KALIS INVESTMENT

ANNUAL REPORT 2024

ABOUT THIS REPORT

The directors are pleased to present their report for the year ended 30 June 2024

PRINCIPAL ACTIVITY

Kalis Investment Ltd ('the Company') is a private company incorporated and domiciled in Mauritius. The principal place of business is Port Louis and the company is the holding entity for the Kalis Investment Group of Companies.

RESULTS

The current financial statements incorporate the results of the Company as well as its subsidiaries (together referred to as "Kalis Investment Group of Companies"). The results for the year ended 30 June 2024 are shown in the Statement of Profit or Loss and other Comprehensive Income on page 2 of the financial statements.

STATE OF AFFAIRS

The state of the group's affairs as at 30 June 2024 is set out in the Statement of Financial Position on page 3 of the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

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

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis.

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

Shareholders' agreement with respect to S221(4) of the Companies Act 2001

The shareholder of the Parent has agreed that the annual report need not comply with any of the paragraphs (a), and (d) to (i) of S221(1) of the Companies Act 2001 and this decision is hereby being noted in the annual report.

AUDITORS

The auditors, Navy and Yan, are automatically re-appointed in accordance with S 200(1) of the Companies Act 2001.

By order of the Board

Director

Date 31.12.2024

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OUR VALUES

OUR MISSION

We aspire to be a partner of choice by being consistently the leader in our field of specialisation, endlessly delivering on promises and never compromising in the interest of the coming generations.

OUR VISION

We will be sustainable in whatever we undertake and protect the interest of our stakeholders by a team of professionals whose agility and technological drive will position the group among the top 10 in the 15 years to come in Mauritius.

OUR VALUES

- Discipline
- Respect
- Proactivity
- Teamwork
- Empowerment

WHO WE ARE

BUILDING LEADERS SINCE 1997

Kalis Investment Ltd, the holding company for various subsidiary companies within the group was incorporated in 2008. However, the first company, Keep Clean Ltd, was incorporated as far back as December 1997. The company was originally specialized in internal Cleaning services and diversified over the years into Facilities Management. Today, Kalis Investment is a well structured and vibrant organization with a team of qualified professionals with the commitment and dedication to meet the vision that the board has defined for the group for the coming 25 years. It has four divisions headed by experts whose knowledge and expertise of the market where they operate has contributed enormously in positioning us as a marked reference in the following sectors:

- ENVIRONMENT DIVISION
- FACILITIES DIVISION
- TRADE AND LOGISTICS
- TECHNOLOGY DIVISION

The group has a total workforce of almost 1,300 employees and proudly considers the interest of its personnel as the most important asset it possesses since its existence.

2024 FINANCIAL HIGHLIGHTS

REVENUE GROWTH

Rs 476.2 Million

FY 2024

Rs 438.3 Million
FY 2023

9% INCREASE

PROFITABILITY

Profit before tax

Rs 22.3 MILLION
FY 2024

Rs 30.1 MILLION
FY 2023

mainly due to higher administrative and operating costs.

Net profit after tax

Rs 19.0 MILLION
FY 2024

Rs 25.3 Million
FY 2023

OPERATING PERFORMANCE

Gross profit

Rs 112.6 MILLION
FY 2024

Rs 118.6 MILLION
FY 2023

23.6% GROSS PROFIT MARGIN

DEPRECIATION AND FINANCE COSTS

remained stable with modest increases

ADMINISTRATIVE EXPENSES

7.3%

COMPREHENSIVE INCOME

Rs 13.8 MILLION
FY 2024

Rs 26.3 Million
FY 2023

Rs 5.2 MILLION REDUCED

CASH FLOW AND LIQUIDITY

Net cash from operating activities

Rs 30.0 MILLION
FY 2024

Rs 27.8 MILLION
FY 2023

Investment in PPE increased significantly to
Rs 39.2 MILLION

Cash and cash equivalents rose to

Rs 11.3 MILLION
FY 2024

Rs 7.9 MILLION
FY 2023

INVESTMENTS

The group continued to hold investments in redeemable preference shares and foreign equity, maintaining fair value classification under IFRS.

FINANCIAL POSITION

Total equity

Rs 110.7 MILLION
FY 2024

Net book value
of PPE

Rs 146.3 MILLION
FY 2024

Total assets

Rs 515 MILLION
FY 2024

Rs 459 million
FY 2023

Borrowings and finance

Rs 199.1 MILLION
FY 2024

Rs 189.2 million
FY 2023

RETIREMENT BENEFITS

Retirement benefit obligations increased to

Rs 27.5 MILLION
FY 2024

Rs 21.9 MILLION
FY 2023

influenced by actuarial adjustments and service cost provisions

MESSAGE FROM THE GROUP EXECUTIVE CHAIRMAN

> ***"AT THE HEART OF OUR SUCCESS LIES OUR PEOPLE. THEIR DEDICATION, EXPERTISE AND PASSION ARE THE DRIVING FORCES BEHIND EVERY ACHIEVEMENT***

MESSAGE FROM THE GROUP EXECUTIVE CHAIRMAN, MR. PREMDATH RUGHOOBUR

As we close the financial year 2023–24, I am proud and inspired by the collective strength and commitment that have defined our journey. Our vision is to be a forward thinking, customer centric and resilient organization that perseveres through an ever evolving economic landscape.

This year, our resilience was tested, yet our unwavering focus on innovation, operational excellence, and adaptability ensured we not only navigated through challenges but also seized new opportunities. Our strategic investments in technology and sustainable practices have fortified our foundation, enabling us to remain agile and responsive to market dynamics.

At the heart of our success lies our people. Their dedication, expertise and passion are the driving forces behind every achievement. We remain committed to fostering a culture that empowers our employees, promotes continuous learning, and celebrates diversity, ensuring we attract and retain the best talent.

Equally, our customers remain at the core of our mission. We have deepened our relationships by listening attentively, understanding their evolving needs, and delivering service excellence. Our commitment to exceptional service and value creation has strengthened our position as a trusted partner.

LOOKING AHEAD

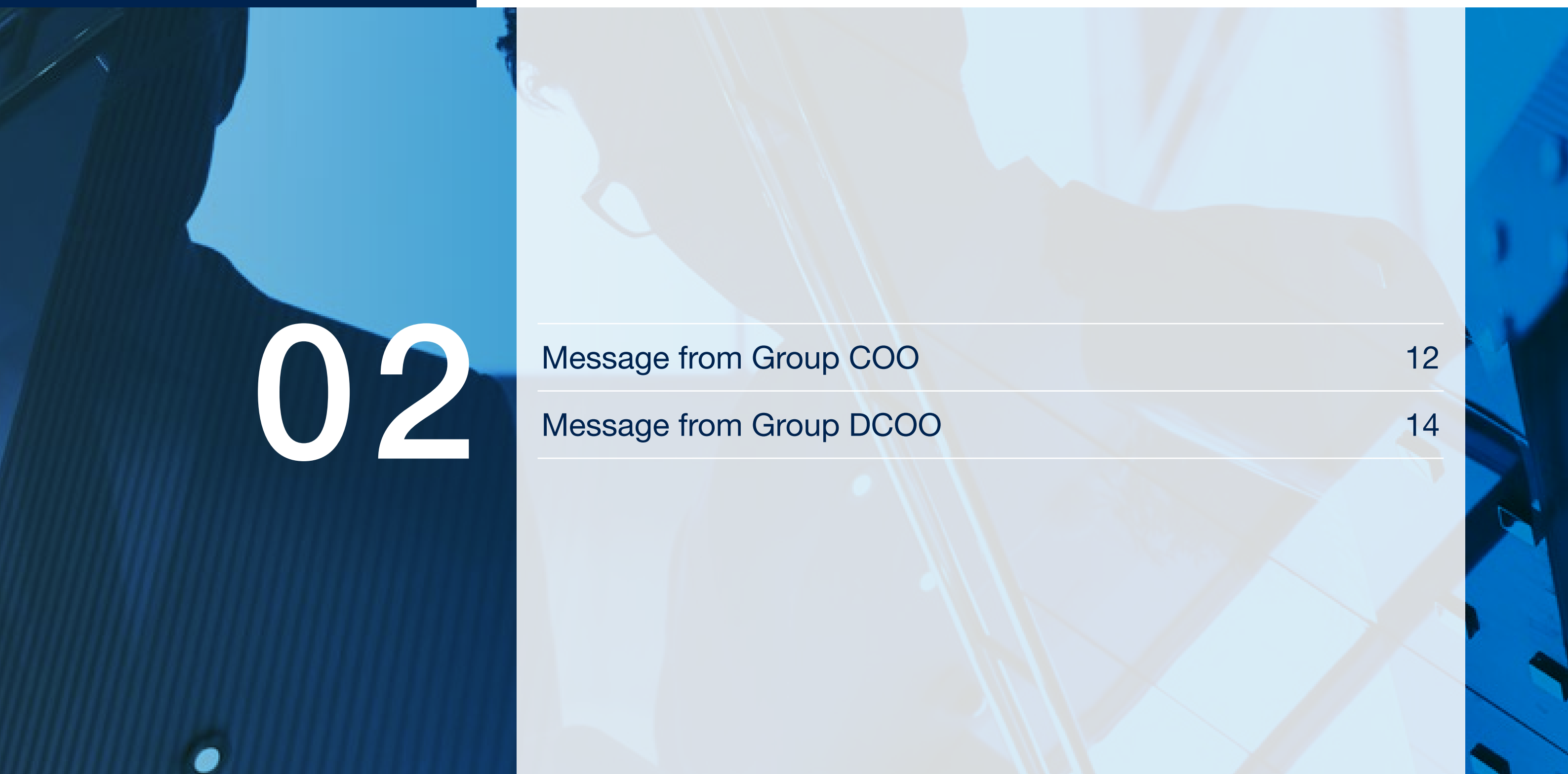
We are energized by the possibilities in front of us. With a clear vision, a resilient foundation and a dedicated team, we are poised to continue delivering sustainable growth and exceptional value to all our stakeholders.

