organisations worldwide. The Group has taken key measures focusing on maximising revenue growth, exploring new business opportunities and cost optimisation so as to be able to meet its obligations in the short term.

Based on its current projections, the Group will be able to operate in the foreseeable future. The going concern of the Group has not been affected by Covid-19 pandemic. The Group prepared its forecast for the next financial year 20/21 with a target increase of 14% in turnover. The Group is also expected to invest in capital items and in projects which will be partly financed through external borrowings.

The consolidated financial statements have been prepared on a historical cost basis, except for land and buildings that have been measured at fair value. The consolidated financial statements are presented in Mauritian Rupees ('Rs'), and all values are rounded to the nearest rupee, except where otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of C-Care (Mauritius) Ltd and its subsidiaries as at 30 June 2020.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of

2. ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings as appropriate.

2.2 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP AND THE COMPANY IFRS 16 'Leases'

IFRS 16 Leases with effect from 01 July 2019, replaced IAS 17 as well as the related interpretations. IFRS 16 introduced a single lease accounting model for lessees which impacted the Company's results upon transition and materially impacted the Company's accounting policies for lessees.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, being the lessee (customer) and the lessor (supplier). The core principle of this standard is that the lessee and lessor should recognise all rights and obligations arising from leasing arrangements on the statement of financial position. The most significant change pertaining to the accounting treatment for operating leases is from the lessees' perspective. IFRS 16 eliminates the classification of leases as either operating or finance leases as required by IAS 17 and introduces a single lessee accounting model, where a right-of-use (ROU) asset together with a liability for the future payments is to be

2. ACCOUNTING POLICIES (CONTINUED)

2.2 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP AND THE COMPANY (Continued)

recognised for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Note 2.4 Leases explains the impact of the adoption of IFRS 16 on the Group's financial statements and discloses the new accounting requirements that have been applied from 01 July 2019.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the group's incremental borrowing rate as of 01 July 2019. Right of use assets were measured same as lease liabilities upon adoption. The weighted average group's incremental borrowing rate applied to the lease liabilities on 01 July 2019 was 7.631% for a Land & Building (with lease term of 50 years) and 6.85% for Motor Vehicles (with average lease term of 5 years).

The change in accounting policy affected the following items in the statement of financial position on 01 July 2019:

- Right-of-use assets – increase by Rs. 731,602,263
- Lease liabilities – increase by Rs. 766,464,984
- Retained Earnings – decrease by Rs. 34,862,722

The Group's leasing activities and how these are accounted for

The Group leases a land and building and several motor vehicles. The rental contracts are typically made for fixed periods of 5 to 50 years but may have extension options as described below.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Until the 30 June 2019 financial year, the leases were classified as operating lease. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the leases.

From 01 July 2019, the leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased assets are available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable by the group under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the Statement of Profit or Loss and Other Comprehensive Income. Short-term leases are leases with a lease term of 12 months or less. The lease

2. ACCOUNTING POLICIES (CONTINUED)

2.2 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP AND THE COMPANY (CONTINUED)

payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the group's incremental borrowing rate is used, being the rate that the group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Extension and termination option

Extension and termination options are included in the property leases. These terms are used to maximise operational flexibility in terms of managing contracts.

2.3 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT EFFECTIVE FOR THE FINANCIAL YEAR BEGINNING AFTER 1 JULY 2019 AND NOT ADOPTED EARLY.

Definition of Material – Amendments to IAS 1 and IAS 8 – Effective as from 01 January 2020

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the *Conceptual Framework for Financial Reporting,* clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

Definition of a Business – Amendments to IFRS 3 – Effective as from 01 January 2020

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

Revised Conceptual Framework for Financial Reporting - 01 January 2020

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and

2. ACCOUNTING POLICIES (CONTINUED)

2.3 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT EFFECTIVE FOR THE FINANCIAL YEAR BEGINNING AFTER 1 JULY 2019 AND NOT ADOPTED EARLY (CONTINUED).

- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.

2.4 SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration recognised as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

and the portion of the cash-generating unit retained.

(b) Foreign currencies

The consolidated financial statements are presented in Mauritian Rupee. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency, which is the Mauritian Rupee.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(c) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them separately. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed every three years and management makes an assessment of revaluation of land and buildings to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight line over the useful life of the assets as follows:

Freehold Buildings – 2%-10%

Furniture and fittings – 10%-25%

Equipment – 10-50%

Motor Vehicles – 10%-25%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Investment in subsidiary

Subsidiary is an entity (including structured entities) over which the Group has control. Subsidiary is fully consolidated from the date on which control is transferred to the Group. It is deconsolidated from the date that control ceases.

Separate financial statements

Investments in subsidiary in the separate financial statements of the Company are carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(e) Intangible assets

Intagible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated basis intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Notes (Continued)

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The estimated useful lives of intangible assets with finite useful lives are as follows:

Computer software - 4 years

(f) Financial instruments

(i) Financial assets recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

The Group's financial assets include cash in hand and at banks and trade and other receivables, which are classified as financial asset at amortised cost.

(ii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the statement profit or loss and other comprehensive income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(iii) Subsequent measurement

The measurement at initial recognition did not change on adoption of IFRS 9. Subsequent to the initial recognition, loans and receivables were carried at amortised cost using the effective interest method.

(iv) Impairment of financial assets

The group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

(v) Trade receivables

Trade receivables are amount due from customers for goods sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current asset. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds trade receivables with the objective to collect the contractual cash flows and therefore measure them subsequently at amortised cost using the effective interest method.

The carrying amount of trade and other receivables approximate their fair value.

(vi) Impairment of trade receivables

Expected credit losses ('ECL') were determined using a provision matrix by estimating expected cash flows to be received from customers. The Group has elected the simplified approach in measuring ECL for trade receivables resulting in calculating ECLs on a lifetime basis. Forward-looking information

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

was estimated with reference to the different industries in which the Company's customers operate and the macroeconomic factors that impact those industries.

The impairment loss is recognised in profit or loss. When the trade receivable is considered uncollectable, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in profit or loss.

(vii) Financial liabilities recognition and dereognition

An entity shall recognise a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. A financial liability is derecognised when the debtor either discharges the liability by paying the creditor, normally with cash, other financial assets, goods or services; or is legally released from primary responsibility for the liability either by process of law or by the creditor.

(viii) Measurement

An entity shall classify all financial liabilities as subsequently at amortised cost except for:

a) Financial liabilities at fair value through profit or loss;

b) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;

c) Financial guarantee contract;

d) Commitments to provide a loan at a below-market interest rate and

e) Contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies.

(g) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes (Continued)

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings. Involvement of external valuers is decided upon every 3 years. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with their external valuers, which valuation techniques and inputs to use for each case.

(g) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, Group estimates the asset's or cash–generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

The following asset has specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted at purchase cost on a first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(i) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are measured at amortised cost.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Retirement Benefit Obligations

The Group operates both a defined contribution plan and a defined benefit plan.

Defined benefits schemes

The Group participates in United Mutual Fund and the Swan Defined Contribution Scheme used to compute the amount are those that are enacted , a pension plan registered under the Private Pension Schemes Act 2012, the assets of which are held independently. The pension plan is funded by payments from the employees and the Group, taking into account the recommendations of independent qualified actuaries.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'administration expenses' in consolidated statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements
- Net interest expense or income.

Other retirement benefits

The present value of other retirement benefits in respect of the Employment Rights Act 2008 is recognised in the statement of financial position as a non current liability. Actuarial gain or losses are recognised using the same policy as described above.

(k) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity or in other comprehensive income is recognised directly in equity or in other comprehensive income and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income tax is provided using the liability method on taxable temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Corporate Social Responsibility

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax shown within the Statement of Profit or Loss and Other Comprehensive Income and the income tax liability on the Statement of Financial Position. The CSR charge for the current period is measured be at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

(l) Leases

The Group leases various motor vehicles, buildings and land. Rental contracts are typically made for fixed periods of 2 to 50 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Company applies the cost model subsequent to the initial measurement of the right-of-use assets.

Depreciation of ROU

Subsequent to initial measurement, the right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset should this term be shorter than the lease term unless ownership of the underlying asset transfers to the Company at the end of the lease term, whereby the right of use assets are depreciated on a straight-line basis over the remaining economic life of the asset. This depreciation is recognised as part of depreciation on right-of-use asset in profit or loss.

Termination of leases

When the Company or lessor terminates or cancels a lease, the right-of-use asset and lease liability are derecognised. On derecognition of the right of use asset and lease liability, any difference is recognised as a derecognition gain or loss in profit or loss.

Reassessment and modification of leases

Reassessment of lease terms and lease modifications that are not accounted for as a separate lease:

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When the Company reassesses the terms of any lease (i.e. it re-assesses the probability of exercising an extension or termination option) or modifies the terms of a lease without increasing the scope of the lease or where the increased scope is not commensurate with the stand-alone price, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the applicable rate at the date of reassessment or modification. The carrying amount of lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised.

For reassessments to the lease terms, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, if the carrying amount of the right-of-use asset is reduced to zero any further reduction in the measurement of the lease liability is recognised in profit or loss.

For lease modifications that are not accounted for as a separate lease, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, for lease modifications that decrease the scope of the lease the carrying amount of the right-of-use asset is decreased to reflect the partial or full termination of the lease, with any resulting difference being recognised in profit or loss as a gain or loss relating to the partial or full termination of the lease.

Lease modifications that are accounted for as a separate lease:

When the Company modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a stand-alone price for the increase in scope, the Company accounts for these modifications as a separate new lease. This accounting treatment equally applies to leases which the Company elected the short-term lease exemption and the lease term is subsequently modified.

Refer to Note 2.2 for more details on the new accounting policies under IFRS 16.

(m) Revenue recognition

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must also met before revenue is recognised.

(i) Sale of goods

Sales of goods are recognised when control of the products has transferred, being when the products are delivered to the customer, usually on delivery of the goods for pharmaceutical products and sales of food and beverages. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only passage of time is required before the payment is due.

(ii) Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered by reference to the stage of completion. Revenue is recognised as and when services are provided to the patient when control of the services are transferred to

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the customer at an amount that reflects the condition to which the company expects to be entitled in exchange for those services. At year end, ungenerated revenue from patients who were admitted prior to year end but not yet discharged at year end are recognised as revenue. Revenue from hospital services are considered as point in time except for rental of hospital rooms which are considered as over time.

