

ANNUAL REPORT

SPICE FINANCE LTD

FINANCIAL YEAR ENDED 30 JUNE 2025



SPICE FINANCE LTD
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The Directors are pleased to submit the Annual Report of SPICE Finance Ltd (the "Company"), together with the audited financial statements for the year ended June 30, 2025.

1. PRINCIPAL ACTIVITIES

The principal activities of the Company consist of providing lease facilities, and deposit-taking.

2. RESULTS FOR THE YEAR

The statement of comprehensive income for the year is shown on page 57.

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Net interest income	235,982,061	220,143,146	178,794,721
Total comprehensive income for the year	106,880,045	124,012,258	109,247,768

3. DIRECTORS

The names of the existing directors of the Company are as follows:

	Date of appointment	Date of resignation
<u>Independent Chairman</u>		
Mr. ESPITALIER NOEL Patrice Jean Pierre Edouard	25-Aug-17	-
<u>Independent Director</u>		
Mr. TAUJOO Mohammad Issa	19-Sep-22	-
Mrs. BHEENICK KALACHAND Monisha	01-Sep-23	-
<u>Executive Director</u>		
Mr. TULSIDAS Vikash R	15-Oct-13	-
Mrs. MOOTOOSAMY MONIEN Vijeyalutchmee	14-Jun-19	-

4. DIRECTORS' SERVICE CONTRACTS

Mr. Vikash R Tulsidas and Mrs Vijeyalutchmee Monien Mootoosamy have an on-going employment contract with the Company.

5. DIRECTORS' SHARE INTEREST

The existing Directors having interest in the shares of the Company at the year end were as follows:

	Indirect interest		
	June 30, 2025	June 30, 2024	June 30, 2023
	%	%	%
Mr TULSIDAS Vikash R	0.147	0.147	0.132
Mrs. MOOTOOSAMY MONIEN Vijeyalutchmee	0.003	0.003	0.002

The other Directors did not hold any shares in the Company directly or indirectly.

6. DIRECTORS' REMUNERATION AND BENEFITS

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Directors' remuneration	26,708,256	20,146,004	17,799,544

7. DONATION

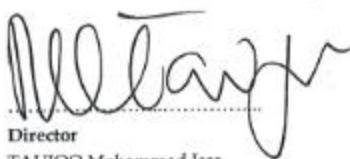
The Company has made Rs 56,633 donation during the year 2025 (2024: Rs 18,130 and 2023: Rs 55,395).

8. AUDITOR'S REMUNERATION

	June 30, 2025		June 30, 2024		June 30, 2023	
	Audit Rs.	Others Rs.	Audit Rs.	Others Rs.	Audit Rs.	Others Rs.
RSM (Mauritius) LLP	2,271,250	55,200	2,156,250	50,000	2,127,500	57,500

The audit fees for the financial years ended 2023 relate to audit fees for PriceWaterhouseCoopers


.....
Director
ESPITALIER NOEL Patrice Jean Pierre
Edouard


.....
Director
TAUJOO Mohammad Issa


.....
Chief Executive Officer
Vikash R TULSIDAS

Date : 25 September 2025

INTRODUCTION

SPICE Finance Ltd (SPICE / the 'Company') is a public company as defined under the Mauritian Financial Reporting Act 2004. The Company is licensed by the Financial Services Commission ("FSC") for its leasing business and regulated by the Bank of Mauritius to conduct deposit-taking business. The Company accepts deposits from the public to finance its lease book. Accordingly, the Company has the duty to ensure that its asset portfolio is adequately matched with its deposit book. SPICE has the responsibility of safeguarding the funds entrusted by the depositors and, to that effect, the Company ascertains that its business is carried out with integrity and that its staff adheres to strict code of ethics and acts as professionals in their duties.

PRINCIPLE 1: GOVERNANCE STRUCTURE

The Board of Directors (the 'Board') is committed to attain and sustain high standards of corporate governance. The Board recognises the importance of good governance to ensure continued growth, success and to enhance investors' confidence. The Board is collectively responsible for the Company's leadership, strategy, values, standards, control, management and long-term success. It is also responsible for providing strong leadership and independent judgement for complying with all legal and regulatory requirements.

The corporate governance framework includes a unitary Board, Board Committees and Management Committees. It follows industry best practices, established policies and procedures and ensures that the employees adopt the highest standards of business integrity, transparency, professionalism and ethical behavior.

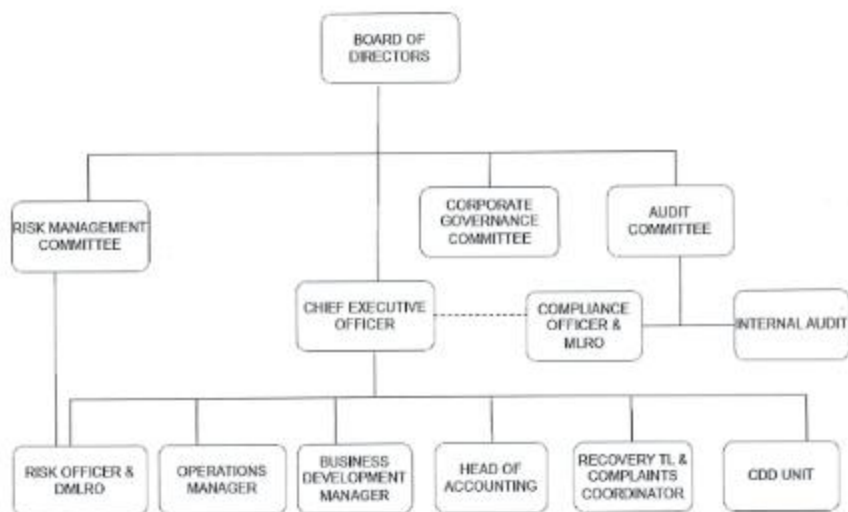
The Company has applied the principles of good governance as set out in The National Code of Corporate Governance for Mauritius (2016) ('the Code') which is based on an "apply and explain basis" and conducts its operations in line with these principles and with the Revised Guideline on Corporate Governance issued by the Bank of Mauritius in May 2016.

The following key governance documents which have been approved by the Board are available on the Company's website <http://www.spicefinance.mu/>:

- Constitution
- Code of Ethics
- Organisation Chart
- Terms of reference of the Board
- Terms of reference of Board Committees
- Position statements
- Statement of main accountabilities
- Appointment and Nomination process for non-executive directors
- Annual Report
- Abridged Financial Statements

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONT'D)

The Company operates within a defined governance framework through delegation of authorities and clear lines of responsibility while the Board retains effective control. The organisational chart of the Company is depicted below:



Role of the Board

The key role of the Board is to determine the Company's direction, monitor its performance and oversee risks. The Board sets policies and supervises the management of the Company, either directly or through the Board sub-Committees, for more in-depth analysis and review of various issues.

Responsibilities of the Board

The Board is responsible in ensuring that the Company adheres to all relevant applicable legislations and remains committed to best governance practices for the benefit of all its stakeholders. The Board is also responsible in monitoring and assessing risks in order to ensure that the viability of the Company is sustained at all times. In addition, the Board ensures that its internal control systems and reporting arrangements are designed and set up so as to provide for the effective, prudent and efficient administration of its assets and liabilities.

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONT'D)

Responsibilities of the Board (cont'd)

The key functions of the Board include:

- a) setting the business strategy of the Company and approving business plans and budgets that implement the said strategy;
- b) supervising the management of the business of the Company; and
- c) ensuring the financial soundness of the Company and that all licensing requirements are satisfied.

Key Governance Responsibilities

The Board takes particular note of the key governance positions which are critical to the Board's performance against its strategy and achievement of a high level of good governance. The Board has approved all of the key governance positions within the Company and the corresponding accountabilities that are matched with these key positions. The job descriptions of the key senior governance positions within the Company are available on its website.

Key Governance Positions

Chairman of the Board

The key responsibilities of the Chairman of the Board are as follows:

- To preside over meetings, encourage participation of Directors in Board matters and mediate differences of opinion;
- To participate in the nomination of Directors to ensure that the Board has the right mix of competencies, skills, objectivity and expertise;
- To monitor and evaluate Board and director appraisals;
- To guide the Board and Senior Management, ensuring time for consultation, preparing of Agenda and minutes, and supervision of implementation of resolutions;
- To ensure adequate succession planning for the Directors and Management;
- To ensure that all relevant information on financial and operating matters are placed before the Board to enable Directors to reach informed decisions;
- To ensure adoption of good corporate governance practices;
- To maintain relations with the Shareholder of the Company and ensure that information is clearly communicated to them through appropriate disclosure; and
- To issue a compliance statement to the Bank of Mauritius in respect of each financial year, certifying that the Company has complied with the provisions of the law and regulations issued by the Bank of Mauritius.

Mr. ESPITALIER NOEL Patrice Jean Pierre Edouard is the Chairman of the Board and a brief profile is found on page 8.

Chief Executive Officer ("CEO")

The key responsibilities of the CEO are as follows:

- To develop and implement the Company's strategy with a view to creating shareholder value;
- To be responsible for the day to day management of the Company;
- To monitor and supervise all processes, work in progress and the activities of the Company as a whole;
- To be the main point of contact between the Board and Management; and
- To promote a safe and sound risk management culture.

Mr. TULSIDAS Vikash R is the Chief Executive Officer and a brief profile is found on page 8.

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONT'D)

Chairman of Audit Committee ('AC')

The key responsibilities of the Chairman of the Audit Committee are as follows:

- To provide support and advice to the Chairman of the Board;
- To provide advice and counsel on matters relating to the work of the AC, the CEO, Head of Accounting or other members of Management; Board of Directors and the external auditors;
- To regularly review and assess the AC Terms of Reference;
- To create an annual work Plan in collaboration with the Head of Accounting, internal auditor and external auditor;
- To report to the Board on the work of the AC in a timely and comprehensive manner;
- To schedule an appropriate number and the timing of AC meetings each calendar year so as to enable the AC to carry out its responsibilities diligently and effectively;
- To create the agenda for each AC meeting with a view to establishing the appropriate priorities, and fulfilling the obligations of the AC under its TOR and in accordance with its work plan;
- To ensure that the AC receives all materials to be discussed at AC meetings in a timely manner in order to allow AC members a sufficient amount of time to review the information provided with; and
- To ensure that an updated report of each AC meeting is presented to the Board.