Thank you for your continued trust and support.

Mr. Premdath Rughoobur

Group Executive Chairman
Kalis Investment Group

PERFORMANCE



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MESSAGE FROM GROUP COO

THE VISION OF ITS BOARD AND DETERMINATION OF ITS EMPLOYEES ... DRIVING US FORWARD.

A MESSAGE FROM MR. DAYEN APPASAMY, GROUP COO, KALIS INVESTMENT GROUP

DEAR STAKEHOLDERS,

The covid era took all by surprise and altered the business environment drastically, with its irreversible changes. Kalis Investment has had to adapt to keep moving. While many thought that several years post Covid would bring stability, new challenges popped up.

The authorities, without prior notice, decided to review wages in the country, at regular intervals. The marked increases occurred during short spans of time. Unprepared, the group had no choice but to accept what was being imposed.

Our big two companies are highly labour intensive. This dependence on human resources caused our divisions to be heavily impacted, as the wage bills rose drastically.

Kalis Investment adapted itself, showed resilience, and our team proved resourceful, while navigating through stormy waters.

The end result: record breaking revenue figures for our two major divisions and encouraging performance for the remaining ones.

ENVIRONMENT DIVISION

This division has seen its sales figure reach new heights, with a rise of 10%. Profit though, has suffered from rising cost of service provision. Besides being labour intensive, the division is also heavily dependent on heavy vehicles, whose costs of operation are continuously on the rise.

The situation in the very short term has been tough, but once the division is able to factor in fully all the cost changes into its pricing, we expect the returns to rise anew in coming years.

In the midst of all this, the Environment Division keeps preparing for the future, with major investment, amounting to Rs 32M, undertaken in new trucks and feasibility on-going for a major upcoming capital project.

FACILITIES DIVISION

The FM division has continued on the dynamic it took since several years now. The turnover for the year has exceeded the Rs 200M mark. The major driver of turnover is its cleaning operations, followed by construction segment and third being the Facilities Management activities.

The high dependence on human resources and rising costs thereof, has had an undeniable impact on its profitability, but the division has been able to maintain a reasonable return of 5.8 %.

We are hopeful that this division will continue to show positive growth to its financial performance, given major contracts secured in recent months.

TRADE AND LOGISTICS DIVISION

With 90% of its sales directed to the private sector, the room to manoeuvre has been limited, but the Trade and Logistics Division has demonstrated its ability to surpass the odds over the years.

The revenue figure has stabilised itself at the Rs 27M mark, but net profits has risen by 141 %. A sign of increased operational efficiency, resulting from constant effort to improve on performance.

Having innovated with new paint products over time, the Division is now being called upon to diversify its activities into the logistics arena.

TECHNOLOGY DIVISION

As much as technology is fast evolving, this Division, operating with innovative technologies at its core, has equally known a rapid growth, with revenue figure topping at Rs 30M for the year.

Strategic decisions taken has seen a series of contracts awarded, in IT related field, fostering development, with an encouraging return of 9%.

The Technology Division is gradually making a name for itself in its market and the prospects are numerous, based on market and internal dynamics.

CONCLUDING NOTE

As a concluding note, we can all but highlight the ability of Kalis Investment to withstand the series of challenges it has faced, and to be able to keep its head out of the water. This is thanks to the vision of its board and determination of its employees, from management to the lower levels of the ladder.

While we have pointed out how rising labour costs have impacted the group, we are also first to acknowledge that it is the same human resources which are currently driving us forward.

So, we firmly believe in our employees!

Mr. Dayen Appasamy

Group Chief Operating Officer

Kalis Investment Group

MESSAGE FROM GROUP DCOO

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FORGING A SUSTAINABLE FUTURE – TOGETHER

A MESSAGE FROM MRS. SALIMAH MAUDERBACUS, DEPUTY COO, KALIS INVESTMENT GROUP

DEAR STAKEHOLDERS,

As we reflect on 2024, I am filled with immense pride for what the Kalis Investment Group has achieved collectively. This year was not just about sustaining growth; it was about redefining it through purpose-driven progress.

Our Group's strength lies in our ability to adapt, innovate, and unite under a shared vision. We've embraced new frontiers, most notably our strategic expansion into the Middle East—a bold step that aligns with global sustainability goals and positions us as pioneers in resource transformation and circular economies. This venture isn't just a business opportunity; it's a commitment to building a cleaner, more efficient future—one where economic growth and environmental stewardship go hand in hand.

EMBEDDING ESG AT OUR CORE

In 2024, we deepened our commitment to Environmental, Social, and Governance (ESG) principles, ensuring they guide every facet of our operations. From reducing our carbon footprint across subsidiaries to fostering inclusive workplaces and upholding the highest standards of ethical governance, we are translating ambition into action. Keep Clean Ltd.'s waste-management innovations and Atics Ltd.'s energy-efficient solutions exemplify how sustainability fuels both profit and purpose.

Across all our operations, the dedication of our teams has turned challenges into milestones. Whether through operational excellence, technological integration, or sustainable practices, every effort has reinforced our reputation as a diversified, forward-thinking Group—one that measures success not just in financial returns, but in positive impact.

As we look ahead, our focus remains on collaboration, innovation, and resilience. The Kalis Group is more than the sum of its parts—it's a dynamic force driven by shared purpose. Together, we will continue to elevate industries, empower communities, and lead change—always with accountability and transparency as our compass.

Thank you for your trust and tireless commitment. The best is yet to come.

With gratitude,

Mrs. Salimah Mauderbacus

Deputy Chief Operating Officer

Kalis Investment Group

DIVISIONAL REVIEW

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REPORT FROM THE ENVIRONMENT DIVISION (ATICS LTD)

> ***"THE STRATEGY REVOLVES AROUND MAKING THE DIVISION AND ITS SERVICES UNIQUE, SO THAT IT STANDS OUT FROM ITS COMPETITORS ON THE MARKET.***

ATICS
Pour une ile Maurice plus propre

OVERVIEW OF THE DIVISION'S STRATEGY AND KEY OBJECTIVES

The core activities of the Environment Division are the collection and transfer of solid waste around the island and maintenance of public beaches, with local authorities as main clients. There is a pool of private clients to which the company also provides its services.

With local authorities the services are on a contract basis. Tenders are floated after a period of three years, in general.

The division has been practicing a differentiation strategy. The strategy revolves around making the division and its services unique, so that it stands out from its competitors on the market.

To that effect the division continuously invests in new lorries.

The division has also set preventive maintenance of its fleet of vehicles as one of its strategies.

The differentiation factor has been to invest in new equipment to strengthen the capacity of the business, while continuously enhancing efficiency.

The objectives of the division are to secure ongoing contracts with local authorities so that at least 80% of the division's revenue are derived from there and to increase the private clients' market share to bring its contribution to at least 30% of the total revenue of the division. Currently revenue from private clients represent 20% of the total revenue of the division.

Another objective of the division is to purchase at least three trucks during each financial year.

To achieve the objective set for public contract, it is important to contain the costs of providing the services.

Two main factors contribute to the costs of sale: Vehicle running cost and labour cost.

Investment in new trucks mitigates costs of repairs and maintenance, while preventive maintenance increases the life span of existing vehicles.

OPERATIONAL PERFORMANCE AND RESULTS

Three pivotal areas have been considered while assessing the operational performance of the division: quality, efficiency, and reliability.

01	02	03
Quality:	**Efficiency:**	**Reliability**
This dimension evaluates how well the services meet customer expectations and compliance standards. Scarcity of labour on the local market has made it that on some contracts the quality of the work was not to the satisfaction of the clients. Additional means were deployed from different sites to improve the level of service.	This can only be achieved by a proper mix of time, capital, and labour resources. The division has constantly been reviewing the resource mix deployed on each site. Synergies between the various sites have contributed to enhance site efficiency.	Consistency in performance and delivery is key. The division has strived to maintain its level of service to satisfy its clients, despite truck breakdown and shortage of labour.

REVENUE AND PROFIT CONTRIBUTION

Despite an increase in revenue, the profit realised was lower than the previous year.

Gross variations in labour costs and vehicle expenses have contributed to reduced profit during the financial year 2023-2024.

Legislation regarding minimum wage has impacted heavily on labour costs, while scarcity and high price of spares has resulted in a high vehicle cost.

MARKET AND COMPETITIVE LANDSCAPE

The local waste management business is very competitive as it has a very limited size.

With regards to public contracts, as the number of local authorities will not increase competitors fight over prices to capture existing markets.

The private client market is also very competitive with many individuals owning their trucks. With low overheads they can provide a very cheap service, very often to the detriment of quality.

PRODUCT OR SERVICE INNOVATIONS

The division has invested in trucks fitted with cranes to innovate its services.

Further, vehicles are wrapped, promoting both awareness of services and building company image

SUSTAINABILITY AND ENVIRONMENTAL INITIATIVES

Sustainability can only be achieved with the right mix of economic, social and environmental factors linked to the organisation.

ENVIRONMENT

Generally, companies' environmental footprints are assessed by evaluating four factors: greenhouse gas emissions, water use, waste and pollution, land use and biodiversity.

In the case of ATICS, the first three components of relevance are constantly addressed:

- The choice of vehicles purchased
- Frequency of washing of lorries
- Sensitisation of drivers and operatives to avoid littering and illegal dumping

Award of contracts from both private and public clients depends largely on our environmental engagement.

SOCIAL

Social factors consider how the organization maintains relationships with its employees, suppliers, customers, and the communities in which it operates.

As a socially responsible organisation, ATICS has benefited a lot:

- Employees commitment to work even during festive seasons
- Suppliers continually providing spare parts even if account is overdrawn
- Taxi lorries providing services despite delay in payment
- Banks providing temporary overdrafts
- Factoring companies providing support

CHALLENGES AND RISK MANAGEMENT

The main challenge is to remain competitive.

The major cost drivers that need to be monitored are vehicle expenses and labour costs.