(iii) Rental income
Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in other operating income due to its operating nature.

(iv) Interest income
Interest income is recognised as it accrues (taking into account the effective interest rate on the asset).

(n) Operating segment
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating decision-maker. The Group presents segmental information using business segments as its primary reporting format.

(o) Related parties
For the purposes of these financial statements, parties are considered to be related to the Group if they have the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or vice versa, or where the Group is subject to common control or common significant influence. Related parties may be individuals or other entities.
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements
In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Employee benefits obligations

The cost of defined benefit pension plans and related provision, as disclosed in Note 13 to the financial statements requires the use of actuarial valuations. The actuarial valuation involves the use of significant estimate in respect of inter-alia, discount rate, future salary increases, mortality rate and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature of these plans, such estimates are subject to significant uncertainty. The net employee liability at 30 June 2020 is **Rs. 81 M** (2019: Rs. 54 M). Further details are set out in Note 13.

Estimated impairment of goodwill

In determining the carrying amount of goodwill, the Group carries out the test on impairment of goodwill on an annual basis. This exercise requires the value in use of the cash generating units to which goodwill is allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value.

These calculations use cash flow projections based on financial budgets approved by management. Cash flows are extrapolated using the estimated growth rates. Management does not expect that the growth rate to exceed the long term average growth rate in which the CGU operates. Management believe that any reasonably possible change in key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit. Management has reviewed the carrying amount of the goodwill at the end of the reporting period and is in the opinion, they have be been impaired. Further details are provided in Note 25.

Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

At initial measurement of a lease liability, a lessee is required to discount the lease liability using the interest rate implicit in the lease if that rate can be readily determined. If the interest rate implicit in the lease cannot be readily determined, then the lessee should use its incremental borrowing rate. Depending on the nature of the underlying asset and the terms and conditions of the lease, a lessee may be able to refer to a rate that is readily observable as a starting point when determining its incremental borrowing rate for a lease (for example, the rate that a lessee has paid, or would pay, to borrow money to purchase the type of asset being leased, or the property yield when determining the discount rate to apply to property leases).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Allowance for doubtful debts

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect amounts due according to the original terms of the receivables The Group applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for trade receivables. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables. Bad debts are written off in the year in which they are identified. When a trade receivable is uncollectible, it is written off against the allowance account of trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing expenses in the statement of comprehensive income. Further details are provided in Note 8.

Revaluation of property, plant and equipment

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialists to determine fair value. The valuations are strictly based on the definition of the open market value, taking full cognisance of transactions taking place in the locality. The key assumptions used to determine the fair value of the land and buildings are provided in Note 4.

Recognition of deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that is probable that taxable profit will be available against which losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Please refer to Note 14 for more details.

Notes (Continued)

4. PROPERTY, PLANT AND EQUIPMENT

(a)

THE GROUP	Freehold Land	Freehold Buildings	Furniture & Fittings	Equipment	Motor Vehicles	Asset in progress	Total
COST or VALUATION	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At 1 July 2018	103,700,000	338,650,000	98,543,557	659,890,258	26,353,743	4,300,000	1,231,437,558
Additions	-	878,840	1,998,840	88,209,778	-	2,697,070	93,784,528
Revaluation	6,100,000	5,511,160	-	-	-	-	11,611,160
Scrapped	-	-	(463,365)	(17,011,326)	(376,100)	-	(17,850,791)
Transfer from work in progress	-	-	-	4,300,000	-	(4,300,000)	-
At 30 June 2019	109,800,000	345,040,000	100,079,032	735,388,710	25,977,643	2,697,070	1,318,982,455
At 1 July 2019	**109,800,000**	**345,040,000**	**100,079,032**	**735,388,710**	**25,977,643**	**2,697,070**	**1,318,982,455**
Additions	**-**	**470,178**	**4,261,115**	**60,676,646**	**1,110,708**	**19,320,249**	**85,838,896**
Acquisition of subsidiary	**-**	**-**	**13,500**	**668,143**	**-**	**-**	**681,643**
Disposal	**-**	**-**	**-**	**(344,500)**	**-**	**-**	**(344,500)**
Scrapped	**-**	**-**	**-**	**(7,683,111)**	**(2,781,400)**	**-**	**(10,464,511)**
Transfer from work in progress	**-**	**-**	**-**	**2,697,070**	**-**	**(2,697,070)**	**-**
Transfer from intangible	**-**	**-**	**-**	**393,956**	**-**	**-**	**393,956**
At 30 June 2020	**109,800,000**	**345,510,178**	**104,353,647**	**791,796,914**	**24,306,951**	**19,320,249**	**1,395,087,939**
DEPRECIATION							
At 1 July 2018	-	7,348,708	31,842,612	374,160,393	17,081,794	-	430,433,507
Charge for the year	-	7,350,292	12,111,449	87,960,788	3,785,268	-	111,207,797
Scrapped	-	-	(195,522)	(14,046,416)	(376,100)	-	(14,618,038)
Revaluation adjustment	-	(14,699,000)	-	-	-	-	(14,699,000)
At 30 June 2019	-	-	43,758,539	448,074,765	20,490,962	-	512,324,266
At 1 July 2019	**-**	**-**	**43,758,539**	**448,074,765**	**20,490,962**	**-**	**512,324,266**
Charge for the year	**-**	**-**	**11,891,560**	**71,092,171**	**3,959,735**	**-**	**86,943,466**
Acquisition of subsidiary	**-**	**-**	**1,800**	**138,552**	**-**	**-**	**140,352**
Disposal	**-**	**-**	**-**	**(200,958)**	**-**	**-**	**(200,958)**
Scrapped	**-**	**-**	**-**	**(7,391,510)**	**(2,781,400)**	**-**	**(10,172,910)**
At 30 June 2020	**-**	**-**	**55,651,899**	**511,713,020**	**21,669,297**	**-**	**589,034,216**
NET BOOK VALUES							
At 30 June 2020	**109,800,000**	**345,510,178**	**48,701,748**	**280,083,894**	**2,637,654**	**19,320,249**	**806,053,723**
At 30 June 2019	109,800,000	345,040,000	56,320,493	287,313,945	5,486,681	2,697,070	806,658,189

Asset in progress of **Rs. 19,320,249** (2019: Rs. 2,697,070 - Medical Equipment) comprises refurbishment expenses incurred on new rooms before year end but not yet in use.

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b)

THE COMPANY	Freehold Land	Freehold Buildings	Furniture & Fittings	Equipment	Motor Vehicles	Asset in progress	Total
COST or VALUATION	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At 1 July 2018	103,700,000	338,650,000	98,446,248	659,136,333	26,353,743	4,300,000	1,230,586,324
Additions	-	878,840	1,998,840	88,209,778	-	2,697,070	93,784,528
Revaluation	6,100,000	5,511,160	-	-	-	-	11,611,160
Transfer from work in progress	-	-	-	4,300,000	-	(4,300,000)	-
Scrapped	-	-	(463,365)	(17,011,326)	(376,100)	-	(17,850,791)
At 30 June 2019	109,800,000	345,040,000	99,981,723	734,634,785	25,977,643	2,697,070	1,318,131,221
At 1 July 2019	**109,800,000**	**345,040,000**	**99,981,723**	**734,634,785**	**25,977,643**	**2,697,070**	**1,318,131,221**
Additions	**-**	**470,178**	**4,261,115**	**60,596,335**	**985,000**	**19,320,249**	**85,632,877**
Disposal	**-**	**-**	**-**	**(344,500)**	**-**	**-**	**(344,500)**
Scrapped	**-**	**-**	**-**	**(7,683,111)**	**(2,781,400)**	**-**	**(10,464,511)**
Transfer from work in progress	**-**	**-**	**-**	**2,697,070**	**-**	**(2,697,070)**	**-**
Transfer from intangible	**-**	**-**	**-**	**393,956**	**-**	**-**	**393,956**
At 30 June 2020	**109,800,000**	**345,510,178**	**104,242,838**	**790,294,535**	**24,181,243**	**19,320,249**	**1,393,349,043**
DEPRECIATION							
At 1 July 2018	-	7,348,708	31,807,486	373,588,850	17,081,794	-	429,826,838
Charge for the year	-	7,350,292	12,103,853	87,917,119	3,785,268	-	111,156,532
Scrapped	-	-	(195,522)	(14,046,416)	(376,100)	-	(14,618,038)
Revaluation adjustment	-	(14,699,000)	-	-	-	-	(14,699,000)
At 30 June 2019	-	-	43,715,817	447,459,553	20,490,962	-	511,666,332
At 1 July 2019	**-**	**-**	**43,715,817**	**447,459,553**	**20,490,962**	**-**	**511,666,332**
Charge for the year	**-**	**-**	**11,891,560**	**71,092,172**	**3,902,735**	**-**	**86,886,467**
Disposal	**-**	**-**	**-**	**(200,958)**	**-**	**-**	**(200,958)**
Scrapped	**-**	**-**	**-**	**(7,391,510)**	**(2,781,400)**	**-**	**(10,172,910)**
At 30 June 2020	**-**	**-**	**55,607,377**	**510,959,257**	**21,612,297**	**-**	**588,178,931**
NET BOOK VALUES							
At 30 June 2020	**109,800,000**	**345,510,178**	**48,635,461**	**279,335,278**	**2,568,946**	**19,320,249**	**805,170,112**
At 30 June 2019	109,800,000	345,040,000	56,265,906	287,175,232	5,486,681	2,697,070	806,464,889

Asset in progress of **Rs. 19,320,249** (2019: Rs. 2,697,070 - Medical Equipment) comprises refurbishment expenses incurred on new rooms before year end but not yet in use.

Notes (Continued)

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) The carrying amount of motor vehicles held under finance leases as at 30 June 2020 and 2019 were as follows:

	THE GROUP AND THE COMPANY	
	Motor Vehicles	
	2020	2019
	Rs.	Rs.
Cost	**1,773,000**	1,773,000
Accumulated depreciation	**(1,773,000)**	(1,753,833)
Net book value	**-**	19,167

Leased assets are pledged as security for the related finance leases (Note 12).

There has been no addition during the year (2019: Nil) for assets held under finance leases.

Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	THE GROUP AND THE COMPANY	
	Motor Vehicles	
Non-Current	**Rs.**	Rs.
Land & Builings	**455,310,178**	454,840,000
Equipment	**171,689,822**	172,160,000
Total Assets pledged as security	**627,000,000**	627,000,000

Borrowings are guaranteed by a floating charges over the assets of the Group for an amount of Rs. 627,000,000

(d) Revaluation of land and buildings

The revalued land and buildings consist of office and clinic premises. Management determined that these constitute one class of assets under IFRS 13, based on the nature, characteristics and risks of the property.

The group's land and building are stated at their revalued amounts. The land and building were valued in June 2020. The valuation was performed by an independent valuer Noor Dilmohamed & Associates, Certified Practising Valuer, who has the appropriate qualification and experience in the fair value measurement of properties in the relevant location. Valuation is performed by the valuer using on-market comparable method for land & Cost approach for building.

Land		
	2020	2019
Significant unobservable valuation input:	**Range (Rs.)**	Range (Rs.)
Price per metre square	**4,250-5,000**	4,250-5,000

Buildings		
	2020	2019
Significant unobservable valuation input:	**Range (Rs.)**	Range (Rs.)
Price per metre square	**3,000-28,500**	3,000-28,500

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Below is the fair value measurement hierarchy for assets as at 30 June,

	Fair value measurement using:		
THE GROUP AND THE COMPANY	**Level 1**	**Level 2**	**Level 3**
2020	**Rs.**	**Rs.**	**Rs.**
Revalued land and buildings	**-**	**109,800,000**	**345,510,178**
	Fair value measurement using:		
THE GROUP AND THE COMPANY	**Level 1**	**Level 2**	**Level 3**
2019	Rs	Rs	Rs
Revalued land and buildings	-	109,800,000	345,040,000

The reconciliation is shown below:	**2020**	2019
	Rs.	Rs.
At 1 July	**454,840,000**	435,001,292
Additions	**470,178**	878,840
Depreciation	**-**	(7,350,292)
Fair value movement	**-**	26,310,160
At 30 June	**455,310,178**	454,840,000

The significant unobservable inputs used in the fair value measurement categorised within Level 2 & 3 of the fair value hierarchy together with a quantitative sensitivity analysis at 30 June 2020 and 2019 are shown below:

	Valuation technique(s) and key input(s)	**Sensitivity used**	**Effect on fair value**	
			2020	2019
Land	on-market comparables	1% increase in price	**1,098,000**	1,098,000
		1% decrease in price	**(1,098,000)**	(1,098,000)
Building	Cost Approach	1% increase in price	**3,450,400**	3,450,400
		1% decrease in price	**(3,450,400)**	(3,450,400)

(e) If land and buildings were stated at historical cost, the carrying amount would have been as

	THE GROUP AND THE COMPANY	
	2020	2019
	Rs.	Rs.
Cost	**283,786,323**	283,316,145
Accumulated depreciation	**(100,784,935)**	(100,784,935)
Net carrying amount	**183,001,388**	182,531,210

Notes (Continued)

5. INTANGIBLE ASSETS

	THE GROUP				THE COMPANY			
	Goodwill	Computer software	Asset in progress	Total	Goodwill	Computer software	Asset in progress	Total
COST	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At 1 July 2018	350,566,929	22,321,407	-	372,888,336	350,566,929	22,194,407	-	372,761,336
Additions	-	25,425,788	17,168,528	42,594,316	-	25,425,788	17,168,528	42,594,316
At 30 June 2019	350,566,929	47,747,195	17,168,528	415,482,652	350,566,929	47,620,195	17,168,528	415,355,652
At 1 July 2019	**350,566,929**	**47,747,195**	**17,168,528**	**415,482,652**	**350,566,929**	**47,620,195**	**17,168,528**	**415,355,652**
Additions	**-**	**850,400**		**850,400**	**-**	**850,400**		**850,400**
Reclassifi-cations	**-**	**17,168,528**	**(17,168,528)**	**-**	**-**	**17,168,528**	**(17,168,528)**	**-**
Transfer to Property Plant & Equip-ment	**-**	**(393,956)**	**-**	**(393,956)**	**-**	**(393,956)**	**-**	**(393,956)**
Acqui-sition of subsidiary	**-**	**100,332**	**-**	**100,332**	**-**	**-**		**-**
At 30 June 2020	**350,566,929**	**65,472,499**	**-**	**416,039,428**	**350,566,929**	**65,245,167**	**-**	**415,812,096**
AMORTISATION								
At 1 July 2018	-	11,494,568	-	11,494,568	-	11,367,568	-	11,367,568
Charge for the period		10,970,640	-	10,970,640		10,970,640	-	10,970,640
At 30 June 2019	-	22,465,208	-	22,465,208	-	22,338,208	-	22,338,208
At 1 July 2019	-	**22,465,208**	**-**	**22,465,208**	**-**	**22,338,208**	**-**	**22,338,208**
Charge for the year	**-**	**10,559,472**	**-**	**10,559,472**	**-**	**10,559,473**	**-**	**10,559,473**
Acqui-sition of subsidiary	**-**	**10,750**	**-**	**10,750**	**-**	**-**	**-**	**-**
At 30 June 2020	-	**33,035,430**	**-**	**33,035,430**	**-**	**32,897,681**	**-**	**32,897,681**
NET BOOK VALUES								
At 30 June 2020	**350,566,929**	**32,437,069**	**-**	**383,003,998**	**350,566,929**	**32,347,486**	**-**	**382,914,415**
At 30 June 2019	350,566,929	25,281,987	17,168,528	393,017,444	350,566,929	25,281,987	17,168,528	393,017,444

For impairment assessment of goodwill, refer to Note 25.
Asset in progress of Rs Nil (2019: Rs. 17,168,528) comprises computer software purchased before year end but not yet in use.

6. INVESTMENT IN SUBSIDIARY

	THE COMPANY	
	2020	2019
	Rs.	Rs.
At 01 Jul	25,000	25,000
Additions	250,000	-
At 30 Jun	**275,000**	**25,000**

Details of the subsidiary company included in the Group financial statements are as follows:

Name	% holding	Class of shares held	Issued capital	Country of incorporation	Main business
			Rs.		
Le Café du Volcan Ltée	100%	Ordinary	25,000	Mauritius	Sale of food and beverages
Reinette Facilities Management Limited	100%	Ordinary	200,000	Mauritius	Sale of food and beverages

At the reporting date, the directors have considered internal and external sources of information and have concluded that there are no indicators of impairment.

7. INVENTORIES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Drugs and consumables	**129,796,914**	75,493,706	**128,925,084**	75,264,068
Chemicals and X-ray films	**1,859,260**	3,995,360	**1,859,260**	3,995,360
Stationery	**1,280,071**	616,535	**1,280,071**	616,535
	132,936,245	80,105,601	**132,064,415**	79,875,963

There is an amount of **Rs. 2,394,178** written down inventories recognised as an expense in the cost of sales (2019: Rs. 4,203,590). The above includes Rs. 35M worth of stock acquired due to Covid-19.

Inventories recognised as an expense during the year ended 30 June 2020 amounted to Rs. 551,172,601. These were included in cost of sales.

Notes (Continued)

8. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Trade receivables	**278,408,146**	285,845,353	**278,408,146**	285,845,353
Provision for impaiment	**(79,213,431)**	(29,701,234)	**(79,213,431)**	(29,701,234)
Net trade receivables	**199,194,715**	256,144,119	**199,194,715**	256,144,119
Other receivables	**43,453,875**	33,223,362	**42,978,780**	32,729,625
Prepayments	**5,829,193**	22,340,854	**5,829,193**	22,340,854
Amount receivable from related party (Note 23)	**-**	447,715	**7,088,212**	5,347,124
	248,477,783	312,156,050	**255,090,900**	316,561,722

The fair value of trade and other receivables approximate their carrying amount due to their short term nature.

The maximum exposure to credit risk at the end of the reporting period is the carrying value of each class of receivables mention above.

Other receivables are unsecured, non - interest bearing and have an average term of 3 months. They include part payments made in respect of purchase of property, plant and equipment which have not yet been delivered at year end. Prepayment relates mainly to payments made in advance for insurance, licence fees and maintenance fees. For terms and conditions relating to related party, refer to Note 23. Trade receivables are unsecured, non - interest bearing and are generally on 60-day terms. Movement in the provision for impairment of receivables:

	THE GROUP AND THE COMPANY	
	2020	2019
	Rs.	Rs.
At 01 Jul	**29,701,234**	29,583,873
Charge for the year	**49,512,197**	117,361
At 30 Jun	**79,213,431**	29,701,234

At 30 June, the ageing analysis of trade receivables is as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 180 days past due	More than 365 days past due	More than 547 days past due	Total
2020	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Expected loss rate	**2.32%**	**3.94%**	**7.92%**	**18.21%**	**47.14%**	**69.86%**	**85.27%**	**28.45%**
Gross carrying amount - trade receivables	**83,351**	**32,683**	**14,570**	**51,677**	**33,401**	**24,652**	**38,074**	**278,408**
Provision for impairment of trade receivables	**(1,932)**	**(1,288)**	**(1,154)**	**(9,408)**	**(15,744)**	**(17,221)**	**(32,466)**	**(79,213)**
2019								
Expected loss rate	0.00%	0.00%	3.62%	11.31%	15.04%	55.39%	54.58%	10.39%
Gross carrying amount - trade receivables	85,565	50,251	28,540	55,777	34,585	20,909	10,218	285,845
Provision for impairment of trade receivables	-	-	(1,034)	(6,308)	(5,201)	(11,581)	(5,577)	(29,701)

As at 30 June 2020, amount receivable from related party was neither past due nor impaired (2019: nil).

9. CASH IN HAND AND AT BANKS

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Cash in hand and at banks	**157,315,875**	126,930,843	**147,357,717**	123,813,344

Cash at banks earn interest at floating rates based on daily bank deposit rates.

Cash at banks includes a balance of **Rs. 107,767,524** (2019: Rs. 11,076,307) which relates to deposit with a related party (Note 23).

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following as at 30 June:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Cash in hand and at banks	**157,315,875**	126,930,843	**147,357,717**	123,813,344
Bank overdrafts (Note 12)	**(626,889)**	(4,610,894)	**(626,889)**	(4,610,894)
	156,688,986	122,319,949	**146,730,828**	119,202,450

At 30 June 2020, the Group had available **Rs. 75,000,000** (2019: Rs 95,389,106) of undrawn bank overdraft facility.