Mr. Mr. TAUJOO Mohammad Issa is the Chairman of the AC whose brief profile is found on page 9.

Chairman of Risk Management Committee ('RMC')

The key responsibilities of the Chairman of the RMC are as follows:

- To provide support and advice to the Chairman of the Board;
- To provide risk expertise to the RMC;
- To guide and advise the Board in the approval of an appropriate risk management framework; and
- To ensure that an updated report of each RMC meeting is presented to the Board.

Mr. TAUJOO Mohammad Issa is the Chairman of the RMC and a brief profile is found on page 9.

Chairman of Corporate Governance Committee ('CGC')

The key responsibilities of the Chairman of the CGC are as follows:

- To provide expertise in the areas of Corporate Governance;
- To ensure that an updated report of each CGC meeting is presented to the Board;
- To ensure that the Board members receives regular and ongoing training and development; and

Mr. ESPITALIER NOEL, Patrice Jean Pierre Edouard is the Chairman of the CGC and a brief profile is found on page 8.

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONT'D)

Directors' Profile

The profiles of the Board Members at June 30, 2025 are as follows:

Mr. ESPITALIER NOEL Patrice Jean Pierre Edouard (Edouard)

Independent Director - Chairman

Edouard holds a BSc Engineering (Electronic) from Greenwich University, UK. He started his career in the retail business of electronic equipment and in 1987 became the Sales Manager of JM Goupille, a leader in its field. He then took over the General Management of Galaxy in 1995 and in 1996 was promoted as Managing Director of both JM Goupille and Galaxy.

In 2008, Edouard was promoted as Chief Retail Executive of the CIM Group. He has now retired after some 30 years of service. Edouard has a good experience in the trade and retail market of Mauritius and he also sits on various companies in the Global Sector as Independent Director. He was appointed Director of SPICE on 25 August 2017.

Directorship in listed companies: None

Mr. TULSIDAS Vikash R (Vikash)

Executive Director

Vikash Tulsidas is a graduate from the University of Warwick, UK. He joined AXYS Group in 2004. He was the Managing Director of AXYS Stockbroking Ltd from 2004 until end 2016 and specialised in trading on stock markets both locally and internationally.

He was appointed Director of SPICE on 15 October 2013 and since the 1st of February 2017 he is the Chief Executive Officer of the Company. With his experience in Capital Markets, Vikash has served as a Non-Executive director on several entities within AXYS Group. He was an active member of the Executive Committee of the Port-Louis Stockbroking Association until end 2016. He has been a member on the Board of Directors of the Stock Exchange of Mauritius (SEM) for 9 years until December 2016 and a Director of the Central Depository & Settlement (CDS) for 8 years. He was the Chairman of the CDS for 3 years until December 2016. Vikash currently sits on the Index Management Committee of the SEM and the Business Conduct Committee of the CDS and also sits as Independent Non Executive Director on various companies in the Global Business Sector.

Prior to joining AXYS, Vikash has also worked as an analyst in the Marketing and Economic Studies department of a leading accounting firm for two years.

Directorship in listed companies: None

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONT'D)

Directors' Profile (Cont'd)

Mrs MONIEN Mootoosamy Vijeyalutchmee (Jessila)

Executive Director

Jessila has joined the SPICE since October 2009 and now heads the Accounting Department. As a fellow member of the Association of Chartered Certified Accountants (FCCA), she possesses over 15 years of experience in audit and accountancy.

She has been sitting on the Board of SPICE since June 14, 2019.

Before her tenure at SPICE, Jessila spent several years in the Cayman Islands and Luxembourg, where she held positions as Audit Supervisor and Audit Manager at two of the Big Four international audit and accounting firms.

Her vast exposure to the accounting field through the numerous years enables her to duly execute her duties, whilst at the same time ensuring compliance with applicable accounting standards, Mauritian company laws and prevailing regulatory guidelines.

Directorship in listed companies: None

Mr. TAUJOO Mohammad Issa (Issa)

Independent Director

Issa joined the board of the Company in September 2022. He is a fellow of the Association of Chartered Certified Accountants and started his professional career in Deloitte Mauritius where he spent 9 years. He then joined PwC where he became a Partner in 1992. He was Country Assurance Leader for 10 years until his retirement in 2016.

Issa has audit experience over a wide range of industries. In the last 10 years of his career as an auditor he specialised in financial services, including Banks, Investment funds and other investment entities. He holds directorships in a number of local and global business entities.

Directorship in listed companies: None

Mrs. BHEENICK KALACHAND Monisha

Independent Director

Monisha holds a Master of Science in Accounting & Finance from the London School of Economics (1998-1999) and a Bachelor of Science in Business Management & Finance from King's College London (1994-1997).

Her banking & finance career started in 1997 at ABN AMRO Rothschild Bank, London as an equity trader on the Pan European desk and as a business analyst on the MNC desk. In 2000, she joined HSBC Corporate & Investment Banking in Mauritius as Portfolio/Relationship Manager for the MNCs, larger conglomerates and parastatal bodies. In 2004, she was recruited by Groupe Caisse d'Epargne as Head Corporate Banking to devise & implement the strategy for the launch of their Corporate Banking department of Banque des Mascareignes.

Monisha joined Standard Bank Mauritius Ltd in 2009 as Business Development Manager for the MNCs and large African groups operating within the overall Standard Bank Group, specifically to meet their financing requirements through our local Global Business sector.

Directorship in listed companies: Semaris Ltd

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONT'D)

Directors' Profile (Cont'd)

Other Key Management Positions

Head of Accounting

The Head of Accounting is responsible for the day-to-day aspects of the Company's accounting and reporting functions whilst ensuring compliance with applicable accounting standards, Mauritian company laws and prevailing regulatory guidelines. The Head of Accounting oversees all tax and accounting matters and is involved in the management of general accounting activities and the maintenance of effective internal controls.

MONIEN Mootoosamy (Jessila) Vijeyalutchmee

Head of Accounting

A brief profile of Jessila is on page 9.

Business Development Manager

The Business Development Manager ("BDM") is responsible for assisting the Company to acquire new customers and retain existing customers as well as exploiting business opportunities as and when they arise. The main objective of the BDM is to generate new revenue and help the Company grow. The BDM manages the sales team and oversees the activities of the recovery department.

SELVON Gilbert Patrick

Business Development Manager

Patrick joined SPICE Finance Ltd in May 2008 as Business Development Manager. He holds a "Brevet Bancaire" from the Centre de Formation pour la Profession Bancaire, France.

He joined BNPI – Mauritius in 1990 and was appointed Relationship Manager at BNPI Leasing in 2000. He joined Barclays Leasing Company Limited in 2002 as Relationship Manager following the merger of BNPI and Barclays Bank Plc. Patrick was appointed Manager of the Barclays Business Support in September 2007. He has acquired a wide experience in leasing activities and is well known for his professionalism in the industry.

Operations Manager

The Operations Manager is responsible for ensuring that procedures are implemented, followed and continuously monitored to meet the Company's objectives and stakeholders' expectations. The Operations Manager is also responsible in assisting Management to develop and encourage a shared vision for the future directions, goals and priorities whilst providing strategic and administrative assistance for the overall running of the Company.

MOUSSE Marie Joelle Juanita

Operations Manager

Joelle joined SPICE Finance Ltd in May 2006 as administrative officer before being appointed as Assistant Back Office Manager in 2011 and then as Assistant Operations Manager in 2017. With over 18 years of experience in the leasing sector at SPICE Finance Ltd, Joelle has been able to develop her expertise in anticipating professional needs, proactively identifying, prioritizing and resolving problems efficiently. Joelle holds a Bachelor's degree in Business Administration from MANCOSA University of South Africa and a professional qualification of Banking Operations and Management from the Knowledge of the Art Limited.

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONT'D)

Other Key Management Positions (Cont'd)

Compliance Officer & Money Laundering Reporting Officer ("MLRO")

The Compliance Officer bears the responsibility to verify on a regular basis, compliance with policies, procedures and controls relating to money laundering and terrorism financing activities. The Compliance Officer has also been appointed as the Company's MLRO. The main duty of the MLRO is to make suspicious transactions reports to the Financial Intelligence Unit.

GENEVIEVE Jonelle Mary Tracy

Compliance Officer & Money Laundering Reporting Officer

Jonelle joined SPICE Finance Ltd in May 2019 and is cumulating both the functions of Compliance Officer & MLRO. Jonelle holds a bachelor's degree in the field of Banking and Investment from the University of Mauritius. She is a Certified Anti-Money Laundering Specialist and a Certified advanced AML specialist in Risk Management from the Association of Certified Anti- Money Laundering Specialist which is the largest international membership organization dedicated to enhancing the knowledge and expertise of financial crime prevention.

In 2015, Jonelle started her career as assistant compliance officer at Banque des Mascareignes and was promoted to the post of Compliance Officer in 2016. She was involved in reviewing KYC documents for all types of clients, assisting the MLRO for blacklist and tax haven countries. She was also involved in the monitoring and reporting system for operational risks till February 2019.

Jonelle joined AAMIL Group, a management company in March 2019 and was acting as Legal and Compliance Officer. Jonelle was involved in maintaining proper compliance in accordance with Anti-Money Laundering/Combating the Financing of Terrorism framework ("AML/CFT"), performing enhance due diligence on high-risk clients, following up on all on-going litigations.

Head of Recovery

The Head of recovery is responsible for keeping track of outstanding debts and for the debtors management in general. The latter is also responsible to comply with requirements when legal actions are taken against clients and for liaising with the legal advisors of the Company. Further, she handles customer questions or complaints to maximize customer satisfaction.