VEHICLE EXPENSES

To maintain the cost of repairs as low as possible, a preventive maintenance plan has been put into place. Supervisors and drivers have been urged to follow closely their maintenance schedule.

Further a grading for Drivers is being implemented to sensitise and motivate drivers to maintain their vehicles in good conditions.

There are however some factors that are beyond our control:

- Increased prices of spare parts
- Unavailability of some spare parts

To mitigate the risk of buying spares locally at fluctuating prices, a procurement officer has been designated to source out spares directly from overseas.

Labour costs

The components that inflate labour costs are overtime. Overtime often arises when there are lorry breakdowns.

With the implementation of the vehicle preventive maintenance plan, it is expected that downtime with respect to breakdown will decrease, thus having an impact on overtime.

Over the past years there has been a series of legislations pertaining to salaries, causing a surge in labour cost. If there is a stabilisation in salaries, there will be less anticipated fluctuation in the labour cost.

Maintaining the cost of sale as low as possible while not compromising on the quality of service will enhance the performance of the company.

INVESTMENT AND CAPITAL EXPENDITURE

The following investments were made during the financial year.

Details	Amount
2 UD Croner Lorries	7,306,130
2 Quester lorries with Roll on Roll off cranes	16,600,000
4 Garbage Compactors	4,682,044
4 fixed compactors	1,464,656
4 Motorcycles	209,283
Other Small Investments	1,564,190
Total	**32,375,303**

FUTURE OUTLOOK AND GROWTH PLANS

Government policies and decisions with respect to waste management will govern our future plans and investment.

In the short term, however, an increase in the revenue is expected:

- Renewal of ongoing contracts with local authorities.
- Effort is being put on the Private segment to increase the market share and revenue.

The feasibility of a capital project is being undertaken by the division.
It is expected that this project will, in the long run, bring value to the division.

REPORT FROM THE FACILITIES DIVISION (KEEP CLEAN LTD)

"INCREASING SALES OVER ITS LIFE CYCLE ATTRIBUTABLE TO THE DIVERSIFIED RANGE OF SERVICES.

KeepClean
EXPERIENCE, EXPERTISE AND TRUST

OVERVIEW OF THE DIVISION'S STRATEGY AND KEY OBJECTIVES

The Division has since its inception intervened at several stages of the life cycle of buildings. The building life cycle refers to the view of buildings over the course of its life, and the companies within the Division have over the years positioned themselves at stages which are defined as: Build, Manage and Maintain.

With 27 years of experience in the built environment, coupled with ISO proven standards and procedures in place, the Facilities Division has developed a unique proven practice of spending energy on construction, facilities management, cleaning, hygiene and real estate activities to create a progressive and integrated approach to allow our clients to focus on their core business, while we take care of the non-core activities.

The Division is spearheaded by Keep Clean Ltd, a registered constructor, a strongly anchored Facilities Management service provider and a renown and experienced Cleaning contractor.

The Division is also host to Top Class Hygiene Services Ltd. Specialising in hygiene services, namely female sanitact bins and Swayam Properties acting as a real estate management firm, being in charge of the rental of properties belonging to the Division.

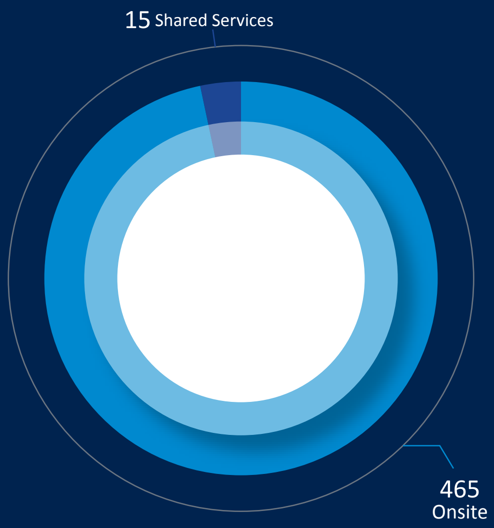
KEY ACHIEVEMENTS AND MILESTONES

The Division, with Keep Clean being the first to be incorporated In 1997, presently has a workforce of 480 individuals, with diversified skillset to include Construction, Facilities Management and Cleaning and Hygiene.

KEY ACHIEVEMENTS AND MILESTONES

INCORPORATED IN 1997

480 INDIVIDUALS



Today the companies provide a range of services which are:

ENGINEERING

- Building and Civil works
- MEP
- Maintenance of Building Services

NON ENGINEERING

- Building Management
- Soft services related to Buildings

The Facilities Division has benefitted from increasing sales over its life cycle attributable to the diversified range of services it now provides.

CUSTOMER ENGAGEMENT AND SATISFACTION

The companies within the Division has always responded to customer expectations and perceptions by striving continuously and consistently for excellence. In June 2004, Keep Clean was awarded ISO 9001:2000 certification, targeting business excellence through encompassing of systematic approach and focusing on customers, management commitment, continuous improvement and documented processes and procedures.

The focus of our entities is to provide an integrated service offering that enables its clients to do what they do best, giving them the freedom to attend to their core activities, while we manage the non-core business issues with excellence and integrity.

OPERATIONAL EFFICIENCY AND COST MANAGEMENT

Quality service is the cornerstone for business success and there is an increasing demand from customers for the need of improved work systems.

ISO certification is therefore a pathway, for our companies, through which it targets to attain business excellence by a systematic approach to work systems, processes and procedures, strategy and management commitment.

The Division extends quality to its value system, mission and vision, which ultimately helps in consolidating team spirit and total dedication among staffs and building a quality culture aimed at fostering future growth.

The emphasis on quality has enabled the our entities to compete on strategic grounds where there is no compromise on price and customer satisfaction.

SUSTAINABILITY AND ENVIRONMENTAL INITIATIVES

OUR REPUTATIONAL PRIORITIES:

1	Integrity – Refers to the 'clean' manner in which it operates, with an honest and reliable approach, making it consistent, trustworthy and transparent.
2	Proficient – Refers to the legacy and heritage of the business
3	Progressive – signifies change, improvement and forward thinking, moving forward and constantly adapting to the market.
4	Collaboration – with our stakeholders, to provide the most tailored and suitable service to all.
5	Lasting – Endurance over time, operating in a sustainable and environmentally friendly manner.

FUTURE OUTLOOK AND GROWTH PLANS

The Facilities Division today faces the challenges of all labour intensive organisations, namely scarcity of resources, increasing costs coupled with increased customer demands.

The need to re-organise and consolidate is ever present in this time of changing socio-economic environment where the variables are evolving faster than ever before and constants are non-existent.

Our companies being firmly anchored, the Facilities Division sees such situations as opportunities up for the grab, allowing it to review its strategies in terms of service offerings and sourcing methods.

REPORT FROM THE TRADE AND LOGISTICS DIVISION (ARKOLAC LTD)

"WE HAVE BUILT STRONG SUPPLIER AND CUSTOMER RELATIONSHIPS.

ANNUAL REPORT FOR FINANCIAL YEAR ENDED 30TH JUNE 2024

OVERVIEW OF THE DIVISION'S STRATEGY AND KEY OBJECTIVES

At **Arkolac Ltd**, our vision is to establish a strong reputation for delivering products and services of exceptional quality, supported by a team known for integrity, professionalism, and dedication—both locally and internationally.

We are committed to offering our valued customers high-quality products that are the result of innovation and advanced technology—designed not only to meet their needs but to exceed expectations in authenticity, design, cost-effectiveness, reliability, and service excellence.

We foster a culture of teamwork, encouraging each member of our staff to reach their full potential in an inspiring and motivating work environment. Through responsible and transparent management, we ensure the long-term success and best interests of all our stakeholders.

KEY ACHIEVEMENTS AND MILESTONES

During the financial year 2024, we have secured some major contracts namely,

1	Supply of Paints at New Flacq Hospital – Larsen & Toubro Ltd
2	Painting of 800 NSLD Housing Units – Square Deal Ltd
3	Painting of SME Park at Vuillemin – Square Deal Ltd
4	Painting of 115 NHDC Housing Units at Bambous – Square Deal Ltd
5	Painting of Trianon Shopping Mall – BTC Construction Ltd
6	Supply of Paints & Tiles at Rose Belle Hospital – Prakash Foolchand Ltd
7	Supply of Paints & Tiles at Rabindranath Tagore Institute – Prakash Foolchand Ltd
8	Supply of Paints at DBM Building Goodlands & R.D.Rempart – SNB Construction
9	Supply of Paints & Tiles at Rose Belle Market Fair – First Grade Construction Ltd
10	Supply of Paints & Tiles at Souillac Hospital – Clima Pro Ltd
11	Supply of Paints & Tiles at Prime Minister's Office – Nova Glass Ltd
12	Supply of Paints & Tiles at Bambous SSS – J.Dookun Ltd
13	Supply of Tiles at Petit Raffray Govt School – TD & B Ltd
14	Supply of Paints at Floreal Youth Centre – SMS Contracting Ltd
15	Supply of Paints at Cite Kennedy Q.Bornes Youth Centre – SMS Contracting Ltd
16	Supply of Paints at La Caverne Vacoas Youth Centre – Prakash Foolchand Ltd
17	Supply of Paints at Seewa Bappoo SSS – Rodrix Ltd
18	Supply of Paints at SSRN Hospital – Rodrix Ltd
19	Supply of Paints at P.D.Flacq Community Health Centre – Rodrix Ltd
20	Supply of Paints at CEB – Eastern Engineering Ltd

OPERATIONAL PERFORMANCE AND RESULTS

PRODUCTION

Production of paints for the financial year 2024 has increased by 3.2%.

JUL 2022 – JUN 2023

111,404 L

JUL 2023 – JUN 2024

114,953 L

3.2 %

INCREASE

MARKET AND COMPETITIVE LANDSCAPE

MARKET SEGMENT

Our primary market segment is dominated by sales to Contractors, who represent the largest share of our business. This is followed by sales made through our Contracting Department, which continues to play a significant role in driving our growth.