10. ISSUED CAPITAL

	THE GROUP AND THE COMPANY			
Authorised, Issued and fully paid	**2020**	2019	**2020**	2019
Ordinary shares at no par value	**Number**	Number	**Rs.**	Rs.
At 30 June,	**569,940,822**	569,940,822	**289,801,318**	289,801,318

11. REVALUATION RESERVE

The revaluation reserve is principally used to record changes in the fair value of land and buildings as a result of revaluation exercise performed by an independent valuer. An increase in fair value is recognised in other comprehensive income and accumulated in equity under the heading of 'revaluation surplus'. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Notes (Continued)

12. LOANS AND BORROWINGS

		Effective interest rate (%)	Maturity	THE GROUP AND COMPANY	
				2020	2019
Current				**Rs.**	Rs.
Bank overdraft	(b)	6.25%	-	**626,889**	4,610,894
Bank loan	(a)	4.65%	2020	**49,356,043**	47,456,985
Obligations under finance leases	(a)	7.65%-8%	2019/2020	**-**	255,143
				49,982,932	52,323,022
Non-current					
Obligations under finance leases	(a)	7.65%-8%	2020	**-**	46,637
Bank loan	(c)	4.65%	2027	**365,353,693**	402,543,015
				365,353,693	402,589,652
Total borrowings				**415,336,625**	454,912,674

(a) The Group had finance leases on certain motor vehicles with average lease terms of five years. At the end of the lease period, the Group has the option to purchase the vehicles at a residual value.

	THE GROUP AND COMPANY	
Finance lease liabilities - minimum lease payments	**2020**	2019
	Rs.	Rs.
Within one year	**-**	268,999
After one year and before five years	**-**	46,198
Total minimum lease payments	**-**	315,197
Future finance charges on finance leases		(13,417)
Present value of minimum lease payments	**-**	301,780

	THE GROUP AND COMPANY	
	2020	2019
	Rs.	Rs.
The present value of minimum lease payments may be analysed as follows:		
Within one year	**-**	255,143
After one year and before five years	**-**	46,637
		301,780

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. The rates of interest on the leases vary between **7.65% - 8%** (2019/2020).

12. LOANS AND BORROWINGS (CONTINUED)

	THE GROUP		THE COMPANY	
NET DEBT RECONCILIATION - The Group and Company	**2020**	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Cash and cash equivalent (Note 9)	**(157,315,875)**	(126,930,843)	**(147,357,717)**	(123,813,344)
Bank Overdrafts	**626,889**	4,610,894	**626,889**	4,610,894
Borrowings - repayable within one year	**49,356,043**	47,456,985	**49,356,043**	47,456,985
Borrowings - repayable after one year	**365,353,693**	402,543,015	**365,353,693**	402,543,015
Leases - repayable within one year	**9,666,650**	255,143	**9,666,650**	255,143
Leases - repayable after one year	**774,524,362**	46,637	**774,524,362**	46,637
Net debt	**1,042,211,762**	327,981,831	**1,052,169,920**	331,099,330

	Cash/ bank overdraft	Leases within 1 year	Leases after 1 year	Borrowings due within 1 year	Borrowings due after 1 year	Total
THE COMPANY						
Net debt as at 30 June 2018	(135,705,778)	408,796	301,771	-	450,000,000	315,004,789
Cashflows	16,503,328	(408,787)	-	-	-	16,094,541
Other non-cash movements	-	255,134	(255,134)	47,456,985	(47,456,985)	-
Net debt as at 30 June 2019	(119,202,450)	255,143	46,637	47,456,985	402,543,015	331,099,330
Cashflows	**(27,528,378)**	**-**	**(40,846,162)**	**-**	**(55,818,121)**	**(124,192,661)**
New leases	**-**	**-**	**766,464,984**	**-**	**-**	**766,464,984**
Other non-cash movements	**-**	**9,411,507**	**48,858,903**	**1,899,058**	**18,628,799**	**78,798,267**
Net debt as at 30 June 2020	**(146,730,828)**	**9,666,650**	**774,524,362**	**49,356,043**	**365,353,693**	**1,052,169,920**
THE GROUP						
Net debt as at 30 June 2018	(137,726,385)	408,796	301,771	-	450,000,000	312,984,182
Cashflows	15,406,436	(408,787)	-	-	-	14,997,649
Other non-cash movements	-	255,134	(255,134)	47,456,985	(47,456,985)	-
Net debt as at 30 June 2019	(122,319,949)	255,143	46,637	47,456,985	402,543,015	327,981,831
Cashflows	**(34,369,037)**	**-**	**(40,846,162)**	**-**	**(55,818,121)**	**(131,033,320)**
New leases	**-**	**-**	**766,464,984**	**-**	**-**	**766,464,984**
Other non-cash movements	**-**	**9,411,507**	**48,858,903**	**1,899,058**	**18,628,799**	**78,798,267**
Net debt as at 30 June 2020	**(156,688,986)**	**9,666,650**	**774,524,362**	**49,356,043**	**365,353,693**	**1,042,211,762**

(b) Bank overdraft

The bank overdraft arose mainly on cheques drawn at year end that are subsequently cleared by the bank.

(c) Bank loan

In prior year, the Group has taken a loan of Rs. 450M mainly to finance the acquisition of Wellkin Hospital (Ex-Apollo Bramwell Hospital). The loan is for a period of 10 years with a moratorium period of 2 years. Interest is payable on a monthly basis on amount outstanding from the date of first distribution until end of moratorium period. The interest rate is variable and is market related.

Notes (Continued)

13. EMPLOYEE BENEFIT LIABILITIES

(a) Pension scheme

The Group contributes in pension funds as follows:
The Group participates in the United Mutual Superannuation Fund, a pension plan registered under the Private Pension Schemes Act 2012, the assets of which are held independently. The pension plan is funded by payments from the employees and the Group, taking into account the recommendations of an independent actuary, Swan Life Ltd. After 31 December 2007, the Group shifted from a defined benefit plan to a defined contribution plan, with a residual defined benefit top up arrangement for those employees who were members of the previous defined benefit scheme.

During the year ended 30 June 2020, the previous independent actuary, Feber Associates Limited was replaced by Swan Life Ltd.

The Group's obligations under the defined benefit plan are only for employees under the scheme up to 31 December 2007.

The Pension schemes and the other post-requirement benefits are governed by the Trust Deed dated 22 February 2007 which stipulates that BAI Group Pension Fund was established between British American Hospitals Enterprise Ltd (BAHEL) and trustees of BAI Group Pension Fund (BGPF). Following acquisition of Wellkin Hospital (Ex-Apollo Bramwell Hospital) by C-Care (Mauritius) Ltd, all employees of BAHEL who were in employment with the hospital as at 31 December 2016 were transferred to C-Care together with terms and conditions which were not less favorable than those enjoyed prior to the sale. Since January 2017, C-Care has continued to contribute to the BGPF on behalf of the employees.

The BAI Group Pension Fund has continued to be run by the Trustees of the Fund despite the events affecting the BAI Group in March/April 2015. There are two Defined-Benefit (DBBA and DBML) sections and one Defined-Contribution (DCUL) section.

The unfunded obligation relates to retirement gratuity in accordance with Workers' Rights Act 2019. It entitles the employee at retirement to 15/26 of the final monthly benefit for each year of service.

(b) The amounts recognised in the statement of financial position are as follows:

	THE GROUP AND COMPANY	
	2020	2019
	Rs.	Rs.
Defined benefit obligation	**85,843,787**	59,781,261
Fair value of plan assets	**(5,124,138)**	(5,687,571)
Net defined benefit liability	**80,719,649**	54,093,690

(c) Movement in the liability recognised in the statement of financial position:

	THE GROUP AND COMPANY	
	2020	2019
	Rs.	Rs.
At 1 July	**54,093,690**	92,305,192
Net Assets extinguished following closure of DB Plan	**-**	784,847
Amount recognised in profit or loss (Note d)	**11,283,763**	3,302,550
Amount recognised in other comprehensive income (Note e)	**19,919,809**	(41,090,968)
Direct benefits paid	**(4,577,613)**	(1,207,931)
At 30 June,	**80,719,649**	54,093,690

13. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

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

	THE GROUP AND COMPANY	
	2020	2019
	Rs.	Rs.
Current service cost	**8,184,554**	5,446,216
Net interest cost	**3,099,209**	4,726,009
Curtailment and Settlement loss on obligation	**-**	(6,869,675)
Net benefit expense	**11,283,763**	3,302,550

(e) The amounts recognised in other comprehensive are as follows:

	THE GROUP AND COMPANY	
	2020	2019
	Rs.	Rs.
Actuarial losses on obligation arising from financial assumptions	**(20,657,375)**	41,102,131
Actuarial (losses)/gains on plan assets arising from financial assumptions	**737,566**	(11,163)
	(19,919,809)	41,090,968

(f) Movement in the fair value of plan assets are as follows:

	THE GROUP AND COMPANY	
	2020	2019
	Rs.	Rs.
At 1 July,	**5,687,571**	7,182,981
Assets extinguished	**-**	(1,099,641)
Interest on plan assets	**925,550**	807,373
Benefits paid out of plan assets	**(751,417)**	(1,191,979)
Actuarial gain on plan assets	**(737,566)**	(11,163)
At 30 June,	**5,124,138**	5,687,571

(g)Changes in present value of the defined benefit obligation are as follows:

	THE GROUP AND COMPANY	
	2020	2019
	Rs.	Rs.
At 1 July,	**59,781,261**	99,488,173
Liabilities extinguished following closure of DB Plan		(314,794)
Current service cost	**8,184,554**	5,446,216
Interest cost	**3,099,209**	5,533,382
Benefits paid	**(5,141,046)**	(2,399,910)
Curtailment and settlement gain on obligation	**-**	(6,869,675)
Actuarial (gain)/loss on obligation	**19,919,809**	(41,102,131)
At 30 June,	**85,843,787**	59,781,261
Present value of the defined benefit obligation is as follows:		
Funded portion	**5,124,138**	5,687,571
Unfunded portion	**80,719,649**	54,093,690
Present value of defined benefit obligation	**85,843,787**	59,781,261

Notes (Continued)

13. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(h) The major categories of plan assets of the fair value of total plan assets are as follows:

	THE GROUP AND COMPANY	
	2020	2019
	Rs.	Rs.
Local		
- Equities	**912,097**	1,569,770
- Debt maturity >12 months	**512,414**	2,673,158
- Cash & debts maturity, 12 months	**138,352**	153,564
Overseas (including direct holdings and related mutual funds)		
- Equities	**573,903**	1,205,765
- Debt maturity>= 12 months	**2,987,372**	85,314
Total	**5,124,138**	5,687,571

(i) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP AND COMPANY	
	2020	2019
	%	%
Discount rate	**2.90-3.60**	4.34-6.01
Future salary increases	**1.5**	3
Actuarial table for employee mortality	**PMA 92-PFA 92**	PMA 92-PFA 92

(j) A quantitative sensitivity analysis for signifcant assumption as at 30 June 2020 and 2019 is shown as follows below:

Assumptions	**Discount rate**		**Future salary increase**	
	1%	**1%**	**1%**	**1%**
Sensitivity Level	**increase**	**decrease**	**increase**	**decrease**
	Rs.	**Rs.**	**Rs.**	**Rs.**
2020				
Impact on defined benefit obligation	**10,257,853**	**12,419,227**	**13,000,953**	**10,848,541**
2019				
Impact on defined benefit obligation	(11,008,356)	13,321,847	10,124,507	(8,333,879)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is **6-12 years** (2019: 13 years).