DORZA Marie Juliana Charlene

Head of Recovery

Charlene joined SPICE Finance Ltd in November 2013 as an intern and was employed on a full-time basis in April 2014 as administrative support to the operations, sales, and recovery department. During this period, she was given the opportunity to get an insight understanding of the operations of all departments within the organisation. In January 2018, Charlene was promoted Team Leader of the Recovery department. In August 2021, she was appointed as the Complaint Coordinator and a Senior Officer. She holds a degree in Business Administration and a Post Graduate Diploma in Risk Management from MANCOSA University of South Africa.

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONT'D)

Other Key Management Positions (Cont'd)

Company Secretary

All Directors have access to the advice and services of the Company Secretary, NWT Secretarial Services Ltd, through its representative V.Oomadevi Chetty, who is responsible for providing guidance to the Board as to their duties, responsibilities and powers. The Company Secretary is appointed by the Board in accordance with the Company's Constitution.

The Company Secretary is responsible for providing guidance to the Board of Directors on their duties and responsibilities, ensuring that the Company complies with all applicable laws, regulations, and its own Constitution. The Company Secretary also oversees the efficient administration of Board and shareholder meetings, maintains statutory records, and ensures timely filings with the Registrar of Companies and other relevant authorities.

NWT Secretarial Services Ltd submitted its resignation on 17 July 2025. Following the resignation of the NWT Secretarial Services Ltd, and subsequent to approval obtained from the Bank of Mauritius, the Board approved the appointment of Omnicane Management & Consultancy Limited as the new Company Secretary of the Company with effect from 28 August 2025, through its representative Eddie Ah-Cham.

NWT Secretarial Services Ltd

CHETTY (Lavineea) V. Oomadevi

Company Secretary

Lavineea graduated in Economics and Finance from the University of Natal, South Africa. She is a Chartered Secretary and Chartered Governance Professional from The Chartered Governance Institute, UK. She previously worked as Underwriter in the Motor and General Insurance Department at Swan Insurance for ten years and as Company Secretary at Executive Services Ltd for 8 years. Lavineea joined NWT (Mauritius) Ltd as Company Secretary since 2015 and through NWT Secretarial Services Ltd provides company secretarial services to various companies within the AXYS Group.

Omnicane Management & Consultancy Limited

Eddie Ah-Cham

Company Secretary

Eddie Ah-Cham will act as the Key Managerial Personnel (KMP) of the Company and is responsible for ensuring compliance with applicable statutory requirements and for advising the Board on good corporate governance practices.

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONT'D)

Other Key Management Positions (Cont'd)

Company Secretary (Cont'd)

AH-CHAM Eddie

Company Secretary

Eddie is a Fellow Member of the Association of Chartered Certified Accountants (FCCA). He has over 28 years of experience in external and internal auditing and in corporate management. He started his career in the Audit Department of Kemp Chatteris Deloitte and was assistant accountant at Express Trading Company Ltd in 1995. He joined Mon Trésor & Mon Désert Ltd (now Omnican) in 1996 as assistant accountant and served as Internal Audit Manager for 7 years before being promoted to the position of Company Secretary.

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

The Board of the Company has aimed to create the right balance and composition in such a way as to best serve the Company. Given the size and the sector of activities of the Company, the Directors consider that the current Board is of reasonable size and possesses the appropriate mix of competencies, experience, skill and independence to efficiently manage the affairs of the Company.

The Company is currently managed by a unitary Board of five members, residents of Mauritius, out of whom two (2) are Executive Directors, and three (3) are Independent Directors, meeting the criteria of a minimum of 40% independent directors. The Board considers that its composition has diversity and gender balance. A sufficient number of directors do not have a relationship with the Company and the major shareholder.

POWERS OF THE BOARD

The key roles and responsibilities of the Board of Directors are set out in the Board's Terms of Reference which has been approved accordingly. The Board is aware of its responsibility to ensure that the Company adheres to all relevant legislations such as the Mauritian Banking Act 2004, the Mauritian Financial Services Act 2007, the Mauritian Financial Reporting Act 2004, and the Mauritian Companies Act 2001. The Board also follows the principle of good corporate governance as recommended in the National Code on Corporate Governance.

Board Meetings

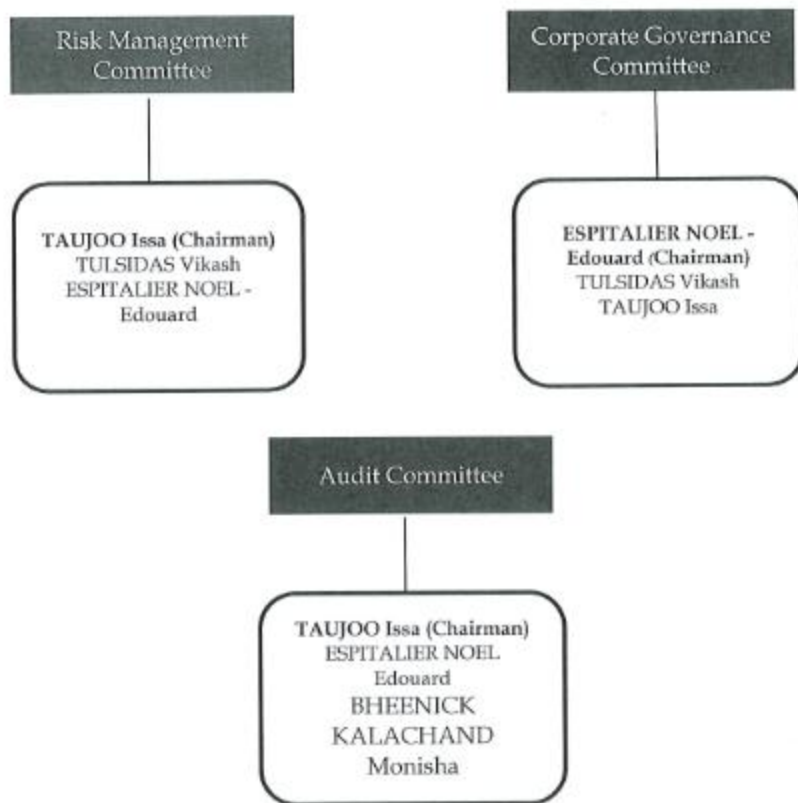
The Board holds four Board meetings annually and special board meetings are convened as and when necessary. During the period under review, 4 board meetings were held.

BOARD COMMITTEES

In line with best practice and good corporate governance principles, the Board of Directors of SPICE Finance Ltd has delegated clearly defined responsibilities to 3 Board sub-committees. These Board sub-committees operate within clearly defined Terms of Reference and provide assistance to the Board and its Directors in discharging their duties through a more comprehensive evaluation of specific issues. The Board sub-committees report regularly to the Board to whom they submit their recommendations. The Company Secretary of the Board also acts as secretary to all the Board Committees except Credit Committees.

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

The composition of the Board Sub Committees at June 30, 2025 are as per below:



The salient points of the Terms of Reference of the Board sub-committees are as follows:

Audit Committee

The Audit Committee assists the Board of Directors in fulfilling part of its duties and responsibilities in relation to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and statements according to applicable legislations and accounting standards. The core functions of the Audit Committee are to:

- Review the appropriateness of the accounting policies and assess the effectiveness of the systems of internal controls and auditing processes in the day-to-day management of the Company;
- Determine the balance between the scope of financial and operational priorities to ensure, procedurally, a value-added contribution to the interactive processes governing both the economic imperatives and effectiveness of internal controls of SPICE Finance Ltd;
- Facilitate communication between the Board, Management, internal and external auditors; and
- Serve as an independent arbitrator to the stakeholders of the Company.

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Audit Committee (Cont'd)

The Audit Committee comprises three independent non-executive Directors. During the year under review, the Audit Committee met on 4 occasions and the external and internal auditors are requested to attend the meetings as and when required.

Corporate Governance Committee

The Corporate Governance Committee was set up by the Board of Directors to make recommendations to the Board on the Company's general policy on corporate governance in accordance with the guidelines issued by the Bank of Mauritius and the provisions of the Code of Corporate Governance.

The Corporate Governance Committee, which also acts as Remuneration Committee and Nomination Committee as and when required, met on 4 occasions during the year. The Corporate Governance Committee which consists of one independent Director, one non-executive Director and one executive director, are responsible for making recommendations to the Board of Directors on, inter alia, the following:

- all corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing corporate governance principles;
- all the essential components of remuneration; and
- all new Board and senior executive nominations.

Risk Management Committee

The Risk Management Committee has been established by the Board to provide assistance in the discharge of the Board's duties relating to the risk management framework. The Risk Management Committee which comprises of one independent Director, one non-executive Director and one executive Director met on 4 occasions during the year under review. The main functions of this Committee are to ensure that the Company develops the appropriate risk management framework and policies and has the proper procedures in place to monitor and evaluate the effectiveness of these policies.

The key responsibilities of the Risk Management Committee are as follows:

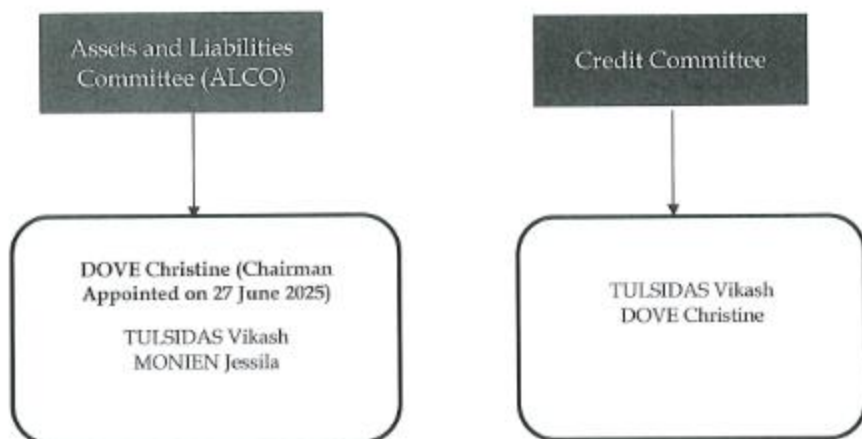
- Review and approve the risk governance framework including the risk assessment and the risk practices;
- Ensure that the policies and procedures are documented, updated and effectively implemented;
- Review and approve the risk appetite statement;
- Review with the Chief Executive Officer and the Risk Officer on all risk categories including any risk concentration; and
- Escalate any significant risk issues to the Board of Directors for their views and actions

The Risk Management Committee may be called to fulfill the functions of the Credit Committee as and when required.