Details	2024
Contractors	50.73%
Contracting	15.05%
Group	13.83%
Tender	9.35%
Staff & Direct Customer	7.66%
Hardware Shop	3.38%

PRODUCT OR SERVICE INNOVATIONS

During the year under review, Arkolac Ltd continued to demonstrate its commitment to innovation through focused Research and Development initiatives, aimed at enhancing product performance, supporting environmental sustainability, and exploring new market opportunities.

LOW-VOC PRODUCT DEVELOPMENT

In alignment with growing environmental awareness and evolving regulatory standards, Arkolac initiated the development of low-VOC (Volatile Organic Compounds) decorative paints. These new formulations are designed to reduce emissions and promote healthier indoor environments—without compromising on product quality or durability. Notably, our VIP Satin and Matt Emulsion paints were successfully reformulated in collaboration with our paint consultant, Mr. Yogesh, marking a key milestone in our sustainability efforts.

EXPANSION INTO NEW SALES SEGMENT

As part of our strategic growth objectives, Arkolac expanded its market presence by venturing into new sales channels. A notable development was the launch of our supply and fixing services for Granite and Quartz, allowing us to reach a broader customer base.

CUSTOMER ENGAGEMENT AND SATISFACTION

Our Sales and Marketing team maintains a strong and proactive presence with our customers, providing expert guidance and on-site counselling on the proper application of paints to ensure optimal results.

In addition to our direct engagement, we have established a growing digital presence, particularly on platforms like Facebook, where we regularly share updates on new products, promotions, and company news. This active social media strategy enables real-time interaction, enhances customer service, and helps foster a vibrant community around the Arkolac brand.

OPERATIONAL EFFICIENCY AND COST MANAGEMENT

At Arkolac Ltd, we uphold a strong commitment to operational efficiency and cost management, guided by our established Quality Management System (ISO 9001:2015) and Product Certifications (MS3 Class 1 & Class 2). Through the implementation of recommended strategies and strict adherence to QMS procedures, we have successfully strengthened relationships with both suppliers and customers, while also fostering employee development.

Despite the departure of several key personnel during the year, we effectively optimized our existing resources to ensure continued excellence in customer service. Our disciplined approach has enabled us to maintain low administrative costs without compromising on performance or quality.

SUSTAINABILITY AND ENVIRONMENTAL INITIATIVES

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) COMMITMENT

ESG principles are embedded in all our operations, shaping our strategic decisions and daily practices. We are dedicated to fostering a culture of Environmental responsibility, Social impact, and Good Governance, ensuring that our business contributes positively to both people and the planet.

ENVIRONMENTAL INITIATIVES

Green Premises	We prioritise the upkeep of our facilities, ensuring they are well-maintained and surrounded by green spaces that promote a healthy and sustainable working environment.
Sustainable Manufacturing	Energy-efficient processes have been adopted across our production lines to reduce emissions and lower our environmental footprint.
Waste Management	We have developed and implemented internal waste reduction strategies, including the recycling of surplus paints and responsible disposal practices.
Sustainable Sourcing	Our procurement strategy emphasizes the responsible sourcing of raw materials, ensuring environmental sustainability across the supply chain. In line with this, all empty drums and buckets are reused to minimize waste and support circular economy practices.

SOCIAL RESPONSIBILITY

We believe in creating a positive social impact by supporting our employees, contributing to the community, and partnering with organisations that share our values.

Support to NGOs and Hardship Case	We have extended our support to several NGOs and individuals in need by offering special discounts and sponsoring paints and tiles for their initiatives, helping improve living and learning environments.
Employee Well-being Programs	We are committed to the well-being of our team and provide Medical Insurance coverage and health support initiatives to ensure their physical and mental well-being.
Community Engagement	Arkolac actively participates in local community development projects through collaboration with various NGOs and organizations, including Talking Books, SOS Femme, and Bank One CSR. These partnerships allow us to make meaningful contributions to education, empowerment, and social upliftment.

GOOD GOVERNANCE

We are committed to upholding the highest standards of governance, ensuring transparency, accountability, and compliance across all aspects of our operations.

Regulatory Compliance	We fully comply with all applicable laws and regulations, maintaining active adherence to the requirements of statutory bodies including the Mauritius Revenue Authority (MRA), DCCB, CIA, and the Registrar of Companies.
Transparent Reporting	We are committed to openness in communication with stakeholders. Performance, initiatives, and strategic updates are regularly disclosed through Senior Executive Committee meetings, workshops, and other stakeholder engagements to promote trust and accountability.
Ethical Business Practices	Arkolac ensures that all business operations are conducted with integrity, following strict ethical standards and legal obligations in every aspect of our work.

CHALLENGES AND RISK MANAGEMENT

Our major challenges consist of the following:

1	**Procurement of raw materials**
2	**Lack of Support from financial institutions**
3	**Reinforce our workforce team** (Sales & Marketing and Technical Expertise)
4	**Competition** To supply quality products at an affordable price to challenge competitors having a solid background
5	**Cost control strategies** Review our costing to sustain the constant increase in cost of operation
6	**Business Development** Aggressive in non-paints segment and renovation works
7	**Creditors Management** Honour commitments with creditors namely Amro Chemicals, DBM, MRA

We operate in a dynamic and ever-evolving business environment where effective risk management is essential for long-term success. At Arkolac Ltd, we have implemented comprehensive risk management strategies that allow us to proactively identify, assess, and mitigate potential risks across our operations.

By continuously adapting to emerging challenges and market shifts, we have strengthened our organizational resilience and maintained a competitive edge, ensuring business continuity and sustainable growth.

INVESTMENT

The importation of a 40ft container of plastic buckets from Balmer Lawrie Dubai has significantly benefited our production process. The buckets' high-quality material, printed labeling, and durable structure have been warmly appreciated by our customers, reinforcing our commitment to delivering superior products.

FUTURE OUTLOOK AND GROWTH PLANS

We believe that diversification and innovation will be key drivers for increasing our revenue and expanding our market presence.

We aim to expand our portfolio of renovation projects, particularly by strengthening collaborations with government agencies and other parastatal organizations.

The recruitment of a results-oriented Sales and Marketing Officer is essential to reinforce and grow our business relationships with contractors, ensuring sustained sales growth.

We will continue to consolidate our strategic partnership with RAK Ceramics through the regular importation of tiles and sanitary ware, while ensuring that AMRO Chemicals Ltd aligns with our procurement plan.

Support from financial institutions will be crucial to ease cash flow pressures and enable us to honor our commitments to stakeholders reliably.

We are committed to maintaining strict compliance with all legal and statutory requirements, generating sufficient cash flow to meet all contractual obligations and agreements.

REPORT FROM
THE TECHNOLOGY DIVISION (KALIS TECHNOLOGIES LTD)

"

TOGETHER, WE EXCEL IN DELIVERING CUTTING-EDGE SOLUTIONS ACROSS DIVERSE SECTORS

KALIS TECHNOLOGIES

ABOUT US

Welcome to our hub of innovation within the Kalis Group, where our Technology division is in various segments, to drive our success namely: Health & Technology, and Renewable & Marine. Under Health and Technology, Kalis Technologies Ltd (KTL) offers top-tier IT consulting and equipment management, while Premium Business School equips students for the global job market with industry-driven courses. In Renewable and Marine, Zener Marine Services leads in marine electronics solutions, and Kalis Maritime Services (KMS) provides expert marine services in Mauritius. Together, we excel in delivering cutting-edge solutions across diverse sectors.

VISION

To be the most trusted regional technology partner for businesses seeking digital innovation and operational excellence.

MISSION

To deliver reliable, efficient, and future-ready IT solutions that drive success for our clients through continuous innovation and strategic collaboration.

CORE VALUES

- Innovation: Driving change through creative problem-solving and emerging technologies.
- Integrity: Conducting business with transparency and accountability.
- Customer Focus: Building lasting relationships through exceptional service.
- Excellence: Delivering quality in every solution and service.

OUR SERVICES

Managed IT Services	Proactive IT support, infrastructure management, and network monitoring to ensure seamless operations.
Cloud Solutions	Secure cloud migration, hosting, and maintenance through platforms like AWS, Microsoft Azure, and Google Cloud.
Cybersecurity	Comprehensive security assessments, threat mitigation, compliance solutions, and incident response services.
IT Consulting	Strategic technology planning, digital transformation consulting, and IT audits to optimize tech investments.
Data Analytics & Business Intelligence	Data warehousing, visualization, and AI-driven analytics to unlock actionable insights.

OUR TEAM

Our team is comprised of certified IT Professionals, Engineers, and Cybersecurity Expert with deep domain knowledge and a passion for solving complex business challenges.

INDUSTRIES WE SERVE

- **GOVERNMENT**
- **HEALTHCARE**
- **RETAIL**
- **INTERNATIONAL ORGANIZATIONS (UNDP, WHO, IOM)**

KTL's IT Park as at December 2024:

1,509 peripherals

implemented across various Government bodies

KTL'S IT Parks

Desktop PCs **1,089**

Notebooks **169**

Tablets **125**

Printers **126**

KEY ACHIEVEMENTS

HP BUSINESS PARTNER (SILVER)

ISO 9001 2015 CERTIFIED

OVER 200
Proven track record with successful projects

OUR FUTURE GROWTH ARENA

- MARKET PENETRATION AND EXPANSION
- INNOVATION AND R&D
- INFRASTRUCTURE DEVELOPMENT
- HUMAN CAPITAL DEVELOPMENT
- DIGITAL TRANSFORMATION
- CUSTOMER-CENTRIC STRATEGIES
- POLICY AND REGULATION

ENVIRONMENT, SOCIAL AND GOVERNANCE

04

ESG GOALS FOR THE FUTURE

SUSTAINABLE TRANSFORMATION, STRATEGIC STEWARDSHIP

Under the strategic leadership of Mr. Premdath Rughoobur, our Group Executive Chairman, the Kalis Group has reinforced its commitment to sustainable, ethical, and forward-looking practices across its various divisions. The ESG agenda for the year under review has been shaped not only by regulatory alignment and market expectations but also by the Group's enduring relentless belief in responsible value creation.