14. DEFERRED TAX (ASSETS)/LIABILITIES

Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2019: 17%).

(a) The movement on the deferred tax account is as follows:	THE GROUP AND COMPANY	
	2020	2019
	Rs.	Rs.
At 1 July,	**(91,663,043)**	(53,740,485)
(Under)/over provision of deferred tax (Note 21)	**(1,238,125)**	487,677
Deferred tax charge for the year	**(2,563,487)**	(38,410,235)
At 30 June,	**(95,464,655)**	(91,663,043)

(b) Deferred income tax at 30 June relates to the following:

THE GROUP and COMPANY	Statement of financial position		Statement of profit or loss		Statement of other comprehensive income	
	2020	2019	**2020**	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.	**Rs.**	Rs.
Deferred tax assets						
Retirement benefit obligation	**(10,199,591)**	(5,617,836)	**(1,195,387)**	(489,512)	**(3,386,368)**	6,985,465
Accelerated depreciation	**(34,791,001)**	(17,742,720)	**(17,048,281)**	(20,824,872)	**-**	4,472,727
Qualifying tax losses	**(24,428,343)**	(62,577,675)	**38,447,290**	(25,869,512)	**-**	-
Right of Use	**(11,695,399)**	-	**(11,695,399)**	-	**-**	-
Provision for stock write offs	**(884,038)**	(884,038)	**-**	(838,529)	**-**	-
Provision for doubtful debts	**(13,466,283)**	(4,840,774)	**(8,625,509)**	(1,846,002)	**-**	-
	(95,464,655)	(91,663,043)	**(117,286)**	(49,868,427)	**(3,386,368)**	11,458,192
Net deferred tax assets	**(95,464,655)**	(91,663,043)				
Deferred income tax raised/released			**(117,286)**	(49,868,427)	**(3,386,368)**	11,458,192

(c) The qualifying tax losses recognised relates to accumulated tax losses transferred to the Company on acquisition of Wellkin Hospital (Ex-Apollo Bramwell Hospital) which may be set off against future taxable income of the company. The directors have assessed the financial situation of the business and are of the view that **Rs. 365M** of tax losses will be utilised in the next 4 years. The tax losses can be carried forward till financial year 2021/2022. The tax losses not recognised as deferred tax asset is **Rs. 250M** (2019: Rs. 250M) which can be carried forward till financial year 2021/2022.

Notes (Continued)

15. TRADE AND OTHER PAYABLES

Current	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
(a) Trade payables	**296,822,418**	329,356,620	**296,822,425**	329,116,219
(b) Other payables and accruals	**149,154,133**	135,507,613	**143,630,989**	134,635,513
(c) Amounts payable to related party (Note 23)	**9,872,697**	4,929,188	**9,872,697**	4,929,188
	455,849,248	469,793,421	**450,326,111**	468,680,920
Non-Current				
(d) Other payables	**-**	20,000,000	**-**	20,000,000
Total Trade & Other Payables	**455,849,248**	489,793,421	**450,326,111**	488,680,920

(a) Trade payables are non-interest bearing and are normally settled on 60 days terms.

(b)Other payables and accruals are non-interest bearing. In addition to the above, they include mainly staff cost payable of **Rs. 41,691,428** (2019: Rs. 19,315,633), payable for utilities of **Rs. 3,620,710** (2019: Rs. 3,253,000), maintenance fees of **Rs. 3,838,079** (2019: Rs. 811,163), professional fees of **Rs. 18,166,318** (2019: Rs. 7,818,223) and provision for refund of Government Wage Assistance Scheme Rs. 30,378,193.

(c) For terms and conditions relating to related party, refer to Note 23.

(d) Other payables include as amount of Rs. 20M (Current: Rs. 20M) which relates to acquisition of Wellkin Hospital payable in January 2021. The payable relates to the outstanding lease balance for medical equipment of the previous owner of Wellkin Hospital that the group has agreed to settle as part of the business acquisition.

16. REVENUE

	Healthcare services	Pharmacy - out patient	Sales of food and beverages	Total
2020	**THE GROUP**			
Revenue	**1,927,577,443**	**50,566,000**	**13,959,396**	**1,992,102,839**
Timing of revenue recognition				
Over time	**380,578,670**	**-**	**-**	**380,578,670**
At a point in time	**1,546,998,773**	**50,566,000**	**13,959,396**	**1,611,524,169**
	1,927,577,443	**50,566,000**	**13,959,396**	**1,992,102,839**
	THE COMPANY			
Revenue	**1,927,577,443**	**50,566,000**	**-**	**1,978,143,443**
Timing of revenue recognition				
Over time	**380,578,670**	**-**	**-**	**380,578,670**
At a point in time	**1,546,998,773**	**50,566,000**	**13,959,396**	**1,611,524,169**
	1,927,577,443	**50,566,000**	**13,959,396**	**1,992,102,839**
2019	**THE GROUP**			
Revenue	1,816,216,802	78,316,088	14,165,150	1,908,698,040
Timing of revenue recognition				
Over time	284,470,225	-	-	284,470,225
At a point in time	1,531,746,577	78,316,088	14,165,150	1,624,227,815
	1,816,216,802	78,316,088	14,165,150	1,908,698,040
	THE COMPANY			
Revenue	1,816,267,308	78,316,088	3,972,260	1,898,555,656
Timing of revenue recognition				
Over time	284,470,225	-	-	284,470,225
At a point in time	1,561,334,794	78,316,088	3,972,260	1,643,623,142
	1,816,267,308	78,316,088	3,972,260	1,898,555,656

17. OTHER OPERATING INCOME

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Rental income	**3,623,209**	5,822,778	**3,623,209**	5,822,778
Gain on acquisition of subsidiary	**7,605,367**	-	**-**	-
Miscellaneous items	**1,503,755**	2,702,439	**1,312,659**	2,702,439
	12,732,331	8,525,217	**4,935,868**	8,525,217

The miscellaneous items mainly relate to refund received from insurance companies for breakdown of medical equipment.

18. OPERATING PROFIT

Included in cost of sales:		THE GROUP		THE COMPANY	
		2020	2019	**2020**	2019
		Rs.	Rs.	**Rs.**	Rs.
Costs of sales		**806,798,067**	790,094,636	**804,783,345**	782,051,317
Staff costs	(a)	**507,135,841**	411,459,806	**507,135,841**	411,459,806

Included in administrative expenses:		THE GROUP		THE COMPANY	
		2020	2019	**2020**	2019
		Rs.	Rs.	**Rs.**	Rs.
Staff costs	(a)	**264,607,023**	259,003,265	**248,401,167**	254,870,467
Depreciation on property, plant and equipment	4	**86,943,466**	111,207,797	**86,886,467**	111,156,532
Utilities		**83,259,502**	89,366,753	**81,668,386**	89,366,753
Management fees		**35,075,000**	59,168,215	**35,075,000**	59,168,215
Amortisation of intangible assets	5	**10,559,472**	10,970,640	**10,559,473**	10,970,640
Retirement benefit expense	13 (d)	**11,283,763**	3,302,550	**11,283,763**	3,302,550
Lease expenses		**-**	408,796	**-**	408,796

(a) Staff costs	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Wages and salaries	**733,884,485**	637,382,381	**718,548,409**	633,424,943
Social security cost	**27,743,219**	20,186,247	**27,111,529**	20,159,833
Pension cost	**10,115,160**	12,894,443	**9,877,070**	12,745,497
	771,742,864	670,463,071	**755,537,008**	666,330,273

19. FINANCE INCOME

	THE GROUP AND COMPANY	
	2020	2019
	Rs.	Rs.
Interest income	**5,180,978**	3,511,268

Notes (Continued)

20. FINANCE COSTS

	THE GROUP AND COMPANY	
	2020	2019
	Rs.	Rs.
Finance charges paid under finance leases	**12,950**	40,672
Interest on right of use assets	**56,943,683**	-
Interest on bank overdraft	**243,950**	677,974
Interest on bank loan	**21,597,684**	20,925,000
	78,798,267	21,643,646

21. TAXATION

The major components of income taxe expense for the year ended 30 June and 30 June 2019 are:

(a) Statement of profit or loss and other comprehensive income	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Current income tax	**-**	**-**	**-**	**-**
Deferred income tax charge:				
(Under)/over provision of deferred tax	**(1,238,125)**	487,677	**(1,238,125)**	487,677
Relating to origination and reversal of temporary differences	**1,120,839**	(49,868,427)	**822,881**	(49,868,427)
Income tax expense	**(117,286)**	(49,380,750)	**(415,244)**	(49,380,750)

(b) Reconciliation of accounting profit to income tax expense:	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Accounting profit before income tax	**42,099,042**	**65,478,495**	**40,406,420**	**66,698,603**
At statutory income tax rate of 17% (2018: 17%)	**7,156,837**	11,131,344	**6,869,091**	11,338,763
Expenses not deductible for tax purposes	**(6,035,998)**	1,609,313	**(6,046,210)**	1,609,313
(Under)/over provision of deferred tax	**(1,238,125)**	487,677	**(1,238,125)**	487,677
Tax losses	**-**	(62,609,084)	**-**	(62,816,503)
At the effective income tax rate	**(117,286)**	(49,380,750)	**(415,244)**	(49,380,750)

Expenses not deductible for tax purpose include mainly legal and professional fees, bad debts written off and marketing expenses.