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

OTHER COMMITTEES

The Company has two Committees namely the Assets and Liabilities Committee and Credit Committee.



The profiles of the members of the ALCO and Credit Committee are as follows:

TULSIDAS Vikash R
Please refer to page 8.

MONIEN Jessila
Please refer to page 9.

DOVE Christine
Christine started her career at De Chazal du Mee (now known as BDO) in 1997 in the Audit department whilst pursuing her further studies in the accounting field. She qualified as an ACCA affiliate holder in August 2000. She then joined the Rogers Group in July 2001 as Assistant Accountant. In 2005, she joined UIL and AXYS Group as Accountant where she grew to become the Group Financial Accountant. She has been actively involved in the operations of SPICE since its acquisition by UIL Group. Christine is an active member of the credit committee and ALCO.

Assets and Liabilities Committee

The Assets and Liabilities Committee ('ALCO') meets as many times as necessary during the year, including circularization by email as and when necessary. The responsibilities of the ALCO are to determine and recommend to the Risk Management Committee, the risk limits of the Company and also to ensure that the Company adheres to these risk limits.

Credit Committee

The Credit Committee which has been set up by the Board of Directors meets daily to approve financing proposals. The Credit Committee of SFL has the responsibility of assessing the financial soundness of each client prior of approving any lease facility.

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Board and Committees Attendance

During the year under review, attendance at Board and Board sub-Committees meetings were as follows:

	Board	Audit Committee	Corporate Governance Committee	Risk Management Committee
Directors	Attendance	Attendance	Attendance	Attendance
Mr. TULSIDAS Vikash R (appointed on 15 October 2013)	4 out of 4		4 out of 4	4 out of 4
Mr. ESPITALIER NOEL Patrice Jean Pierre Edouard (appointed on 25 August 2017)	4 out of 4	4 out of 4	4 out of 4	4 out of 4
Mr. TAUJOO Mohammad Issa (appointed on 19 September 2022)	4 out of 4	4 out of 4	4 out of 4	4 out of 4
Mrs. MOOTOOSAMY MONIEN Vijeyalutchmee (appointed on 14 June 2019)	4 out of 4			
Mrs. BHEENICK KALACHAND Monisha (appointed on 01 September 2023)	4 out of 4	4 out of 4		

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

The Corporate Governance Committee reviews the proposal for the appointment of prospective Directors and makes recommendation to the Board. Major factors that are considered in the appointment procedures are:

- Skills, knowledge and expertise required on the Board;
- Skills, knowledge and expertise of the proposed Director;
- Previous experience as a Director
- Balance on the Board such as gender and age;
- Fees requested by prospective Director;
- Independence where required; and

The appointment of new directors is subject to confirmation by the shareholder at the next Annual Meeting of the Shareholder.

Succession planning

The Board is responsible for succession planning of senior executives which involves the identification and development of candidates for leadership role in the Company in order to ensure continuity of management and leadership. The nomination process has been delegated to the Corporate Governance Committee which identifies potential new directors and executives. After considering the skills, knowledge, experience, age and gender of the candidates, the Corporate Governance Committee then makes necessary recommendations to the Board.

Induction

The Board is responsible for the induction of new Directors. Newly appointed Directors receive a complete induction pack which includes his or her duties and responsibilities under the respective legislations.

Continuous Development Programme

Though the Board does not organise or enrol its members on specific training sessions, it encourages all its directors to keep on enhancing their knowledge and competencies through development programmes offered by various institutions in Mauritius. On 04 June 2025, the Board and Senior Management have attended an AML Training facilitated by Naushad Khadun from FSI (Mauritius), Advanced AML/CFT Refresher for Directors & Approved Officers.

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

Legal Duties

The Company is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. This commitment, which is actively endorsed by the Board, is based on the fundamental belief that business should be conducted honestly, fairly and legally.

All the Directors on the Board are fully apprised of their fiduciary duties as laid out in the Mauritian Companies Act 2001.

Code of Ethics

The Company's Code of Ethics is applicable to all employees and Directors. The Board is responsible to monitor and evaluate the compliance with the Code of Ethics.

Board Evaluation

Good governance encourages the Board to undertake a formal, regular and rigorous evaluation of its own performance and that of its committees and individual Directors.

A performance evaluation of the Board, its committees and its individual directors was carried in April 2024 and such exercise is performed every 2 years. The evaluation was done internally through a questionnaire. All the comments and suggestions proposed by the directors during the evaluation are taken into consideration and implemented as far as possible.

Statement of Remuneration Policy

The remuneration policy of the Company is focused on optimizing performance within the Company while taking into account the efforts and merits of the personnel. The remuneration of Directors is dealt with by the Corporate Governance Committee which is thereafter approved by the Board upon the recommendations of the said Committee.

Remuneration of Directors

The remuneration and benefits of the directors are as follows:

Meeting	Attendee	Fixed Annual Fee (MUR)	Attendance Fee (MUR)
Board	Chairman	140,000	10,000
	Members	75,000	7,500
Audit Committee	Chairman	75,000	5,000
	Members	30,000	2,500
Corporate Governance & Risk Management Committees	Chairman	60,000	5,000
	Members	25,000	2,500

No fees are paid to the members of the management committees.

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

Remuneration of Directors (Cont'd)

The Directors' remuneration and benefits for the year under review amounted to MUR 25,913,256 for executive directors and MUR 795,000 for independent directors (2024: MUR 19,313,504 for executive directors and MUR 832,500 for independent directors, 2023: MUR 16,940,794, for executive and MUR 858,750 for independent directors). The Company's sole shareholder UIL Asset Finance Ltd (In liquidation), has by way of resolution, and in conformity with Section 221(4) of the Mauritian Companies Act 2001, agreed that there will be no disclosure of the emoluments of each executive director individually.

The non-executive directors have not received remuneration in the form of share options or bonuses associated with organisational performance. The executive directors have an on-going contract of employment with the Company and have received a remuneration linked with the performance of the Company.

The Directors' remuneration and benefits related to various Committees for the year under review are shown in the table below:

	Board Committee	Audit Committee	Corporate Governance Committee	Risk Committee	Total Fees
Directors	(MUR)	(MUR)	(MUR)	(MUR)	(MUR)
Mr. ESPITALIER NOEL Patrice Jean Pierre Edouard	180,000	40,000	80,000	35,000	335,000
Mr. TAUJOO Mohammad Issa	105,000	95,000	35,000	80,000	315,000
Mrs. BHEENICK KALACHAND Monisha	105,000	40,000	-	-	145,000
Mr. TULSIDAS Vikash R	-	-	-	-	-
Mrs. MOOTOOSAMY MONIEN Vijeyalutchmee	-	-	-	-	-

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

Conflict of interest

As soon as a Director becomes aware that he is interested in a transaction or that his holdings or his associates' holdings have changed, the interest should be reported to the Company in writing. The Register of Interests is updated with every transaction entered into by the Directors and persons closely associated with them. When it appears to be a conflict of interest, any Director who could have such a conflict of interest will abstain from discussions at Board or Committee meetings when the relevant matter is tabled. The Company does not have any conflict of interest since the Board considers that these are adequately covered under the relevant laws. The Company has a comprehensive conflict of interest and related party Policy to provide guidance on what constitute a conflict of interest and how it will be managed and monitored by the company in line with the applicable Laws.

Interest register

In accordance with the Mauritian Companies Act 2001, written records of the interests of the Directors and their closely related parties in the Company's shares are kept in a Register of Directors' Interests by the Company Secretary. The register is available to the shareholder upon request to the Company Secretary.

Information policy

An information policy exists and any board information is sent to the Directors in a timely manner before each Board meeting. Information is sent by Management who remains at the disposal of the Board members should they wish to obtain further clarification. The Company Secretary acts as a liaison between the Management and the Board.

Directors' Interests in Shares

The direct and indirect interests of Directors in the shares of the Company as at June 30, 2025 were:

	Direct Interests (%)	Indirect Interests (%)
Mr. TULSIDAS Vikash R	-	0.132
Mrs MONIEN Vijeyalutchmee Mootoosamy	-	0.003
Mr. ESPITALIER NOEL Patrice Jean Pierre Edouard	-	-
Mr. TAUJOO Mohammad Issa	-	-
Mrs. BHEENICK KALACHAND Monisha	-	-

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

The Directors are responsible for maintaining an effective system of risk management and internal controls. The governance of risk, the nature and risk appetite of the Company remain the ultimate responsibility of the Board which is assisted by the Management to monitor, implement and enforce internal controls to minimise risk as well as achieve strategic objectives.

The board of directors is entrusted with the responsibilities of approving the risk governance framework and ensure that an effective system of risk management and internal control are maintained within the company. The directors oversee the company's compliance with safe and sound industry practices and hold management responsible for adhering to the risk governance framework.

While it is not possible to identify or anticipate every risk due to the changing business environment, the Company has an established risk management process to manage and mitigate those key risks which could impact on its activities. In this respect, the Board ensures that the necessary structures, processes and methods for identifying, measuring and monitoring such risks are in place and integrated in the Company's overall framework for risk governance while ensuring that all laws, regulations and codes of business practice are adhered to. The process for identifying and managing risks are set by the Board and delegated to the RMC.