Led by the Group ESG Department, the initiatives presented herein reflect cross-departmental coordination, robust oversight, and a long-term view of risk, opportunity, and impact. From climate action to social development and boardroom reform, 2024 marks a significant chapter in our ESG evolution.

"At Kalis Investment Ltd, we view ESG not as a compliance obligation, but as a strategic imperative that anchors our long-term vision. In an increasingly complex operating environment, our commitment to responsible stewardship, sustainable innovation, and inclusive growth has never been more critical. I am proud of the strides we have made this year across environmental resilience, ethical governance, and social impact — and I remain confident that our ESG roadmap will continue to deliver meaningful value for all our stakeholders."

— **MR. PREMDATH RUGHOOBUR,** GROUP EXECUTIVE CHAIRMAN

GOVERNANCE AND ETHICAL OVERSIGHT

REINFORCING INTEGRITY THROUGH POLICY, STRUCTURE, AND ACCOUNTABILITY

During the reporting period, the Group initiated a series of governance enhancements to ensure robust oversight, transparency, and ethical conduct across its entities:

- **Board and Committee Optimisation**

  A structural review of the Group's board composition was undertaken, aligned with evolving corporate governance codes. This exercise aimed to strengthen fiduciary oversight, increase boardroom diversity, and ensure appropriate skill sets at committee level.

- **Compliance and Risk Frameworks**

  A revised Code of Ethics was adopted across the Group. A new Compliance Manual is under draft, which will adequately address ESG risks such as reputational risk and compliance breaches, and fully integrate into the enterprise risk matrix. The Group ESG Department plays a cross-functional role in advising on emerging regulatory trends, both local and international, and at the same time, it handles the corporate secretarial, litigation, compliance and sustainability functions of the Group.

- **Annual Report Governance Statement**

  Our particular focus is on integrated thinking, in line with the latest guidance from the Mauritius Financial Reporting Council.

ENVIRONMENTAL STEWARDSHIP

ADVANCING SUSTAINABILITY THROUGH ON-THE-GROUND INITIATIVES

In line with its commitment to environmental responsibility, the Group has undertaken a number of initiatives aimed at enhancing ecological resilience and workplace sustainability. These include tree-planting campaigns and the introduction of green enhancements across office premises to promote a healthier and more energy-efficient working environment. Additionally, a dedicated waste segregation system is currently being developed within one of the Group's key divisions, marking a significant step towards responsible waste management and circular economy practices.

SOCIAL IMPACT AND CORPORATE CITIZENSHIP

FOSTERING SHARED VALUE THROUGH COMMUNITY EMPOWERMENT

The **Kalis Foundation** continues to be the Group's flagship SPV for social investment, targeting under-served communities through structured and scalable interventions:

- **Education and Capacity Building**

  The Foundation, through Premium Business School, has held a series of talks and seminars on ESG, Happiness at Work, and Talk on Drugs.

- **Healthcare and Community Resilience**

  Collaborative health initiatives with public partners were intensified, with a focus on preventive care, and mobile medical outreach.

- **Workforce Well-being**

  Internally, the Group introduced enhanced employee assistance schemes, wellness programmes, and improved occupational health protocols. Employee engagement scores recorded a year-on-year uplift of 12%.

FORWARD OUTLOOK

EMBEDDING ESG AT THE CORE OF STRATEGIC EXECUTION

Looking forward, the ESG Department will continue to work in close collaboration with Group leadership to accelerate sustainability integration across all operations. Under the stewardship of Mr. Rughoobur, the Group will prioritise data-driven ESG governance, enhanced disclosure aligned, and stronger internal ESG capacity-building.

We remain committed not merely to compliance - but to thought leadership in sustainable governance, responsible innovation, and inclusive growth.

AUDITED FINANCIAL STATEMENTS

05

STATEMENT OF COMPLIANCE

The financial statements comply with the requirements of the International Financial Reporting Standards (IFRS).

STATEMENT OF DIRECTORS RESPONSIBILITY

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs and of the profit or loss of the group. In preparing those financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the as-sets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CERTIFICATE FROM THE COMPANY SECRETARY

SECRETARY'S CERTIFICATE UNDER SECTION 166(D) OF THE COMPANIES ACT 2001

In accordance with section 166 (d) of the Companies Act 2001, I certify that, to the best of my knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the group under the Companies Act 2001 for the year ended 30 June 2024.

Mr.Mohammad D. Outim

Company Secretary
Date: 31.12.2024

DIRECTOR'S REPORT

The directors are pleased to present their report for the year ended 30 June 2024.

OTHER STATUTORY DISCLOSURES

All the shareholders of the group have agreed that the annual report need not comply with any of the paragraphs (a), and (d) to (i) of S221(1) of the Companies Act 2001 and this decision is hereby being noted in the annual report.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF KALIS INVESTMENT LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the special purpose financial statements of Kalis Investment Ltd (the Company) and its subsidiaries, together referred to as "Kalis Investment Group of Companies" (the Group), set out on pages 47 to 64 which comprise the consolidated statements of financial position as at 30 June 2024, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 30 June 2024, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

A further description of the Auditors' Responsibilities for the Audit of the Financial Statements is provided in the "Appendix to the Independent Auditors' Report". This description forms part of our Audit Report.

OTHER MATTER

This report is made solely to the company's shareholder. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have no relationship with or interests in the company (or Group) other than in our capacity as auditors. We have obtained all the information and explanations that we have required.

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

The engagement partner on the audit resulting in this independent auditor's report is Y. Nath Varma.

APPENDIX TO THE INDEPENDENT AUDITORS' REPORT

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 consolidated 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Navy and Yan

Public Accountants
Vacoas
Date: 31/12/2024

Y. Nath Varma FCCA DFPFM PhD

Licensed by FRC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2024

(All amounts in Mauritian Rupees (Rs) unless otherwise stated)

	Note	Year to 30 June 2024	Year to 30 June 2023
Revenue	24	**476,154,285**	438,319,470
Cost of operations		**(363,508,721)**	(319,676,898)
Gross Profit		**112,645,564**	118,642,572
Other income		**8,069,667**	3,644,657
Administrative expenses		**(81,381,506)**	(75,863,825)
Depreciation (non-operational)		**(1,375,128)**	(887,667)
Profit before finance costs		**37,958,597**	45,535,737
Finance costs	21	**(15,665,689)**	(15,440,357)
Profit before tax		**22,292,908**	30,095,380
Income tax expense	4	**(3,309,791)**	(4,824,854)
Profit for the year		**18,983,117**	25,270,526
Other comprehensive income			
Items that may not be re-classified to profit and loss			
Remeasurement of retirement benefit obligations	13	**(5,174,000)**	998,000
Total comprehensive income for the year		**13,809,117**	26,268,526

The notes on pages 51 to 64 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

(All amounts in Mauritian Rupees (Rs) unless otherwise stated)

(All amounts in Mauritian Rupees (Rs) unless otherwise stated) **ASSETS**	Note	30 June 2024	As restated 30 June 2023	As previously stated 30 June 2023
Non-current assets				
Property, plant and equipment (including right of use assets)	6	**146,349,323**	119,506,690	112,956,280
Financial assets-Investment in Joint Venture	7a	**15,000**	15,000	15,000
Financial assets at fair value through other comprehensive income (Investments held in Mauritius)	7b	**117,745,290**	123,169,670	117,745,290
Financial assets at fair value through other comprehensive income (Investment held in a foreign country)	7c	**1,507,330**	1,507,330	6,931,710
Deposit on Investment		**2,000**	2,000	
		265,618,943	244,200,690	237,648,280
Current assets				
Inventories	8	**5,796,950**	5,197,685	5,197,685
Trade and other receivables	9	**222,190,079**	188,728,542	188,728,542
Cash in hand and at bank	14	**21,929,824**	21,015,933	21,015,933
		249,916,853	214,942,160	214,942,160
Total assets		**515,535,796**	459,142,850	452,590,440
EQUITY AND LIABILITIES				
Equity				
Share capital	10	**200,000**	200,000	200,000
Share Application Money		**–**	–	15,700,000
Revaluation reserve		**5,200,000**	5,200,000	5,200,000
Non-distributable reserve		**24,639,412**	29,813,412	29,813,412
Revenue reserve		**80,698,564**	62,787,277	56,236,867
		110,737,976	98,000,689	107,150,279
Non current liabilities				
Interest bearing borrowings	11	**75,838,979**	86,995,636	86,995,636
Obligations under finance lease	12	**76,178,473**	72,933,550	72,933,550
Retirement benefit obligations	13	**27,519,000**	21,929,000	21,929,000
Deferred tax	16	**948,737**	785,551	785,551
Provisions		**9,035,797**	9,035,797	9,035,797
		189,520,986	191,679,534	191,679,534
Current liabilities				
Bank Overdraft	14	**10,633,260**	13,128,714	13,128,714
Interest bearing borrowings	11	**12,594,527**	14,390,219	14,390,219
Obligations under finance lease	12	**22,988,234**	1,730,103	1,730,103
Trade and other payables	15	**169,060,813**	140,213,591	124,511,591
		215,276,834	169,462,627	153,760,627
Total liabilities		**404,797,820**	361,142,161	345,440,161
Total equity and liabilities		**515,535,796**	459,142,850	452,590,440

Approved by the Board and authorised for issue on 31.12.2024

Director

Director

The notes on pages 51 to 64 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
30 JUNE 2024

(All amounts in Mauritian Rupees (Rs) unless otherwise stated)