22. EARNINGS PER SHARE

	THE GROUP	
	2020	2019
	Rs.	Rs.
Profit/(Loss) attributable to equity holders	**42,216,328**	114,859,245
Average number of ordinary shares in issue	**569,940,822**	569,940,822
Profit/(loss) per share (Basic and Diluted)	**0.07**	0.20

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares in issue. There have been no transactions involving ordinary shares or potential dilutive ordinary shares between the reporting date and date of authorisation of these financial statements.

23. RELATED PARTY DISCLOSURES

THE GROUP	Sales of goods or services	Management fees expenses	Amount owed to related parties	Amount owed by related parties	Deposits with related parties
	Rs.	Rs.	Rs.	Rs.	Rs.
2020					
Fellow related party: Ciel Healthcare Ltd		**30,500,000**	**9,731,397**		**107,767,524**
Fellow related party: Azur Financial		**662,221**	**141,300**		**-**
	-	31,162,221	9,872,697	-	107,767,524
2019					
Entity with significant influence over the Group: Fortis Healthcare International Limited	-	42,349,282	-	-	-
Fellow related party: Escorts Heart Institute and Research Centre Ltd.	-	-	759,175	-	-
Fellow related party: Reinette Facilities	41,307,822	-	4,170,013	447,715	-
Fellow related party: Ciel Healthcare Ltd	-	15,000,000		-	11,076,307
	41,307,822	57,349,282	4,929,188	447,715	11,076,307

THE COMPANY	Sales of goods or services	Management fees expenses	Amount owed to related parties	Amount owed by related parties	Deposits with related parties
	Rs.	Rs.	Rs.	Rs.	Rs.
30 June 2020					
Fellow related party: Ciel Healthcare Ltd	**-**	**30,500,000**	**9,731,397**	**-**	**107,767,524**
Fellow related party: Azur Financial Services	**-**	**662,221**	**141,300**	**-**	**-**
Subsidiary: Café du Volcan	**4,845,219**	**1,800,000**	**-**	**7,088,212**	**-**
	4,845,219	**32,962,221**	**9,872,697**	**7,088,212**	**107,767,524**
30 June 2019					
Entity with significant influence over the Group: Fortis Healthcare International Limited	-	42,349,282	-	-	-
Fellow related party: Escorts Heart Institute and Research Centre Ltd.	-	-	759,175	-	-
Fellow related party: Ciel Healthcare Ltd	-	15,000,000	-	-	11,076,307
Fellow related party: Azur Financial Services	-	-	-	-	
Fellow related party: Reinette Facilities	41,307,822	-	4,170,013	447,715	-
Subsidiary: Café du Volcan	3,279,775	1,800,000	-	4,899,409	-
	44,587,597	59,149,282	4,929,188	5,347,124	11,076,307

Notes (Continued)

23. RELATED PARTY DISCLOSURES (CONTINUED)

The transactions between related parties have been made on normal commercial terms and in the normal course of business. Outstanding balances at the end of reporting date are unsecured, interest free and settlement occurs in cash.

There has been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2020, the Group has not recorded any impairment of receivables relating to amount owed by related parties (2019: nil). The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Key Management personnel compensation	**2020**	2019
	Rs.	Rs.
Salaries and short term employee benefits	**91,818,310**	75,609,675
Post retirement benefits	**2,474,792**	1,724,517
	94,293,102	77,334,192

24. BUSINESS COMBINATIONS

On 6 January 2017, the Company acquired the business operations of Ex-Apollo Bramwell Hospital ("ABH"), now known as Wellkin Hospital, which are run from premises located at Moka, Mauritius. It includes the acquisition of equipment, furniture and fittings, motor vehicles, hardware and software forming part of the IT Systems, consumable and inventories and patient data and employee database. The final consideration paid is Rs 619M.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Wellkin Hospital as at the date of acquisition were:

	Fair value recognised on acquisition
	Rs.
Assets	
Plant and equipment	253,317,000
Intangible assets	18,607,900
Deferred tax assets	83,019,353
Inventories	27,525,916
	382,470,169
Liabilities	
Employee benefit obligations	21,047,609
Lease liability	77,000,000
	98,047,609
Total identifiable net assets at fair value	284,422,560
Goodwill arising on acquisition	335,376,817
Purchase consideration transferred	619,799,377

24. BUSINESS COMBINATIONS (CONTINUED)

Assets acquired and liabilities assumed (Continued)

(a) Plant and equipment and intangibles have been revalued by an independent valuer which has the relevant expertise in the field.

(b) The deferred tax asset recognised relates to accumulated tax losses transferred to the Company on acquisition of Wellkin Hospital which may be set off against future taxable income of the company.

(c) The employee benefit obligations have been calculated by an independent qualified actuary as at 6 January 2017.

The goodwill of Rs. 335,376,817 is mainly attributable to future growth expectations of Wellkin Hospital, the assembled workforce and know how, customer relationships, expected synergies and economies of scale from combining the operations of Clinique Darné and Wellkin Hospital.

Transaction costs of Rs. 13,897,784 were expensed and are included in administrative expenses.

As the initial accounting of the business combination can be determined provisionally by the end of this accounting year, the goodwill calculation is based on provisional amounts and it has been adjusted for in the current financial year. The revised goodwill amount is as follows:

	Fair value recognised on acquisition
	Rs.
Assets	
Plant and equipment	252,606,901
Intangible assets	18,607,900
Deferred tax assets	83,019,353
Inventories	20,553,878
	374,788,032
Liabilities	
Employee benefit obligations	21,047,609
Lease liability	77,000,000
	98,047,609
Total identifiable net assets at fair value	276,740,423
Goodwill arising on acquisition	343,058,954
Purchase consideration transferred	619,799,377

Notes (Continued)

24. BUSINESS COMBINATIONS (CONTINUED)

(d) With effect from 1st December 2019, C-Care (Mauritius) Ltd has acquired the entire shares held by CIEL Properties Ltd in Reinette Facilities Management Ltd ("RMFL"). RMFL is responsible for the catering needs of patients, staff and visitors in general of Wellkin Hospital. As per the group policy, the operations of RMFL has been consolidated as from January 2020.

Assets & liabilities acquired are as follows:

Assets	Rs.
Property, Plant & Equipment	681,644
Intangible Assets	100,332
Trade & Other Receivables	8,514,022
Inventory	787,282
Cash	6,690,103
	16,773,383
Trade & Other Payables	(9,168,016)
Gain on acquisition	7,605,367

25. IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations are allocated to
(i) the Department of Cardiac Sciences and Critical Care
(ii) Wellkin Hospital, which arose on acquisition of ABH

Carrying amount of goodwill	Department of Cardiac Science and Critical Care	Wellkin Hospital	Total
2020	**Rs.**	**Rs.**	**Rs.**
Goodwill	**7,507,975**	**343,058,954**	**350,566,929**
2019			
Goodwill	7,507,975	343,058,954	350,566,929

The recoverable amount of Department of Cardiac Sciences and Critical Care Cash Generating Unit has been determined based on its fair value less cost to sell. These calculations use cash flow projections based on financial budgets approved by senior management covering a five-year period. As a result of the analysis, management did not identify any impairment.

Wellkin Hospital

The recoverable amount of Wellkin Hospital has been determined based on fair value less cost to sell calculation using the cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 8.9% (2019: 8.88%). As a result of the analysis, management did not identify any impairment.

The key assumptions used for the impairment calculation are:

Discount rate: Discount rate represents the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and specific risk of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on specifc circumtances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into consideration both debt and equity. The cost of equity is derived by using comparable industries data and adjust for the country risk and size for the company. The cost of debt is based on the interest bearing borrowings.

Growth rate estimates: Rates are based on management's best estimates of the Group's and industry's growth rate. Management has used a terminal rate of 2.4% (2019: 3.9%).

25. IMPAIRMENT TESTING OF GOODWILL (CONTINUED)

	Department of Cardiac Science and Critical Care	Wellkin Hospital
Sensitivity to changes in assumptions	**Rs 'M**	**Rs'M**
2020		
Discount factor +0.5% point	(6)	(156)
Discount factor -0.5% point	24	183
Growth rate +0.5% point	7	143
Growth rate -0.5% point	(7)	(123)
2019		
Discount factor +0.5% point	(6)	(154)
Discount factor -0.5% point	24	189
Growth rate +0.5% point	7	159
Growth rate -0.5% point	(7)	(130)

26. COMMITMENTS AND CONTIGENCIES

CAPITAL COMMITMENTS

The Group has no capital commitment at end of reporting date (2019: Rs. Nil).

CONTINGENT LIABILITY

At 30 June 2020, the Group has contingent liabilities in respect of bank and other guarantees of Rs. 1,810,000 (30 June 2019: Rs. 2,015,000).
A plaint with summons was served on the company by Metropolis Bramser Lab Services (Mtius) Ltd ("Metropolis") claiming compensation amounting to **Rs. 150M** (30 June 2019: Rs. 150M)for damages suffered as a result of inter alia an alleged wrongful termination of the contract between the company and Metropolis. The company is strongly disputing this claim and filed its plea (defence) before the Supreme Court of Mauritius on 12 July 2019. The case shall proceed to hearing. Based on the legal advice obtained, management and the board have reasonable grounds to expect that no material financial impact will arise for the company.

There are also some legal cases regarding medical negligence against the Company for which judgement are yet to be delivered.
The potential aggregate claims for these legal cases amounts to Rs. 130 M (30 June 2019: Rs. 230M)

OPERATING LEASE COMMITMENTS

Motor vehicles
The Group has operating lease agreements on motor vehicles with lease term of five years.