The RMC ensures that all identified risks, stated below, are regularly and consistently monitored. The Company has a Risk Register which is frequently reviewed and updated as and when necessary. The risks are classified into three categories namely High, Medium and Low. A High risk carries a high probability chance of happening with a high impact of loss based on poor internal controls, Medium risk is considered as a risk which is within the established tolerance levels and for which the controls are considered as partially effective. For Medium risk, necessary measures must be implemented, and existing internal controls must be reviewed, to avoid an increase in risk level. A Low Risk carries a low probability of chance of happening with effective controls. However, all risks which the organization faces need to be monitored on a regular basis and creating controls for these risks based on prioritizing the damage they can do. This can threaten the Company's business operations and performance. All these risks have been monitored and evaluated by the RMC.

The risk management mechanism in place include:

- A system for the ongoing identification and assessment of risks.
- Development of strategies in respect of risk and definition of acceptable and non-acceptable level of risk.
- The communication of risk management policies to all levels of the Company as appropriate, and methods to ensure commitment, of all relevant stakeholders, to the process.
- The implementation of a system of internal control that closely aligns the control effort to the nature and importance of the risk; and
- The risk register at SPICE serves as a structured tool for identifying, assessing, prioritising, and managing risks that it may face. It is an essential component of the company's overall risk management framework and helps in ensuring the safety and stability of its operations.
- Processes to reduce or mitigate identified risks and contain them within levels of tolerance.
- A Credit Risk Policy is now in place since July 2023, after being approved by the Board in June 2023. It is an essential policy for SPICE Finance Ltd to manage and mitigate credit risk effectively, maintain financial stability, make informed lending decisions, comply with regulations, and ultimately, achieve long-term profitability and sustainability. It serves as a cornerstone of prudent lending practices and helps safeguard the interests of depositors and shareholders.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

The main risks that have been identified are described below:

Type of Risk	Key Objectives	Mitigants
Credit Risk The risk of losses due to the failure of a customer or counterparty to meet its obligations to settle outstanding amounts in accordance with agreed terms.	- To encourage the development of sound credit risk management practices and processes appropriate for the Company's nature of business. - To promote, monitor and manage the quality of the Company's credit portfolio.	- Regular reviews of Credit Policy for management of impaired assets. - Evaluation of design of core leasing system to ensure adequate processes with respect to credit origination, approval and disbursement. - Approval of large exposures by Credit Committee. - Review of credit mandates. - Concentration limits (industries, counterparties, asset classes). - Periodic reviews of lease exposures in arrears to ensure appropriate timely actions are taken to regularise the situation or classify the exposures as non-performing with the subsequent determination of provision levels.
Operational Risk. The risk of loss or cost resulting from human errors, inadequate or failed internal processes and systems or external events and adverse market conditions. Operational risk includes Business Continuity, Human Resource and IT risks among others.	To identify, mitigate and manage the Company's operational risks in line with acceptable tolerance limits and with a strategic intent to provide our customers with good services.	- Reviewing on a regular basis all processes within the business and ensure that staffs are regularly updated. Internal policies and processes are reviewed on a regular basis to ensure that the Company is in line with the requirements of the regulators and laws. - Implementation of the 4-eyes check (Maker/Checker) process for key areas of the business. - Regular Internal audit inspection. - Insurance cover.
Liquidity Risk. The risk that the Company does not have enough financial resources to meet its obligations as they fall due or will have to do so at an excessive cost.	To ensure the availability of funds to meet claims arising from depositors and monitor liquidity on an ongoing basis to ensure that approved business targets are met without compromising the Company's risk profile.	- Limits such as liquidity ratio, capital adequacy ratio, depositors' concentration, lease to deposits ratio. - Matching of tenors of leases and deposits/liquidity gap. - Overdraft facilities available as liquidity buffer.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

Type of Risk	Key Objectives	Mitigants
Legal & Compliance Risk. Laws, guidelines and regulations may change at any point in time. The risk that the Company is not kept abreast with those changes may impact the operations and functioning of the business. Should the Company not operate within the defined legal framework, statutory or regulatory sanctions may be imposed by the authorities which may result in fines and penalties.	To effectively assess the legal and reputational risk exposure of the Company's business activities, not only in terms of adhering to applicable laws and regulations, but also to relevant internal firm policies and standards of conduct.	- Keep abreast of new amendments in laws with the aim of updating our internal policies and procedures. - Setting up of a compliance program which includes internal policies and procedures, KYE, an ongoing AML/CFT training. - Appointment of a designated Compliance Officer.
Strategic and Business Risk. The risk arising from inappropriate business decisions or strategies in relation to the operating environment. The risk is linked to changes in the business environment, regulatory decisions, client behaviours and technological progress, as well as the Company's specific factors such as poor choice of strategy and inflexible cost structures	To set out and deploy the Company's strategic orientations in a judicious and well-thought manner, remain attentive to changes in the operating environment and pay close attention to the current/future exigencies of the Company's customers.	Analysing and monitoring competitive landscape on a regular basis and make sure that the key stakeholders are aware of the major developments of competitors.
Reputational Risk. The risk of loss resulting from reputational damage to the Company's image caused by various factors such as compliance failures, underperformance, negative adverse media coverage etc. Such risk may result in loss of revenue, increase operating expenses and legal costs, destruction of shareholders value and breakdown of trust from clients and the public.	To ensure the Company's actions and behaviours are in line with best practice standards and that prompt and active decisions are taken on matters which may pose a reputational risk, before such risk materialises, and, in doing so, prevent damage to Company's reputation wherever possible.	- Educating staffs that the Code of Ethics of the Company need to be followed strictly to protect the reputation and smooth running of the business. - Monitoring on a regular basis any media coverage and act accordingly if press released need to be made.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

Type of Risk	Key Objectives	Mitigants
Credit Concentration Risk. The risk of over exposure to a client, group of clients or industry sector which may potentially have a major impact on the business. The Company must follow the Guidelines issued by the Bank of Mauritius with respect to the maximum exposure it can have.	To identify the sources and degree of credit concentration risk in the Company's portfolio including those arising from single counterparties and groups of connected counterparties, counterparties in the same industry, economic sector or geographical region, counterparties whose financial performance is dependent on the same activity.	- Monitoring on a regular basis Deposits/Leasing to ensure that there is appropriate diversification. - Monitor the credit concentration limits per the regulatory requirements and the Company's policies.
Interest Rate Risk. The risk arising from changes in interest rates impacting on the Company's interest income and interest expense.	To manage the impact of interest rate changes on the Company's overall risk profile both from an earnings and economic value perspective.	- Monitoring the duration that is the interest rate sensitivity of the entire portfolio to ensure that there is no significant over-exposure to changes in interest rates. - Reviews of impact of a change in interest rate on the net interest income of the Company.
Related Party Transaction Risk. It is the risk that a deal or arrangement made between two parties who are joined by pre-existing business relationship or common interest may lead to illegal situations or create conflicts of interest.	To identify, manage and monitor all transactions with all related parties and report to the Conduct Review Committee.	- Implementation and establishment of a related party transaction policy as per the requirements of the Bank of Mauritius. - Ensuring that each related party transaction is treated by the Conduct Review Committee.
IT Risk/Cyber Security Risk. The risk of breach of information technology security arising from the malicious or unauthorized use of information systems that may have an adverse effect on the confidentiality, availability, or integrity of information or information systems	To handle and mitigate cyber risks and establish a strong IT platform to aid the delivery of the organization's strategic objectives whilst protecting confidentiality and preventing misuse of systems and business disruptions.	- Firewalls/malware alerts are already in place to prevent risk of cyber-attacks. - Off site Back Up. - IT security awareness to staff on a regular basis.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

Type of Risk	Key Objectives	Mitigants
Personnel Risk It refers to threats that may be directed toward the employees. These risks may originate from within the company or from external sources.	To ensure that human-related factors do not negatively impact the organization's ability to achieve its goal	• Ensure continuity of operations with succession planning, cross-training and workforce planning • Promote ethical and compliant behaviour • Attract, retain and develop talent • Maintain a safe and healthy work environment
Fraud Risk It is the exposure to intentional misconduct, designed to evade detection. Includes all types of fraud schemes and scenarios, incentives, pressures and opportunities to commit fraud and IT fraud risk specific to the Company	To minimize the opportunities for fraud to occur and to act decisively when fraud is detected or suspected.	• Segregation of duties • Fraud Awareness training • Code of Conduct and Code of Ethics Policy • Background check on employees • Access controls

Climate Change and Environmental Risk

The growing impact of climate change on our planet and its subsequent financial challenges highlight the importance of addressing climate-related and environmental risks. SPICE Finance Ltd (SFL) recognises that both the acute and chronic physical risks, such as extreme weather events and gradual climatic changes, combined with transition risks related to policy, technology, and market shifts, have potential financial implications. These risks manifest in various ways, from operational disruptions due to extreme weather events to market volatility and potential credit risks arising from sectors vulnerable to climate shifts. Additionally, the company acknowledges the broader environmental risks, including water stress, biodiversity loss, pollution, and resource scarcity, all of which can influence financial outcomes.