	Note	Share capital	Share Application Money	Revaluation reserve	Non-distributable reserve	Revenue reserve	Total
At 30 June 2022		200,000	-	5,200,000	28,815,412	31,445,633	65,661,045
Restatement Adjustment (note 25)		-	-	-	-	6,550,410	6,550,410
At Restated		200,000	-	5,200,000	28,815,412	37,996,043	72,211,455
Profit for the year		-	-	-	-	25,270,526	25,270,526
Retirement benefits		-	-	-	998,000	-	998,000
CSR fund		-	-	-	-	(479,292)	(479,292)
At 30 June 2023		200,000	-	5,200,000	29,813,412	62,787,277	98,000,689
Profit for the year		-	-	-	-	18,983,117	18,983,117
Retirement benefits	13	-	-	-	(5,174,000)	-	(5,174,000)
CSR fund		-	-	-	-	(1,071,830)	(1,071,830)
At 30 June 2024		**200,000**		**5,200,000**	**24,639,412**	**80,698,564**	**110,737,976**

STATEMENT OF CASH FLOW

YEAR ENDED 30 JUNE 2024

(All amounts in Mauritian Rupees (Rs) unless otherwise stated)

ASSETS	30 June 2024	30 June 2023
OPERATING ACTIVITIES		
Profit before income tax	**22,292,908**	30,095,380
Adjustments for:		
Depreciation	**12,405,284**	10,951,320
Profit on disposal of property, plant & equipment	**(1,095,652)**	(1,043,478)
Expected credit loss provision	**1,200,000**	1,200,000
Retirement benefit obligations charge	**416,000**	419,000
Interest receivable	**(1,227)**	(207)
Interest expense and finance charges	**14,227,034**	15,440,564
Operating profit before working capital changes	**49,444,347**	57,062,579
Movement in working capital:		
Increase in inventories	**(599,265)**	(3,762,152)
(Increase) in trade and other receivables	**(34,661,537)**	(158,447)
Increase / (decrease) in trade and other payables	**35,001,618**	(3,224,390)
Net cash from operations	**49,185,163**	49,917,590
Interest and finance charges paid	**(14,227,034)**	(15,440,564)
Tax paid	**(4,573,259)**	(6,695,832)
CSR paid	**(375,192)**	-
Interest received	**1,227**	207
Net cash from operating activities	**30,010,905**	27,781,401
INVESTING ACTIVITIES		
Purchase of property, plant & equipment	**(39,247,917)**	(4,532,678)
Purchase of property, plant & equipment-financed by lease	**27,409,161**	-
Assets purchased with own funds	**(11,838,756)**	(4,532,678)
Purchase financed by lease (Right of Use asset)	**875,000**	855,000
Proceeds from disposal of plant & equipment	**1,095,652**	1,072,315
Acquisition of investment	**-**	(1,507,330)
New Investment in subsidiaries	**-**	-
Net cash absorbed into investing activities	**(9,868,104)**	(4,112,693)
FINANCING ACTIVITIES		
Loan repaid	**(12,952,349)**	(18,199,003)
Net cash outflow on lease repayment of right of use assets	**(3,781,107)**	(1,878,270)
Net cash absorbed into financing activities	**(16,733,456)**	(20,077,273)
Net increase in cash and cash equivalents	**3,409,345**	3,591,435
Movement in cash and cash equivalents:		
Cash and cash equivalents at beginning	**7,887,219**	4,295,784
Net increase in cash and cash equivalents	**3,409,345**	3,591,435
Cash and cash equivalents at end	**11,296,564**	7,887,219
Represented by:		
Cash at bank	**21,929,824**	21,015,933
Bank overdraft	**(10,633,260)**	(13,128,714)
	11,296,564	7,887,219

(All amounts in Mauritian Rupees (Rs) unless otherwise stated)

1. GENERAL

Kalis Investment Ltd ('KIL') is a private Company incorporated and domiciled in Mauritius. The principal place of business is Port Louis and the main activity of the Company is head office as well as warehousing and storage.

These special purpose financial statements consolidate the results of Kalis Investment Ltd (the Parent), Keep Clean Ltd and Atics Ltd (the subsidiaries), together referred to as "Kalis Investment Group of Companies" (the Group).

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in dealing with items which are considered material in relation to the financial statements.

Statement of compliance

The financial statements comply with the requirements of the International Financial Reporting Standards (IFRS).

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and building and fair valuation of certain investments.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Changes in accounting policy and disclosures

Effective for the current year

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

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four- step materiality process' described in IFRS Practice Statement 2.

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

New and revised pronouncements issued but not yet applicable during the year

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. Applicable to annual reporting periods beginning on or after 1 January 2027.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. Annual reporting periods beginning on or after 1 January 2024.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. Annual reporting periods beginning on or after 1 January 2024.

Non-current Liabilities with Covenants (Amendments to IAS 1)

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Annual reporting periods beginning on or after 1 January 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Annual reporting periods beginning on or after 1 January 2024

Lack of Exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Annual reporting periods beginning on or after 1 January 2025.

Property, plant and equipment

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

Depreciation is calculated to write off the cost of the assets on a straight line basis over the expected useful lives of such assets. Additions during the year bear a due proportion of the annual depreciation charge. Depreciation is based on the estimated useful life of assets as follows:

Plant & machinery	6 years
Furniture & fittings	6 years
Electronic equipment	4 years
Motor vehicles	5-6 years

Gains and losses on disposal of property, plant and equipment are determined by reference to their written down values and are included in determining operating profit.

After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Investment in Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint venturer is a party to a joint venture that has joint control of that joint venture. Investment in Joint Venture is recognised in the separate financial statements of a company in accordance with Paragraph 44 of International Accounting Standards 28 - Investment in associates and joint ventures.

Financial assets at fair value through other comprehenisve income (FAFVOCI)

Financial assets are classified and measured at fair value through other comprehensive income if they are heldwith the objective of both collecting contractual cash flows and selling financial assets.

Companies within the group have invested in certain financial assets with the objective of collecting interest payments and eventually sell the assets should a profitable business opportunity arise. The Directors have elected to treat such investments as "Financial assets at fair value through other comprehensive income".

Companies within the group have also invested in shares in a foreign company and may eventually sell the investment should a profitable business opportunity arise. The Directors have elected to treat this investment as “Financial assets at fair value through other comprehensive income”.

Instruments designated as FAFVOCI are measured at fair value with dividends recognised in profit or loss, with all other gains/ losses (except impairment) recognised in other comprehensive income. Upon derognition, amounts in other comprehensive income are not reclassified to profit or loss. Any impairment is recognised in profit or loss.

Impairment

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. For trade receivables with no financing component and which have maturities of less than 12 months, the group applies an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. For trade receivables with financing component, the group recognises 12 month ECL and calculates interest revenue on gross carrying amount, if and where applicable. Generally, the group’s approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out (FIFO) basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses. Where necessary provision is made for obsolete, slow moving inventories.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand. Bank overdraft is included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Foreign currencies

Functional and presentation currency

Items included in the group’s financial statements are measured using the currency of the primary economic environment in which the group operates (‘the functional currency’). The financial statements are presented in Mauritian Rupee, which is the group’s functional and presentation currency. The directors of the group have determined that the functional currency should be the Mauritian Rupee as the principal financing currency for operations is sourced in Mauritian Rupee.

Transactions and balances

Transactions denominated in foreign currencies are translated to Mauritian Rupee at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities are translated at the rate of exchange ruling at year end date. Exchange differences arising on translation and realised gains and losses on disposals or settlement of monetary assets and liabilities are recognised in the Statement of Comprehensive Income.

Trade and other receivables

Trade receivables are recognised initially at cost less allowance for credit losses. An allowance for Expected Credit Losses (ECL) is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Two main approaches to determine ECLs are: (i) Allowance matrix based on an entity’s internal, historical credit loss data and past due receivables (ii) Valuation model that uses probabilities of default. Common to both approaches is that they are probability-weighted and must be adjusted for forward-looking, macroeconomic factors (‘forward-looking information’). In many cases, the entity’s historical data is not representative, because due to economic development or the business model, the data shows only small credit losses. The group uses a valuation model that determines the ECLs based on probabilities of default that are applied to the receivables portfolio.

Employee benefits

Defined benefit Plan

A company within the group contributes to a defined benefit plan for certain employees. The cost of providing benefits is determined using the projected unit credit method so as to spread the regular cost over the service lives of employees in accordance with the advice of actuaries who carry out a full valuation of plans regularly. Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans are charged or credited to income over the average remaining service lives of the related employees.

Severance allowance on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plan) the net present value of severance allowances payable under the Labour Act is provided for. The obligations arising under this item are not funded.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions to the Statutory schemes

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

Revenue recognition

The group recognizes revenue based on the five step model as below:

- Identify the contract with customers;
- Identify the performance obligations in the contract;
- Determine the transaction price of the contract;
- Allocate the transaction price to each performance obligations in the contracts; and
- Recognise revenue as each performance obligation is satisfied.

The group's revenue is generated through cleaning and waste management services provided to clients with which the group has contracts. Revenue from cleaning and waste management services is recognised as the services are rendered. No revenue is recognised over time.

Trade and other payables

Trade and other payables are stated at amortised cost.

Provisions

A provision is recognised in the statement of financial position, where material, when the group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investments to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Critical accounting assumptions and judgements in applying the group's accounting policies

In the process of applying the group's accounting policies, which are described in Note 2, the Directors have made the following assumptions and judgements that have the most significant effect on the amounts recognised in the financial statements:

Going Concern

The financial statements have been prepared on a going concern basis which assumes that the companies within the group will continue in business and they expect to realize assets at the recorded amounts and extinguish liabilities in the normal course of business.

Retirement benefits

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of obligations. The actuaries determine the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the actuaries consider a number of factors that could be subject to changes in future.

Provisions

The Directors have assumed that no liability, actual or contingent, will arise in future and for which additional provisions other than those already provided for (including provision for employee benefits) at the balance sheet date will arise with respect to statutory obligations.

Provision for expected credit losses

With regards to trade receivables, the Directors use a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions to work out an Expected Credit Loss provision at the reporting date. The use of a probability weighted outcome involves the judgement of the Directors.