Rental of building
The Group leases hospital and office spaces under an operating lease agreement. The lease has varying terms, escalation clauses and renewable rights.
Future minimum rental payable under operating leases as 30 June 2020 and 2019, are as follows:

	THE GROUP AND COMPANY	
	2020	2019
	Rs.	Rs.
Within one year	-	60,846,159
After one year but not more than five years	-	241,833,345
More than five years	-	150,000,000
	-	452,679,504

Notes (Continued)

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal liabilities comprise of overdrafts, bank loans, finance leases and trade payables and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has trade and other receivables and cash and deposits that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Financial assets and liabilities which are accounted for at amortised cost, except for bank loans, approximates their fair values due to short term nature. Bank loans' carrying amount approximates fair value due to the interest rate being variable and market related.

(i) *Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprise three types of risk: interest rate risk, foreign exchange risk and other price risk, such as equity risk.

(ii) *Interest rate risk*

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss before taxation (through the impact of variable rate borrowing) and on equity. There is no tax impact on equity.

THE GROUP	Increase/(decrease) basis points	Increase/(decrease) on profit before tax
		Rs.
30 June 2020	+50	**(2,076,683)**
Interest-bearing loans and borrowings	-50	**2,076,683**
30 June 2019	+50	(2,274,563)
Interest-bearing loans and borrowings	-50	2,274,563

THE COMPANY	Increase/(decrease) basis points	Increase/(decrease) on profit before tax
		Rs.
30 June 2020	+50	**(2,076,683)**
Interest-bearing loans and borrowings	-50	**2,076,683**
30 June 2019	+50	(2,274,563)
Interest-bearing loans and borrowings	-50	2,274,563

(iii) *Foreign exchange risk*

The Group has transactions mainly in Mauritian Rupee. All financial assets and liabilities are in Rupee except for cash balance of **Rs. 273,905** denominated in USD (2019: Rs. 45,356) and **Rs. 753,807** denominated in EUR (2019: Rs. 991,572) and trade receivable balance of **Rs. Nil** (2019: Rs. 5,379,485) which are denominated in EUR. Consequently, the Group's exposure to the risk that foreign exchange rate to Mauritian Rupee increases by 5%, assuming all other variable held constant,will have an effect of **Rs. 51,386** on profit before tax
(2019: Rs. 320,801). An equal and opposite effect will occur with a 5% decrease.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) *Credit risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for credit losses, estimated by the Group's management based on prior experience and the current economic environment. The Group has a dedicated debtors recovery team that monitors its debtors balances. Where applicable, the Group takes necessary legal actions in order to recover its balances from the debtors. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties.

With respect to credit risk arising from deposit and cash at bank, investment is made only with reputable financial institutions. The credit quality of the financial assets can be assessed by the historical information about the financial strengths of the financial institutions that the Group and the Company is dealing with. In the opinion of the directors, there is no associated risks as these are the reputable institutions in the industry. The Group's maximum exposure is the carrying amount of the financial assets as presented on the statement of financial position. As for financial guarantee, the maximum exposure is noted in Note 27 (v). The Group and the Company held significant bank balances with Mauritian financial institutions whose economy is rated by an independent agency namely Moody's Investor Service. Its latest credit ratings were:

Rating Agencies	Rating	Outlook
Moody's Investor Centre	Baa	Stable

(v) *Liquidity risk*

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases.

The table below summarises the maturity profile of the Group and the Company's financial liabilities based on contractual undiscounted payment.

	On demand	< 3 months	3 to 12 months	>1 yr < 5 yrs	> 5 yrs	Total
GROUP	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
30 June 2020						
Trade and other payables	**-**	**435,849,248**	**-**	**-**	**-**	**435,849,248**
Interest-bearing loans and borrowings	**-**	**17,600,786**	**50,761,718**	**270,983,060**	**151,973,203**	**491,318,767**
Lease Liabilities	**-**	**2,009,005**	**7,657,645**	**21,721,397**	**752,802,965**	**784,191,012**
Contigencies & Commitments	**-**	**-**	**-**	**-**	**1,810,000**	**1,810,000**
Other payables	**-**	**-**	**20,000,000**	**-**	**-**	**20,000,000**
	-	**455,459,039**	**78,419,363**	**292,704,457**	**906,586,168**	**1,733,169,027**
30 June 2019						
Trade and other payables	-	449,793,421	20,000,000		-	469,793,421
Interest-bearing loans and borrowings	-	12,262,291	35,449,837	253,974,034	214,734,541	516,420,703
Contigencies & Commitments	-				2,015,000	2,015,000
Other payables	-	-	-	20,000,000	-	20,000,000
	-	462,055,712	55,449,837	273,974,034	216,749,541	1,008,229,124

Notes (Continued)

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(v) *Liquidity risk (Continued)*

	On demand	< 3 months	3 to 12 months	>1 yr < 5 yrs	> 5 yrs	Total
COMPANY	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
30 June 2020						
Trade and other payables	**-**	**430,326,111**	**-**	**-**	**-**	**430,326,111**
Lease Liabilities	**-**	**2,009,005**	**7,657,645**	**21,721,397**	**752,802,965**	**784,191,012**
Contigencies & Commitments	**-**	**-**	**-**	**-**	**1,810,000**	**1,810,000**
Interest-bearing loans and borrowings	**-**	**17,600,786**	**50,761,718**	**270,983,060**	**151,973,203**	**491,318,767**
Other payables	**-**	**-**	**20,000,000**	**-**	**-**	**20,000,000**
	-	**449,935,902**	**78,419,363**	**292,704,457**	**906,586,168**	**1,727,645,890**
30 June 2019						
Trade and other payables	-	448,680,920	20,000,000		-	468,680,920
Interest-bearing loans and borrowings	-	12,262,291	35,449,837	253,974,034	214,734,541	516,420,703
Contigencies & Commitments	-	-	-	-	2,015,000	2,015,000
Other payables	-	-	-	20,000,000	-	20,000,000
		460,943,211	55,449,837	273,974,034	216,749,541	1,007,116,623

(vi) Fair values

Except where stated elsewhere, the fair values for both financial and non-financial assets and liabilities approximate their carrying values.

(vii) Capital Management

The primary objective of the Group, when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or sell assets to reduce debt.

The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. Total capital is calculated as ''equity'' as shown in the statement of financial position. The group's strategy was to achieve a gearing ratio of 60% for the year ended 30 June 2020 (2019: 60%). The gearing ratios at 30 June 2020 and 2019 were as follows:

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(vii) *Capital Management (Continued)*

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Debt (Note 12)	**415,336,625**	454,912,674	**415,336,625**	454,912,674
Cash in hand and at bank (Note 9)	**(157,315,875)**	(126,930,843)	**(147,357,717)**	(123,813,344)
Net debt	**258,020,750**	327,981,831	**267,978,908**	331,099,330
Equity	**802,551,550**	811,731,385	**803,159,622**	813,734,121
Total capital plus debt	**1,060,572,300**	1,139,713,216	**1,071,138,530**	1,144,833,451
Gearing ratio	**24%**	29%	**25%**	29%

28. SEGMENT INFORMATION

	Cafeteria	Healthcare	Total
30 June 2020	**Rs.**	**Rs.**	**Rs.**
Revenue	**13,959,396**	**1,978,143,443**	**1,992,102,839**
Operating profit	**1,692,622**	**114,023,709**	**115,716,331**
Finance income	**-**	**5,180,978**	**5,180,978**
Finance cost	**-**	**(78,798,267)**	**(78,798,267)**
Segment assets			
Total assets	**16,757,407**	**2,521,890,677**	**2,538,648,084**
Segment liabilities			
Total liabilities	**17,083,264**	**1,719,013,270**	**1,736,096,534**
Other segment items			
Capital expenditure	**-**	**85,632,877**	**85,632,877**
Depreciation	**(57,000)**	**(86,886,467)**	**(86,943,467)**
30 June 2019			
Revenue	14,165,150	1,894,532,890	1,908,698,040
Operating profit/(loss)	(1,220,108)	84,830,981	83,610,873
Finance income	-	3,511,268	3,511,268
Finance cost	-	(21,643,646)	(21,643,646)
Segment assets			
Total assets	3,878,815	1,806,652,355	1,810,531,170
Segment liabilities			
Total liabilities	957,142	997,842,643	998,799,785
Other segment items			
Capital expenditure	-	93,784,528	93,784,528
Depreciation	(51,265)	(111,156,532)	(111,207,797)

Notes (Continued)

28. SEGMENT INFORMATION (CONTINUED)

The Group has determined its operating segments based on reports reviewed by the Chief Operating officer that are used to make strategic decisions. An operating segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other operating segments. Management monitors segment performance mainly on the revenue generated per segment. The Group has identified the following operating segments:-

(i) Cafeteria sales
(ii) Healthcare services

Cafeteria sales relate to revenue generated by the subsidiaries, Le Café du Volcan & Reinette Facilities Management Ltd. It represents the only difference between Group and Company's segment.

Segment assets consist primarily of property, plant and equipment, inventories, trade and receivables and prepayments and include cash and cash equivalents. All non current assets are located in the country of domicile.

Segment liabilities comprise operating liabilities and include items such as taxation. Capital expenditure comprises additions to property, plant and equipment.

All revenues from external customers are attributable to the country of domicile. There is no single customer who generates more than 10% of the revenues of the Group and the Company. There is no foreign revenue.

29. LEASES

The group leases the Wellkin Hospital and various motor vehicles. The contract duration ranges from 5 years for the vehicles and 50 years for the land and building of the hospital. Until year 2018, the leases were treated as operating leases and as from July 2019, the leases for hospital building & motor vehicles are recognised as right -of-use assets and a corresponding liability at the date at which the leased asset is available for use. The discount rate used is 6.85% to 7.631%.

(i) *Amount recognised in the balance sheet*
The balance sheet shows the following amounts relating to leases

	THE GROUP AND COMPANY
	2020
	Rs.
Right of use assets	**713,488,382**
Buidings	**1,907,423**
Vehicles	**715,395,805**
Lease Liabilities	
Current	**9,666,650**
Non-Current	**774,524,362**
	784,191,012
(ii) Depreciation charge on right of use assets	
Buidings	**15,343,837**
Vehicles	**862,622**
	16,206,459

Interest expense in finance costs	58,572,189

The total cash flow for leases for the year ended 30 June was Rs. 40,846,162.

29. LEASES (CONTINUED)

The group leases the Wellkin Hospital and various motor vehicles. The contract duration ranges from 5 years for the vehicles and 50 years for the land and building of the hospital. Until year 2018, the leases were treated as operating leases and as from July 2019, the leases for hospital building & motor vehicles are recognised as right -of-use assets and a corresponding liability at the date at which the leased asset is available for use. The discount rate used is 6.85% to 7.631%.