To proactively navigate these challenges, SPICE Finance Ltd is working on comprehensive governance structures, with both board and management oversight, to manage climate risk. Our short-term strategies up to 2030 emphasise reducing climate-related financial risks, adopting climate-aligned policies, setting net-zero targets, and benchmarking our ESG performance. Beyond this, by 2050 we aim to achieve our net-zero goals, further enhance our ESG performance, and significantly reduce our carbon footprint. Our long-term vision to 2100 is centered on global temperature reduction targets. To support these goals, SFL is actively developing an internal tool to assess both physical and transition climate risks, integrating them into our overarching risk assessment framework. This includes monitoring GHG emissions across Scopes 1, 2, and 3, and setting clear Key Risk Indicators and Key Performance Indicators related to energy consumption, emissions, and sustainability. Committed to transparency, SFL will provide periodic, at least biannual, reports to the Board, detailing our progress and performance against these targets.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

Climate Change and Environmental Risks (Cont'd)

As part of its commitment to responsible lending, SFL is working towards the integration of a specialised assessment tool into its operations. This tool aims to evaluate the environmental implications of our leases. The intended approach is to categorise assessments into 'Vehicles' and 'Equipment'. Vehicles will be evaluated based on emissions and fuel type, while equipment evaluations will focus on lifespan and supplier-related insights. We plan to utilise straightforward yes-or-no questions for qualitative assessments and compare emission metrics against industry benchmarks for the quantitative aspect, assigning respective risk scores. By averaging these scores, our goal is to derive a comprehensive risk profile for each borrower. This initiative highlights our proactive approach to align our financial practices with environmental considerations. There is now a return on a quarterly basis for climate change risk. The Climate Risk Management Framework implementation has thus been outsourced to meet the requirements of this new guideline and mandatory return of Bank of Mauritius. The engagement scope and approach are as follows:

Information Technology ("IT") and IT security

The Board of Directors is aware that a strategic alignment of information security with business strategy is important to achieve organisational goals. As such, it ensures that appropriate resources are allocated for the implementation of an information and IT security framework within the organisation.

The Risk Management Committee is mandated by the Board to ensure that adequate controls and information systems are in place to implement the Company's policy on IT which also falls under the operational risks of the Company. It is important to note that a new Guideline on Cyber and Technology Risk Management has been issued by the Bank of Mauritius on 29th May 2023. The Group IT together with the Risk Officer are working closely to adhere to all the prescribed clauses following the issuance of this novel guideline.

All major investments in information and IT security framework need to be notified to the Board. The Group's IT Security Policy was approved by the Board in the financial year 2021. The Board has decided not to disclose same on the website for sensitive and confidential reasons.

Internal Controls

The Company has set out internal control procedures to ensure that it achieves its objectives to operate effectively and efficiently, guaranteeing reliable financial reporting, operations and systems which are complying with the laws, regulations and policies, and codes of business practice to protect the Company's assets and reputation. The Board is assisted in its responsibilities by the Audit Committee which oversees the effectiveness of the Company's internal control systems. Processes are in place to monitor the effectiveness of internal control, identify and report any significant issues, and ensure that timely and appropriate corrective actions are taken.

During the year, there were no significant areas and material deficiencies in the Company's internal control systems that the management is aware of.

The Risk Management Committee ensures that risks are maintained within approved limits and any deviation is reported on a timely basis. The Audit Committee, on the other hand, reviews both internal and external audit reports on systems and controls in place.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

Internal Controls (Cont'd)

This risk management framework is based on the Three Lines of defence Model which ensures that risk is managed in line with the Company's risk appetite, as defined by the Board. All employees of the Company are responsible as well for identifying and managing risks within the scope of their role as part of the Three Lines of defence Model.

This model is an organizational structure which outlines the division of roles and responsibilities, defined by the activities performed. It is applicable to all individuals and to all types of risk. The Three Lines of defence are summarized below:

1st Line of defence Risk Ownership
The first line owns risks emanating from deployed strategic and business activities.
It is called upon by adopting adequate processes and mechanisms to suitably manage the risks faced and escalate knowledge of risks identified during activities for appropriate mitigating actions.
Employees engaged in client-facing divisions and support functions as well as business line managers have the first-level responsibility for day-to-day risk management in the interest of the Company.
2nd Line of defence Risk Control and Compliance.
The second line is mandated to establish the limits, rules and constraints under which the first line activities shall be performed.
The Compliance and Risk Department bears the responsibility for providing independent compliance and risk control. While having an administrative reporting line to the CEO, the Risk Officer and the CEO are both accountable to the RMC for the monitoring and management of assigned risk areas.
The Compliance Officer acts as the MLRO to ensure strict independence.
3rd Line of defence Risk Assurance
The Internal Audit evaluates and provides independent assurance on the effectiveness of the risk governance, the control environment and risk management processes and mechanisms, in tune with business strategies and the evolving external environment.
The function provides independent assurance that the control objectives are achieved by the first and second lines of defence in line with the set risk appetite. It has an administrative reporting line to the CEO and is accountable to the Audit Committee.
While reporting to the Audit Committee, the MLRO promotes staff awareness on money laundering and terrorism financing risks. It conducts enquiries with respect to suspected cases perpetrated.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

Internal Controls (Cont'd)

The audit plan for the Company, which is approved by the Audit Committee, covers all key areas of activities. Through regular audits, the internal control system is evaluated with respect to the risk environment.

Any deviation in policies and non-performance of internal control are duly reported and discussed broadly at both Management and Audit Committee levels. Corrective actions are promptly taken and regular follow ups as well as reporting performed by Internal Audit until complete resolution.

Risk Appetite

The risk appetite is an essential component of the risk governance framework, and it establishes the limits that the senior management must observe while executing the strategic objectives. While the risk assessment is retrospective, the risk appetite statement is prospective and establishes the limits within which management must observe during the execution of the strategic plan of the financial institution.

The risk appetite reinforces the culture of risk and is developed jointly by the Board of Directors and Senior Management.

Risk Appetite is defined as the type and quantum of risks which the Company is willing to accept in achieving its and strategic goals. Risk Appetite therefore provides the anchor between the business, strategy, risk and finance thus enabling Senior Management to optimally allocate capital to finance strategic growth within tolerated risk levels. The Risk Appetite defines an organization's desired forward-looking risk profile and informs the strategic and financial planning process. Furthermore, it is integrated with other key risk management tools to help ensure consistency in risk management practices. The risk appetite is considered in key decision-taking processes to foster the soundness of activities.

Whistleblowing Policy

The Company fosters a culture of integrity and good governance and encourages all means to achieve same. The Company has therefore put in place a Whistle-blowing Policy as well as the associated internal processes and procedures as an integral part of the Company's fraud prevention and detection mechanism.- The Company recognizes the importance of whistleblowing as a key defence against wrongdoings by management including breaches of internal controls. Employees are made aware of the importance of whistleblowing through on-going AML/CFT training. Those who have genuine concerns about a wrongdoing including, but not limited to, corruption, illegal, fraudulent or hazardous activities and/or violations of law, regulations, the code of conduct or the Company policies are encouraged to promptly report them. Employees may first raise concerns verbally or in writing with their direct manager or the HR department. If for any reason, they feel that it is not appropriate to make such a report to any of the above-mentioned person or department, they may address their report to Chief Executive Officer. Again, if they believe that in the circumstances, even the Chief Executive Officer is not the appropriate person to whom they can make a report, they may address their report to the chairman of the Corporate Governance Committee. The Whistleblowing Policy forms part of the Company's Code of Ethics and is available on the Company's website.

PRINCIPLE 6: REPORTING WITH INTEGRITY

Directors' responsibilities

The Directors are responsible for the preparation and fair preparation of the financial statements in accordance with International Financial Reporting Standards and all the requirements of the Mauritian Companies Act 2001, the Banking Act 2004 and Financial Reporting Act 2004 and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. Any material deviations on the above will be reported by the independent auditor in their report on the financial statements.

The Annual Report is available on the company's website.

Performance and outlook

Please refer to the Management Discussion and Analysis section forming part of this Annual report.

Environment, Health, Safety and Social Issues

SPICE Finance Ltd has tried to increase their staff's awareness to environmental issues and each and everyone's footprint with respect to pollution, garbage collection etc. Staff is encouraged to make use of the special recycle bins (paper, plastic and aluminums) provided to them.

The Company's staff were asked to think of ways and means to reduce the amount of paper used through copying and printing in order to help fight against deforestation and in order to help reduce their carbon footprint. Various contracts were reviewed, fonts were reduced, and a substantial amount of paper was saved through some basic and simple measures.

Related Party Transactions

Related party transactions of the Company were conducted in line with relevant internal policies and guidelines. For related party transactions please refer to note 26 of the financial statements.

PRINCIPLE 7: AUDIT

Internal audit

The Board ensures that its internal control systems and reporting arrangements are such so as to provide for the effective, prudent and efficient administration of the Company's assets and liabilities.

To ensure that the system of internal control is operating to an acceptable standard and that the risk management policies in place are adequate in managing risks in a manner acceptable to the Board, the Company has outsourced its internal audit function to UHY & CO who reports to the Audit Committee. UHY & CO have unlimited access to the Company's accounting database, administrative systems and documents and to officers of the Company. The Internal Auditors maintain their independence and objectivity by planning their audits well ahead, remaining separate and not being directly involved in the day-to-day operations of the Company. They have a direct reporting line with the Audit Committee and maintain an open and constructive communication with executive management. Such reporting structure allows the Internal Auditors to remain independent and report all items of significance to the Audit Committee.

Internal Audit reports prepared by UHY & CO are circulated to Management for their comments and to the Audit Committee, following which necessary recommendations are made to the Board.

PRINCIPLE 7: AUDIT (CONT'D)

During the year under review the Internal Auditors covered the following areas:

- Leasing Cycle
- Deposit cycle
- Procurement and HR Process
- Recovery Process

The Audit Committee reviews the findings of the Internal Auditors on a quarterly basis.

The Audit Committee follows up on the recommendation and implementation of remedial actions where applicable.

External Audit

The current auditors are RSM (Mauritius) LLP ("RSM") and have been re-appointed on 22 May 2025. As per guideline from the Bank of Mauritius and Banking Act 2004, external auditors should be changed after five years and upon a request from the financial institution on just and reasonable grounds, two more years can be extended. Having completed seven years audit, PwC tenure of office has been terminated since October 2023. RSM has been approved as the external auditors and reappointed as external auditors for financial year June 2025.

The Audit Committee is responsible for making recommendation for the appointment/reappointment and removal of the external auditors and reviewing their letter of engagement, to agree the terms and scope of work. The external auditors report directly to the Audit Committee which is also responsible for monitoring the external auditors' independence, objectivity and compliance with ethical, professional and regulatory requirements. A Meeting with the external auditor is also held where management is not present.