Lifetime Expected Credit Losses are not provided for where the Company within the Group holds appropriate indemnity against possible non-payment of receivables as the Directors are of the opinion that the risk of loss due to default would be low in such cases. The Companies within the group hold appropriate indemnity regarding the repayment of related party receivables.

Fair value of unquoted investment

The fair value of securities not quoted in an active market may be determined by the Directors using reputable pricing sources. Where no market data is available, the Directors may also use the services of independent valuers to assess the fair value of securities. The Directors exercise appropriate judgement based on the advice received from independent valuers regarding the value to be ascribed to such instruments as at the appropriate reporting date.

Construction contracts

Because of the nature of most construction works that the Company within the Group undertakes, the Directors assume in most cases that all construction contracts will be on a basis of a period of not more than 1 year and thus account for construction revenue on this basis.

Right of Use Assets

Various assumptions are used by Directors with regards to discount rate, estimated useful life as well as depreciation rates applied with regards to right of use assets. The Directors take into account the terms of agreement with the lessor when coming to a decision with regards to the abovementioned factors. The Directors believe that, based on their assumptions, Right of Use asset has been fairly stated in the financial statements of the group.

4. INCOME TAX EXPENSE

	Yr 30 June 2024	30 June 2023
Tax charge for the year Deferred Tax charge	**3,146,605**	4,892,128
Deferred Tax charge	**163,186**	(67,274)
Income tax expense in statement of comprehensive income	**3,309,791**	4,824,854

No provision has been made for deferred tax liability as the calculated amount was immaterial. Also, the companies within the group have tax refunds due on which a deferred tax asset has not been recognised on a prudence basis.

5. INCOME TAX RECONCILIATION

A reconciliation of profit for the year at applicable tax rate to the actual tax expense is shown below:

	Yr 30 June 2024	30 June 2023
Profit for the year	**22,292,908**	30,095,380
Profit for the year at applicable tax rate	**3,343,936**	4,514,307
Non-allowable expenses	**2,921,334**	2,585,859
Effect of inter company set off	**261,176**	(659,430)
Deferred tax asset not recognised	**81,325**	473,347
Tax incentives not recognised in income statement	**(3,461,166)**	(2,021,955)
Income tax expense	**3,146,605**	4,892,128

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

(All amounts in Mauritian Rupees (Rs) unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT

Cost	Land & Building	Building under construction	Plant & machinery	Furniture and fittings	Electronic equipment	Motor Vehicles	Total
At 01 Jul 2023	90,200,000	6,550,410	54,601,719	5,734,326	8,757,837	167,905,811	333,750,103
Revaluation surplus	–	–	–	–	–	–	–
Additions	–	1,509,500	7,485,744	631,323	792,092	28,829,258	39,247,917
Disposals	–	–	(23,769,493)	(1,655,810)	(2,605,898)	(10,401,802)	(38,433,003)
At 30 June 2024	90,200,000	8,059,910	38,317,970	4,709,839	6,944,031	186,333,267	334,565,017
Accumulated depreciation							
At 01 Jul 2023	–	–	52,030,542	5,463,013	8,432,611	148,317,247	214,243,413
Revaluation surplus	–	–	–	–	–	–	–
Charge for the year	–	–	656,496	438,722	465,558	10,844,508	12,405,284
Disposal Adj	–	–	(23,769,493)	(1,655,810)	(2,605,898)	(10,401,802)	(38,433,003)
At 30 June 2024	–	–	28,917,545	4,245,925	6,292,271	148,759,953	188,215,694
Net book values							
At 30 June 2024	**90,200,000**	**8,059,910**	**9,400,425**	**463,914**	**651,760**	**37,573,314**	**146,349,323**
At 30 June 2023	90,200,000	6,550,410	2,571,177	271,313	325,226	19,588,564	119,506,690

Land & Building was revalued by Tinkler & Ramlackhan, Chartered Valuation Surveyors, on 14 August 2012.The revaluation surplus has been accounted for in these financial statements. If land & building was stated on a historical cost basis, the carrying amount would have been Rs 5.82m at 30 June 2024 (30 June 2023 : Rs 6.13 m). Banking facilities are secured by fixed and floating charges over the assets of the group, which include Plant and Equipment.

Right of use assets

The Parent had one lease contract for Rs 75,000,000 used in its operations. Lease of Land typically has a lease terms of 59 years. There were no additions to right-of-use assets during the year. No depreciation has been charge on leased asset as it represents Land. The Parent's obligation under its leases are secured by the lessor's title to the leased assets. Generally, the Parent is restricted from assigning or sub leasing the leased assets.

The net book value of right of use assets (motor vehicles) was Rs 21.7m (30 June 2023: Rs 1.6m) respectively. Leases of motor vehicles typically have lease terms of 5 years. Additions to right-of-use assets during the year amounted to Rs Nil. The group's obligation under its leases are secured by the lessor's title to the leased assets.

7. INVESTMENTS

7(a) Investment in Joint Venture

	30 June 2024	30 June 2023
Balance at start and end	**15,000**	15,000

Name of Investee	*Investment*	*Country of incorporation*	*% holding*
EnviroServ Indian Ocean Limited	15,000	Mauritius	50

The Directors consider the fair value of the Investment in EnviroServe Indian Ocean Limited (ESIOL) to be Rs 15,000. The nominal value of shares held by Atics Ltd was Rs 2,000,000 as at the reporting date. However, given that the actual operations of the Company have not started yet, the Directors have considered it prudent to maintain the fair value of the investment at only Rs 15,000 as at 30 June 2024. Share of profits /(losses) has not been accounted in accordance with IAS 28 as the investee has not yet started its operations.

7(b) Financial assets at fair value through other comprehensive income

	30 June 2024	30 June 2023
Investment in Reedeemable Preference Shares	**117,745,290**	123,169,670

7(c) Financial assets at fair value through other comprehensive income

	30 June 2024	30 June 2023
Investment in foreign shares (50% in Burundi group)	**1,507,330**	1,507,330

8. INVENTORIES

	30 June 2024	30 June 2023
Stock of spares and consumables (at cost)	**5,796,950**	5,197,685
Cost of inventory expensed	**3,445,994**	5,072,672

9. TRADE AND OTHER RECEIVABLES

	Yr 30 June 2024	30 June 2023
Assets related to contracts with customers		
Trade debtors	**101,426,350**	60,303,848
Less: Provision for Expected Credit Losses (ECL)	**(8,789,681)**	(7,589,681)
Trade debtors net of ECL provision	**92,636,669**	52,714,167
Other receivables		
Retention monies on contracts	**984,287**	345,755
Consumables	**6,989**	–
Prepayments and other receivables	**169,224,200**	197,370,007
Amount due from/(to) related parties (cr)	**(51,364,778)**	(68,292,515)
Tax refund receivable	**10,435,452**	6,358,868
Deposits	**267,260**	232,260
	222,190,079	188,728,542

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for receivables due from customers. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles of sales over a period of above 6 months before 30 June 2024 as shown below. On this basis, the ECL provision was calculated at Rs 8.7 m at 30 June 2024 (Rs 7.5 m at 30 June 2023). Lifetime expected credit losses on related party receivables have been assessed as low risk given that the group is covered by indemnity against the risk of non-recoverability of these receivables.

The age distribution of trade receivables is provided below:

	Current	1 Month	2 Months	3 Months +	Total
At 30 June 2024	**18,169,208**	**23,620,901**	**20,285,316**	**39,350,925**	**101,426,350**
At 30 June 2023	18,169,208	13,995,000	11,628,099	16,511,541	101,426,350

10. SHARE CAPITAL

	30 June 2024	30 June 2023
Issued Capital 200,000 Ordinary shares of Rs 10 each)	**200,000**	200,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

(All amounts in Mauritian Rupees (Rs) unless otherwise stated)

11. INTEREST BEARING BORROWINGS

	Yr 30 June 2024	30 June 2023
Repayable within 1 year	**12,594,527**	14,390,219
Repayable between 1 and 5 years	**46,045,912**	52,918,105
Repayable after 5 years	**29,793,067**	34,077,531
	88,433,506	101,385,855

The above represent medium to long term loans secured by fixed and floating charges over movable and immovable properties, including commercial leasehold land & building. The loan period is up to 10 years with an interest rate averaging 9.5%. The fair value of interest bearing borrowing equals its carrying amount as the impact of discounting is not significant. The loans are denominated in Mauritian Rupee.

12. OBLIGATIONS UNDER FINANCE LEASE

	Yr 30 June 2024	30 June 2023
At 01 July	**74,663,653**	75,673,091
Accretion of interest	**2,199,507**	1,711,412
Additions	**28,264,161**	855,000
Disposals	**–**	–
Repayments	**(5,960,614)**	(3,575,850)
At 30 June	**99,166,707**	74,663,653
Repayable within 1 year	**22,988,234**	1,730,103
Repayable between 1 and 5 years	**76,178,473**	72,933,550
Repayable after 5 years	**–**	–
	99,166,707	74,663,653

13. RETIREMENT BENEFIT OBLIGATIONS

	Yr 30 June 2024	30 June 2023
Reconciliation of Net Defined Benefit Liability/(Asset)		
Present Value of unfunded obligation	**21,929,000**	22,508,000
Amount recognised in P&L	**5,879,000**	4,766,000
Amount recognised in OCI	**5,174,000**	(998,000)
less: Employer contributions	**(5,463,000)**	(4,347,000)
Liability recognised at year end	**27,519,000**	21,929,000
Reconciliation of Fair Value of Plan Assets		
Opening balance	**5,193,000**	1,840,000
Interest income	**408,000**	182,000
Employer contributions	**5,463,000**	4,347,000
Benefits paid	**(1,477,000)**	(994,000)
Return on plan assets excluding interest income	**(408,000)**	(182,000)
Closing balance	**9,179,000**	5,193,000
Reconciliation of Present Value of Defined Benefit Obligation		
Opening balance	**27,122,000**	24,348,000
Current service cost	**4,782,000**	3,708,000
Interest expense	**1,505,000**	1,240,000
Past service costs	**–**	–
Other benefits paid	**(1,477,000)**	(994,000)
Liability experience loss/(gain)	**3,519,000**	(720,000)
Liability loss due to change in demographic assumptions	**–**	–
Liability loss/(gain) due to change in financial assumptions	**1,247,000**	(460,000)
Closing balance	**36,698,000**	27,122,000
Components of amount recognised in P&L		
Current service cost	**4,782,000**	3,708,000
Past service cost	**–**	–
Interest cost	**1,097,000**	1,058,000
Total included in employee benefit expense	**5,879,000**	4,766,000
Components of amount recognised in OCI		
Return on plan assets (above)/below interest income	**408,000**	182,000
Liability experience gain	**3,519,000**	(720,000)
Liability (gain)/loss due to change in demographic assumptions	**–**	–
Liability loss/(gain) due to change in financial assumptions	**1,247,000**	(460,000)
Total	**5,174,000**	(998,000)

A subsidiary participates in a defined contribution (DC) pension plan. Its contributions for DC employees are expensed to the income statement.