The lease liabilities are repayable as follows:

	THE GROUP AND COMPANY		
2020	**Rs.**	**Rs.**	**Rs.**
Repayable in	**Land & Building**	**Vehicle**	**Total**
Not later than 1 year	8,979,070	687,581	9,666,651
Later than 1 year and not later than 2 years	12,954,783	736,187	13,690,970
Later than 2 years and not later than 3 years	2,105,189	1,202,549	3,307,738
Later than 3 years and not later than 5 years	4,722,688	-	4,722,688
Later than 5 years	752,802,965	-	752,802,965
Total	**781,564,695**	**2,626,317**	**784,191,012**

EVENTS AFTER THE REPORTING DATE

On 22 September 2020, the board of directors of the C-Care (Mauritius) Ltd has declared a final dividend of Rs. 0.20 (20 cents per share for the financial year ending 30 June 2020. The total dividend declared amounts to Rs. 113,988,164.

There were no other events after the reporting date which require disclosures in or amendments to these financial statements.

Notice of Annual Meeting to Shareholders

Notice is hereby given that the Annual Meeting of the shareholders ("the Meeting") of C-Care (Mauritius) Ltd ("the Company") will be held on **15 December 2020 at 14.00 hours** at the Registered Office of the Company, 5th Floor, Ebène Skies, rue de l'Institut, Ebène to transact the following business:

1. To receive, consider and approve the Group's and the Company's Financial Statements for the financial year ended 30 June 2020, including the Annual Report and the Auditors' Report, in accordance with section 115(4) of the Companies Act 2001.

2. To appoint, as Director of the Company to hold office until the next Annual Meeting, Mr. Guillaume Dalais, who has been nominated by the Board of Directors on 22 September 2020.

3. To appoint, as Director of the Company to hold office until the next Annual Meeting, Mr. Yougendranath Kissoondary, who has been nominated by the Board of Directors on 22 September 2020.

4. To appoint, as Director of the Company to hold office until the next Annual Meeting, Mr. Sukhmeet Singh Sandhu, who has been nominated by the Board of Directors on 22 September 2020.

5. To appoint, as Director of the Company to hold office until the next Annual Meeting, Mr. Jérôme Vidal, who has been nominated by the Board of Directors on 19 November 2019.

6. To re-elect, as Directors of the Company and by way of separate resolutions, to hold office until the next Annual Meeting, the following persons who offer themselves for re-election:
   - 6.1 Mrs. Hélène Echevin
   - 6.2 Mr. Deonanan Makoond
   - 6.3 Mr. Sylvain Pascal
   - 6.4 Mrs. Christine Sauzier
   - 6.5 Mr. Michel Thomas

7. To take note of the automatic re-appointment of PricewaterhouseCoopers Ltd as auditor of the Company for the financial year ending 30 June 2021, in accordance with section 200 of the Companies Act 2001 and to authorise the Board of Directors of the Company to fix their remuneration.

8. To ratify the remuneration paid to the auditor for the financial year ended 30 June 2020.

By Order of the Board

Reshma Curpen, ACIS
For and on behalf of
CIEL Corporate Services Ltd
Company Secretary

16 November 2020

Notes:

i. A shareholder of the Company entitled to attend and vote at the Meeting may appoint a proxy, whether a member or not, to attend and vote in his/ her stead. A proxy need not be a shareholder of the Company.

ii. Proxy forms should be deposited at the Share Registry and Transfer Office of the Company, MCB Registry & Securities Limited, Ground Floor, Raymond Lamusse Building, 9-11, Sir William Newton Street, Port-Louis, not less than twenty-four (24) hours before the Meeting, and in default, the instrument of proxy shall not be treated as valid.

iii. A proxy form is included in this Annual Report and is also available at the Registered Office of the Company, 5th Floor, Ebène Skies, rue de l'Institut, Ebène.

iv. For the purpose of this Annual Meeting, the Directors have resolved, in compliance with section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice and vote at the Meeting, shall be those shareholders whose names are registered in the share register of the Company as at 16 November 2020.

v. The minutes of proceedings of the Annual Meeting of the shareholders held on 13 December 2019 are available for consultation by the shareholders of the Company during normal trading office hours at the Registered Office of the Company.

vi. The profiles and categories of the Directors proposed for appointment and re-election are available under the Corporate Governance section of the annual report.

Proxy Form

I/We, ...

of ....

being shareholder(s) of C-Care (Mauritius) Ltd ("the Company") do hereby appoint

....

of ....

or, failing him/her ....

of ....

or, failing him/her, the Chairman of the Meeting as my/our proxy to represent me/us and vote for me/us and on my/our behalf at the Annual Meeting of the shareholders of the Company ("the Meeting") to be held on 15 December 2020 at 14.00 hours at the Registered Office of the Company, 5th Floor, Ebène Skies, rue de l'Institut, Ebène and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner (Please vote with a tick).

RESOLUTIONS	FOR	AGAINST
1. To receive, consider and approve the Group's and the Company's Financial Statements for the financial year ended 30 June 2020, including the Annual Report and the Auditors' Report, in accordance with section 115(4) of the Companies Act 2001.		
2. To appoint, as Director of the Company to hold office until the next Annual Meeting, Mr. Guillaume Dalais, who has been nominated by the Board of Directors on 22 September 2020.		
3. To appoint, as Director of the Company to hold office until the next Annual Meeting, Mr. Yougendranath Kissoondary, who has been nominated by the Board of Directors on 22 September 2020.		
4. To appoint, as Director of the Company to hold office until the next Annual Meeting, Mr. Sukhmeet Singh Sandhu, who has been nominated by the Board of Directors on 22 September 2020.		
5. To appoint, as Director of the Company to hold office until the next Annual Meeting, Mr. Jérôme Vidal, who has been nominated by the Board of Directors on 19 November 2019.		
6. To re-elect, as Directors of the Company and by way of separate resolutions, to hold office until the next Annual Meeting, the following persons who offer themselves for re-election:		
6.1 Mrs. Hélène Echevin		
6.2 Mr. Deonanan Makoond		
6.3 Mr. Sylvain Pascal		
6.4 Mrs. Christine Sauzier		
6.5 Mr. Michel Thomas		
7. To take note of the automatic re-appointment of PricewaterhouseCoopers Ltd as auditor of the Company for the financial year ending 30 June 2021, in accordance with section 200 of the Companies Act 2001 and to authorise the Board of Directors of the Company to fix their remuneration.		
8. To ratify the remuneration paid to the auditor for the financial year ended 30 June 2020.		

Signed this .... day of .... 2020.

Signature/s ....

Notes:

- i. Any shareholder of the Company entitled to attend and vote at the Meeting, may appoint a proxy, whether a member or not, to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.
- ii. If the instrument appointing the proxy is returned without an indication as to how the proxy shall vote on any particular resolution, the proxy will exercise his/her discretion as to whether, and, if so, how he/she votes.
- iii. The duly signed Proxy form shall be deposited at the Share Registry and Transfer Office of the Company, MCB Registry & Securities Limited, Ground Floor, Raymond Lamusse Building, 9-11, Sir William Newton Street, Port-Louis not less than twenty-four (24) hours before the Meeting, and in default, the instrument of proxy shall not be treated as valid.

Application Form for e-communication

Should you wish to receive by e-mail, future notice of shareholders' meetings, annual reports, accounts, credit advices and any other documents made available to you in your capacity as shareholder of C-Care (Mauritius) Ltd, thank you for filling the below section and return to:

C-Care (Mauritius) Ltd
C/o MCB Registry & Securities Ltd
Ground Floor, Raymond Lamusse Building,
9-11, Sir William Newton Street,
Port-Louis

Dear Sir/Madam,

Re: Authorisation to receive electronic communications

I/We,...

Name of shareholder *(primary shareholder in case of joint holding)*

National Identity Card Number/Passport Number (for individuals)

Business Registration Number (for corporate bodies)

agree to receive by e-mail, notice of shareholders' meetings, annual reports, accounts, credit advices and other shareholder documents made available to me/us in my/our capacity as shareholder of C-Care (Mauritius) Ltd ("C-Care") and also agree to receive notification that documents such as annual reports and circulars have been posted on C-Care's website for consultation. I/we also agree to abide to the Terms and Conditions defined below.

Email address

Yours faithfully,

Name of signatory.. Signature/s ....

Contact number: .... Date: ....

- Upon approval of my/our request, issuance of paper notice of meetings, annual reports, accounts, credit advices and other shareholder documents shall be discontinued. However, in particular circumstances, I/we understand that C-Care reserves the right to send documents or other information to the shareholders in hard copy rather than by e-mail.
- C-Care cannot be held responsible for any failure in transmission beyond its control any more than it can for postal failures.
- My/our instruction will also apply to any shares that I/we may hold jointly.
- In case of joint holders, the person named first in the share register will be eligible to fill in and sign this document.
- In case of companies, the person/s authorised will be eligible to fill in and sign this document, and, as a corporate shareholder, we shall ensure that the e-mail address provided shall easily be read by/accessible to employees responsible for our shareholding in C-Care and that any de-activation of the said e-mail address will be notified promptly to C-Care, C/o MCB Registry & Securities Ltd, Ground Floor, Raymond Lamusse Building, 9-11, Sir William Newton Street, Port-Louis.
- I/We shall be responsible for updating the designated e-mail address details, as and when necessary, to C-Care, C/o MCB Registry & Securities Ltd, Ground Floor, Raymond Lamusse Building, 9-11, Sir William Newton Street, Port-Louis.
- I/We further undertake to hold C-Care and/or its agents harmless in the execution of my/our present instructions and not to enter any action against the aforesaid parties and hereby irrevocably renounce to any rights I/We might have accordingly.
- The present authorisation shall remain valid until written revocation by me/us is sent to C-Care, C/o MCB Registry & Securities Ltd, Ground Floor, Raymond Lamusse Building, 9-11, Sir William Newton Street, Port-Louis.
- This instruction supersedes any previous instruction given to C-Care regarding the dispatch of the documents mentioned above.

Annual Report 2020

C-Care (Mauritius) Ltd
5th Floor, Ebène Skies, Rue de l'Institut, Ebène,
Mauritius
BRN No: C07002054
www.c-care.mu