The financial statements and accounting policies applicable are discussed in the Audit Committee. Auditors are expected to observe the highest standards of business and professional ethics and, in particular, that their independence is not impaired in any manner. Audit fees are set in a manner that enables an effective external audit and are as per table below.

Non-audit services

The Audit Committee, has a process in place to ensure that there is no threat to the objectivity and independence of external auditors in the conduct of the audit, resulting from the provision of non-audit services by them. As such, non-audit services, which are limited to ad hoc advice and other assurance related services, are pre-approved by the Audit Committee.

The fees paid to the Auditors, for audit and non-audit services were:

	2025	2024	2023
	Rs	Rs	Rs
2025 & 2024: RSM (2023: PricewaterhouseCoopers)			
Audit services	2,271,250	2,156,250	2,127,500
Other services *	55,200	50,000	57,500
Total	2,326,450	2,206,250	2,185,000

Note 1

RSM and PwC Non-audit services

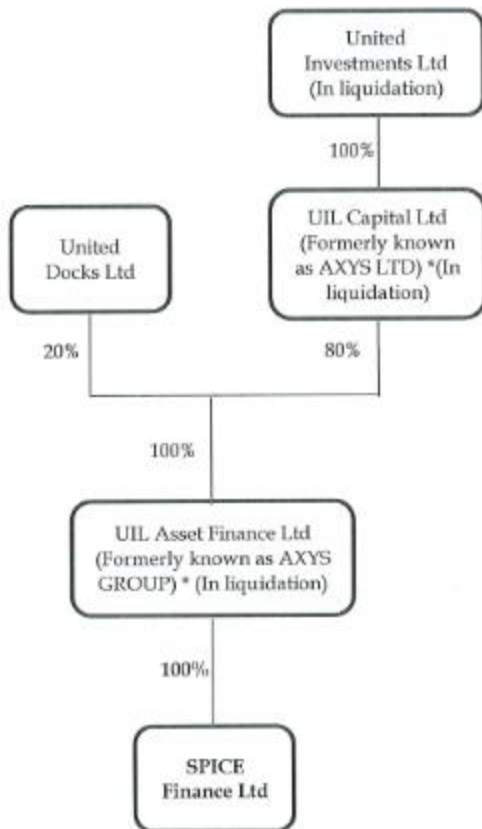
The non-audit services for RSM and PwC during the financial years ended June 30, 2025, 2024 and 2023 relate to Tax Compliance Services.

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

Shareholder's Information

The Board of Directors places great importance on an open and transparent communication with all the stakeholders of the Company. It also endeavours to regularly inform the sole shareholder on matters affecting the Company in the press, at the Annual Meeting of the shareholder and through disclosures in the Annual Report.

The shareholding structure of the Company as at June 30, 2025 was as follows:



* Change of name for AXYS LTD to UIL Asset Capital Ltd effective as from 03rd October 2024

* Change of name for AXYS GROUP to UIL Asset Finance Ltd effective as from 24th October 2024

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

Key stakeholders

The Company is committed to engage actively with its stakeholders to meet their expectations and interests in an effective and efficient manner and takes into consideration their contribution to the Company's organisational performance and outlook. The Company's key stakeholders and the way it has responded to their expectations are described below:

Shareholders:	Send notice of annual meetings within the prescribed delay imposed by law and promote dialogue.
Employees:	The Company ensures a pleasant working environment for all its staff and also has team building events to promote staff welfare.
Customers:	Each customer is important to the Company which ensures a personalised service to each and every client.
Regulators:	The Company ensures that at all times it complies with the regulatory provisions and guidelines in the conduct of its activities.

Share Option Plans

The Company does not have any Employee Share Option Scheme.

Shareholder's Agreement

There exists no Shareholder's Agreement to the knowledge of the Company.

Management Agreement

No major agreements, other than those in the ordinary course of business, were contracted by the Company during the year under review.

Dividend Policy

The Company does not have any predetermined dividend policy and the dividend payout is subject to the performance, cashflow and solvency of the Company.

Common Directors

There were no common directors within the holding structure of the Company.

Donations

There were no political donations made during the year.

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

Salient points of the Constitution of the Company

The Constitution of SPICE Finance Ltd, which is in conformity with the provisions of the Mauritian Companies Act 2001, comprises the following main clauses:

- The Board shall consist of not less than four or more than ten Directors.
- The Directors have the power at any time, and from time to time, to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Constitution.
- The Company may purchase or acquire its own shares.
- There shall be a quorum for holding a general meeting where the shareholders present or represented or who have cast postal votes, are between them, able to exercise a majority of the votes to be cast on the business to be transacted by the general meeting.

The Constitution is available on the Company's website.

Important Dates

- The publication of the Annual Report is done as per laws and regulations and is thus published in the Government Gazette within 90 days of the Company's financial year end. A condensed version of the last audited Financial Statements, along with the annual report, is available on the Company's website for consultation.
- Board and Committee meetings are held quarterly as per regulatory requirement.
- Payments of dividends are done once a year but only after approval by the Board of Directors and the Bank of Mauritius.
- The annual audited financial statements are approved by way of Shareholder's resolution.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare financial statements in accordance with International Financial Reporting Standards for each financial year. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State that applicable accounting standards have been adhered to, subject to any material departures being disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001, Mauritian Banking Act 2004 and the guidelines issued thereof by the Bank of Mauritius. They are also responsible for safeguarding the assets of the Company and hence for the implementation and operations of the accounting and internal control systems that are designed to prevent and detect fraud and an effective risk management system.

SIGNED BY:



Names: *ESPITALIER NOEL Patrice Jean Pierre Edouard*

DIRECTOR



TAUJOO Mohammad Issa

DIRECTOR

Date: 25 September 2025

STATEMENT OF COMPLIANCE

Name of PIE: SPICE FINANCE LTD
Reporting Period: 30 June 2025

We, the Directors of SPICE FINANCE LTD confirm that to the best of our knowledge SPICE FINANCE LTD has complied with all its obligations and requirements under the Code of Corporate Governance except for the following:

Section 221(1)(e)(iii)-

The remuneration and benefits for all executive & non-executive directors have not been disclosed on an individual basis. The Company's sole shareholder UIL Asset Finance Ltd (In liquidation), has by way of resolution, and in conformity with Section 221(4) of the Mauritian Companies Act 2001, agreed that there will be no disclosure of the emoluments of each executive or non-executive director individually.

SIGNED BY:


.....

Names: *ESPITALIER NOEL Patrice Jean Pierre Edouard*

DIRECTOR


.....

TAUJOO Mohammad Issa

DIRECTOR

Date: 25 September 2025

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of SPICE Finance Ltd presented in this Annual Report have been prepared by management, who is responsible for the integrity, consistency, objectivity and reliability of the information provided therein. International Financial Reporting Standards as issued by the International Accounting Standards Board as well as the requirements of the Mauritian Banking Act 2004 and the guidelines issued thereof, have been applied and management has exercised its judgement and made best estimates were deemed necessary.

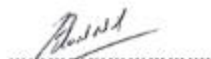
The Company has designed and maintained its accounting systems, related internal controls and supporting procedures, to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorised use or disposal. These supporting procedures include careful selection and training of qualified staff, the implementation of organisation and governance structures providing a well-defined division of responsibilities, authorisation levels and accountability for performance and the communication of the Company's policies, procedures manuals and guidelines from the Bank of Mauritius throughout the Company.

The Board of Directors, acting in part through the Audit Committee and Risk Management Committee, oversees management's responsibility for financial reporting, internal controls, assessment and control of major risk areas and assessment of significant related party transactions.

The Company's Internal Auditor, UHY & Co, who have full and free access to the Audit Committee, conducts a well-designed program of internal audits in coordination with the Company's external auditors. In addition, the Company's compliance function maintains policies, procedures and programs directed at ensuring compliance with regulatory requirements.

Pursuant to the provisions of the Mauritian Banking Act 2004, the Bank of Mauritius makes such examination and inquiry into the operations and affairs of the Company as it deems necessary.

The Company's external auditor, RSM (Mauritius) LLP, have full and free access to the Board of Directors and its Committees to discuss on audit and/or related issues arising thereon, such as their observations on the fairness of financial reporting and the adequacy of internal controls.



.....
Director

ESPITALIER NOEL Patrice Jean Pierre Edouard



.....
Director

TAUJOO Mohammad Issa



.....
Chief Executive Officer

TULSIDAS Vikash R

Cautionary Note

The board of directors of SPICE Finance Ltd is pleased to present the Annual Report of the Company for the year ended 30 June 2025. The Management Discussion and Analysis includes our outlook for 2026 which may vary during the year from our plans and expectations. The reader should, therefore, stand cautioned not to place any undue reliance on the forward-looking statement.

A year of transition

Important Developments

On 03 September 2024, our Ultimate Beneficiary Owner United Investments Ltd (UIL) issued a Cautionary Announcement stating that it had proceeded with the Partial Sale of some of its companies within the Financial Services cluster, but SPICE Finance Ltd was not included in the said sale. The Cautionary Announcement also stated that UIL has subsequently decided to run a separate process for the disposal of the remaining financial services investments in its portfolio, including SPICE Finance Ltd, with a view to ensuring that greater value is created for its shareholders.

On 11 April 2025, UIL went into voluntary administration, few months after repurchasing a significant percentage of no par value ordinary shares held by 8 shareholders at a price of Rs. 8.38 per share. On 20 August 2025, UIL appointed Mr Paul Gerald Lincoln as Liquidator. As a result, the Management Buy-Out (MBO) of SPICE which was on the cards since 2 years did not go through. However, shortly after, by way of a communiqué dated 16 April 2025, Omnicane Management & Consultancy Ltd (OMCL) entered into an in-principle agreement for the acquisition of 100% of the shareholding of SPICE. On 04 June 2025, a second communiqué was issued stating that OMCL had signed a Share Purchase Agreement (SPA) and the transaction would be subject to the satisfaction of certain conditions precedent including securing the approval from the appropriate authorities. A formal application has been made by OMCL with the Bank of Mauritius (BOM) and Financial Services (FSC) for the approval of the change in shareholding.