The subsidiary has also recognised a net liability of Rs 27,519,000 in its balance sheet as at 30 June 2024 (2023: Rs 21,929,000) in respect of operatives subject to retirement gratuities only that are expected to be paid out of the cashflow.

The subsidiary is subject to unfunded defined benefit plan for the employees. The plan exposes the subsidiary's normal risks as described below:

Longevity risk: The plan liability is calculated by reference to the best estimate of the mortality of the plan participants during and after their employment. An increase in life expectancy of the plan participants increases the plan liability.

Interest risk: A decrease in the bond interest rate will increase the plan liability. However, this may be partially offset by an increase in the rate of return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

13. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

There has been no plan amendment, curtailment or settlement during the year.

Principal assumptions used at end of period	30 June 2024	30 June 2023
~Discount rate	**5.4%**	5.7%
~Rate of salary increase	**3.7%**	3.7%
~Average retirement age	**65**	65

14. CASH AND CASH EQUIVALENTS

	Yr 30 June 2024	30 June 2023
Cash in hand and at bank	**21,929,824**	21,015,933
Bank overdraft	**(10,633,260)**	(13,128,714)
	11,296,564	7,887,219

15. TRADE AND OTHER PAYABLES

	Yr 30 June 2024	30 June 2023
Liabilities related to contracts with customers		
Trade creditors and accruals	**69,189,389**	67,319,650
Other liabilities		
Income tax refundable	**(3,267,486)**	(1,840,832)
Due to related parties	**9,753,719**	(10,855,107)
CSR Payable	**1,032,138**	335,500
Employee benefits current liability	**3,430,406**	3,430,406
Other payables	**88,922,647**	81,823,974
	169,060,813	140,213,591

16. DEFERRED TAX

	Yr 30 June 2024	30 June 2023
At start	**785,551**	479,825
Charge for the year	**163,186**	305,726
At end	**948,737**	785,551

17. FINANCIAL INSTRUMENTS

Fair values

Financial instruments include trade receivables, cash and cash equivalents, borrowings and trade payables. The carrying amounts of these assets and liabilities approximate their fair values.

Financial risk management

Overview

This note gives information about the group's exposure to the risks it is exposed to, the group's objectives, policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

Credit risk

Credit risk represents the potential loss that the group would incur if debtors fail to perform pursuant to the terms of their obligations to the group. At the balance sheet date, there was no significant concentration of credit risk. The Director review the debt management process regularly. Based on their assessment of credit risk, they are of the opinion that additional provision for bad debts is not required as at the reporting date.

Liquidity risk

Prudent liquidity management implies maintaining sufficient funds, and particularly, the availability of funding through an adequate amount of committed credit facilities. The risks of not being able to raise funds to meet commitments associated with financial instruments are monitored on an ongoing basis by the directors. Management generally monitors forecasts of the group's liquidity position on the basis of expected cash flows. The table below summarises the group's financial liabilities into maturity groupings based on the remaining period to the contractual maturity date:

	Maturity		
	Less than 1 year	**Between 1 and 5 years**	**After 5 years**
Yr 30 June 2024			
Trade payables	69,189,389	–	–
Other payables & accruals	99,871,424	–	–
Interest bearing borrowings	12,594,527	61,344,403	14,494,576
Obligations under finance lease	22,988,234	9,232,044	66,946,429
Retirement benefit obligations	–	–	27,519,000
	204,643,574	70,576,447	108,960,005
Yr 30 June 2023			
Trade payables	69,763,410	–	–
Other payables & accruals	70,450,181	–	–
Interest bearing borrowings	14,390,219	70,604,357	16,391,279
Obligations under finance lease	1,730,103	5,177,249	67,756,301
Retirement benefit obligations	–	–	21,929,000
	156,333,913	75,781,606	106,076,580

Interest rate risk

The subsidiaries within the group are exposed to fluctuations in interest rates mainly on along term loan. The present interest rate on loan approximates 10.00% and fluctuations in this rate is likely to have an effect on the results of the group. The sensitivity analysis below shows the approximate effect of a 1% variation in interest rate on the loan contracted:

	30 June 2024	**30 June 2023**
Effect of an increase in interest rates by 1%	(884,335)	(1,013,859)
Effect of a decrease in interest rates by 1%	884,335	1,013,859

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

(All amounts in Mauritian Rupees (Rs) unless otherwise stated)

18. CAPITAL RISK MANAGEMENT

The group's objective when managing capital is to safeguard the group's ability to continue as a going concern in order to provide adequate returns for shareholders and for the benefit of other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain, adjust or strengthen the capital structure, the group may issue new shares, pay or refrain from payment of dividends, revalue assets or resort to such measures as may be most appropriate in the circumstances.

19. FINANCIAL INSTRUMENTS BY CATEGORY

Yr 30 June 2024	Financial asset at fair value through profit or loss	Financial asset at fair value through other comprehensive income	Financial assets at amortized cost	Financial liabilities at amortized cost
Investment in Joint Venture	**15,000**	**–**	**–**	**–**
Investment - FAFVOCI	**–**	**119,252,620**	**–**	**–**
Trade and other receivables	**–**	**–**	**222,190,079**	**–**
Cash in hand and at bank	**–**	**–**	**21,929,824**	**–**
Bank overdraft	**–**	**–**	**–**	**10,633,260**
Interest bearing borrowings	**–**	**–**	**–**	**88,433,506**
Obligations under finance lease	**–**	**–**	**–**	**99,166,707**
Trade and other payables	**–**	**–**	**–**	**169,060,813**
	15,000	**119,252,620**	**244,119,903**	**367,294,286**
Yr 30 June 2023				
Investment in Joint Venture	15,000	–	–	–
Financial assets-Deposit on shares	–	124,677,000	–	–
Trade and other receivables	–	–	188,728,542	–
Cash in hand and at bank	–	–	21,015,933	–
Bank overdraft	–	–	–	13,128,714
Interest bearing borrowings	–	–	–	101,385,855
Obligations under finance lease	–	–	–	74,663,653
Trade and other payables	–	–	–	140,213,591
	15,000	124,677,000	209,744,475	329,391,813

20. RELATED PARTY DISCLOSURES

The companies within the group have a related party relationship through common directorship and shareholding. Commercial transactions during the year were at arms' length. Transactions during the year and net balance due from related parties at year end were as follows:

	30 June 2024	30 June 2023
Transactions during the year	**(6,357,985)**	(159,848)
Net balance at year end	**100,258,393**	188,749,923
Key management personnel remuneration (Rs m)	**0.90**	0.90

21. FINANCE COSTS

	Yr 30 June 2024	30 June 2023
Interest on bank overdraft	**1,525,474**	1,627,221
Interest on loan	**10,398,978**	10,391,862
Finance lease charges	**2,276,232**	1,610,472
Other interest	**1,466,232**	1,811,009
Interest Received	**(1,227)**	(207)
	15,665,689	15,440,357

22. CONTINGENT LIABILITIES

Contingent liabilities include bank guarantees outstanding at 30 June 2024 amounting to Rs 63.6m (30 June 2023 Rs 53 m). These are secured by charges over the Company's guarantors' movable and immovable assets.

23. PROFIT BEFORE TAX

	Yr 30 June 2024	Yr 30 June 2023
Profit before tax is stated after:		
Charging		
Depreciation (including depreciation on leased assets)	**12,405,284**	10,706,529
Hire of plant & equipment	**7,046,190**	8,062,354
Cost of materials expensed	**170,366,210**	106,414,797
Employee benefit expense	**172,323,643**	144,649,530
Interest on lease (right of use assets)	**836,350**	199,648
Crediting		
Profit on disposal of assets	**(1,095,652)**	(1,043,478)

24. REVENUE

	Yr 30 June 2024	Yr 30 June 2023
At one point in time	**187,234,858**	171,406,786
Over time (contractual)	**288,919,427**	266,912,684
Total	**476,154,285**	438,319,470

25. RESTATEMENT

Following the end of the financial year to 30 June 2023, it was noted that, due to lack of information with regards to "Building under construction", the actual figures had not been incorporated in the Statement of Financial Position of the Parent as at that date. Given the materiality of the amount involved, the corresponding amount has been accounted as a reinstatement in the current financial statements.

26. PARENT AND ULTIMATE PARENT

The Directors regard Kalisia Trade and Services (Mauritius) Ltd as the Parent.

27. EVENTS AFTER THE REPORTING DATE

The Directors are not aware of matters that would require disclosures or adjustments to these financial statements.

KALIS INVESTMENT GROUP OF COMPANIES APPENDIX

YEAR ENDED 30 JUNE 2024

(All amounts in Mauritian Rupees (Rs) unless otherwise stated)

	Year to '30 June 2024 RS	Year to '30 June 2023 RS
Cost of Operations		
Cost of Operations	**363,508,721**	319,676,898
Total Cost of Operations	**363,508,721**	319,676,898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