Following the above developments, Care Ratings (Africa) Ltd temporarily suspended SPICE's Rating pending the sale of the Company. It is important to highlight that we remain the only Leasing company to have been rated since 2020 for a Notes Program. The effective interest payable on the Notes Issue was therefore adjusted upwards by 60 bps.

Economic Review

The global economy is expected to experience subdued growth in the coming months amid a challenging trade environment and heightened macroeconomic uncertainties. In its July 2025 World Economic Outlook report, The IMF projects global growth to stand at 3.0% for 2025 and 3.1% for 2026, slightly lower than the forecasts of 3.3% projected earlier this year. Global headline inflation is expected to fall to 4.2 percent in 2025 and 3.6 percent in 2026. The US Federal Reserve held the interest rate steady in the range of 4.25% to 4.5% at its July 2025 meeting, balancing growth concerns with rising uncertainty over inflation. On the other hand, the European Central Bank lowered its policy rate by a further 25 bps to 2.0% in June 2025.

Economic Review (Cont'd)

The last few months have been mostly marked by the U.S Government introducing higher tariffs across the board. This created a lot of uncertainty and turmoil on the market weighing on business investment and consumer demand as most U.S. trading partners now face tariff increases ranging from 10% to 50%. With the introduction of these higher tariffs, geopolitical tensions could disrupt global supply chains and push commodity prices up. Larger fiscal deficits or increased risk aversion could raise long-term interest rates and tighten global financial conditions.

On the local front, the year has mainly been marked by the general elections in Mauritius, held on 10 November 2024 which saw a landslide victory of the opposition parties. After 10 years, the country welcomed a change with high expectations. The new Government immediately announced that they inherited a crippled economy with a high budget deficit and zero money in the drawers. Whilst this came as no surprise to the main actors in the economy, a call for disruption and a radical change was the general consensus of the country. Headline inflation in Mauritius edged up for the third consecutive month to 2.9 per cent in June 2025, albeit remaining well within the medium-term target range of 2-5%. The BOM forecasts headline inflation at around 4% until the end of December.

On 05 June 2025, the first Budget Speech of the newly elected Government came as a "douche froide" to the population. Among the main unpopular measures that were announced was the increase in the age of eligibility for the Basic Retirement Pension from 60 to 65 years as from October 2025, increase in income and corporate taxes, new levies for banks and significant increase in duties and taxes on vehicles as from the new fiscal year. The latter measure directly impacts the business of SPICE given that our turnover is highly geared towards vehicles. During the month of June, a record number of vehicles was registered as sales sky-rocketed following the budgetary measure. Post June, the sales of cars has drastically fallen impacting all car dealers on the market and service providers such as SPICE.

Risks to the global growth outlook remain tilted to the downside. Similarly, the outlook for our domestic economy follows suit. Sectors such as Construction, Accommodation and food service activities contracted earlier this year, with fewer cumulative tourist arrivals for Q1 of calendar year 2025. However, this was offset by consumption expenditure which remained the main driver of growth as consumption grew by 4.7% for the same period. Not surprisingly, our current account deficit as a ratio of GDP widened to 5.1%, up from 4.8% last year, as we continue to increase our imports which rose by 7.3% whilst exports grew by only 2.2%. The BOM projects the growth performance for the Mauritian economy to stand closer to 3% as opposed its previous expectation of 3.5%. Time has come, more than ever now, to have a proper social and economic reform with bold measures that lay the foundation for sustainable growth.

Operational & Financial Review

This year was marked by the bankruptcy of our UBO. After cruising for the first 9 months of the financial year, our growth was impeded by this important turning point in the history of SPICE. Despite all the challenges faced by our Company, we surmounted same on the back of a solid Balance Sheet with strong reserves, a sustained business model, loyal customers, a dynamic team and excellent relationships with our stakeholders. This in itself is a testament to our resilience of facing external shocks

Notwithstanding the fact that the bankruptcy of our UBO impacted us in a negative manner, Profit for the year fell from Rs 126.2M to Rs 107.9M and when adjusting for non-comprehensive income (Retirement Benefit Obligation), PAT stood at Rs 108M. Total Equity stood at Rs 559m resulting in a ROE of 19% which is commendable in the given circumstances. Our active number of leases and active number of deposits both grew in number, demonstrating that we have further diversified our retail base to tap into small tickets and diversify our credit concentration risk. Our Capital Adequacy Ratio which measures our financial strength ensuring our ability of withstand economic shocks and protect depositors' funds stood at a healthy 16.3% (minimum regulatory ratio limit is 10%). The Company also remained well within the regulatory limits for Credit Concentration and Related Party Transactions.

Our lease book has traditionally been mainly geared towards vehicles, which represented 94% of our book as at 30 June 2025. The country experienced a record sales in the number of vehicles sold for the first 6 months of 2025. This was mainly due to the fact that the Government introduced new duties and taxes for all new and reconditioned vehicles whilst removing the exemption of Rs 200,000 on Electric Vehicles. There was a flee for everyone to renew their vehicles before the start of the new fiscal year. Unfortunately, SPICE could not leverage on this record sales as we were in a restructuring mode due to the transition in place in view of the change in Shareholding.

Despite a slight decrease in our total lease portfolio, our Interest and Similar Income grew by 13.2%, demonstrating our capacity to maintain a healthy margin. Net Finances Lease stood at Rs 4,056m and our Operating Lease Book ended at Rs 236m. Our Allowance for Impairment Losses on Finance Leases took a hit this year as we adopted a prudential approach for some luxury vehicles for a pool of clients. Our specific provisioning has therefore increased by Rs 22M as compared to last year, which has had a direct impact on our bottom line.

On the deposits side, our book has also slightly decreased from Rs 3,919.1m to Rs 3,858m as we reduced our exposure to financial institutions. With a close monitoring of our maturity profile and more efficiency in our liquidity management, our net interest income grew substantially 7.2% over last year as we maintained our liquidity position comfortably above the 10% threshold imposed by the BOM.

During the year under review, the MPC met on 4 occasions. On 05 February, the latter unanimously decided to increase the Key Rate by 50 bps with the aim of mitigating any risks of inflation flaring up and addressing exchange rate pressures. As at date, the Key Rate stands at 4.50%. The ALCO of SPICE has also met on 4 occasions and has been monitoring the liquidity and cash flow position very closely in order to keep up with the dynamic market conditions. Our BDR stands at 3.65% and our BLR is at 7.50%.

Operational & Financial Review (Cont'd)

With respect to the recovery side of the business, the team remained disciplined and close to our client base with systematic follow-ups with our debtors. Right from the on-boarding of the client, we adopt a very cautious approach when assessing the credit worthiness of the lessee. As mentioned above, we adopted a prudential approach for a pool of clients for whom we have increased our specific provisioning.

On the other hand, we have enjoyed a decrease in our Expected Credit Loss (ECL) on the performing lease book from 0.67% to 0.56%. Despite this continuous decrease in our loss ratio, SPICE has adopted the threshold of macro prudential as imposed by the BOM for its General Provisioning. The additional 0.93% general provision has been booked in our general reserves, representing an additional figure of Rs 60.7m. Our historical loss ratio has been decreasing consistently over the last few years and stands at 1.8% of our lease book. This compares with 1.91% in 2023, 1.97% in 2022 and 2.30% in 2021. This clearly demonstrates that SPICE has a very healthy lease book.

At the start of the year, we had set our objectives for FY 2025 as follows:

- Maintain our position as the preferred Leasing partner for car dealers;
- To further grow our Balance Sheet and deliver higher returns to our shareholders;
- Continue our Dealership Award's competition to further strengthen our relationship with our partners;
- To tap into the leasing of Photovoltaic equipment;
- Continue to innovate and automate our processes.

Due to unforeseen circumstances whereby our UBO went into voluntary administration, our main objectives were compromised. However, we are convinced to come out of all this stronger based on SPICE's DNA which is quality, rapidity, flexibility and general excellence in our personalized service and proximity with our customers and car dealers. These characteristics have been key to our success so far as we have always strived for excellence in our endeavor to serve them.

Financial Review for the year ended June 30, 2025

The below table summaries the key performance metrics of the Company:

TABLE I

	Jun-25 Rs	Jun-24 Rs	Jun-23 Rs	Change (June 25 v/s June 2024) %
Income from Leasing Operations	544,903,950	528,541,032	446,735,056	3.10%
Interest Expense and depreciation on OL assets	282,743,314	253,020,090	217,451,322	11.75%
Net Income from Leasing Operations	262,160,636	275,520,942	229,283,734	-4.85%
Other income other than leasing operations	10,500,298	15,067,270	6,213,044	-30.31%
Total Income	272,660,934	290,588,212	235,496,778	-6.17%
Non interest expenses	135,548,262	135,717,212	103,212,529	-0.12%
Net profit before tax	137,112,672	154,871,000	132,284,249	-11.47%
Related Assets	4,373,482,984	4,663,457,645	4,329,288,484	-6.22%
Related Liabilities	4,010,365,902	4,071,274,991	3,707,920,415	-1.50%
Total Average Assets (TAA)	4,922,447,449	4,761,050,766	4,268,063,342	3.39%
Average Interest Earning Assets (AIEA)	4,518,470,315	4,496,373,065	3,950,482,987	0.49%
Net income from leasing operations to AIEA	5.80%	6.13%	5.80%	-5.31%
Net income from leasing operations to TAA	5.33%	5.79%	5.37%	-7.97%
Tier One Capital	523,256,726	503,844,928	451,871,296	3.85%

Revenue growth

Income from leasing operations increased by 3.1% during the current financial year. This growth is mainly attributable to the expansion of the finance lease book in prior years, from which we are now deriving higher interest income.

During the year, the Bank of Mauritius Key Rate was revised twice: on 20 September 2024 from 4.50% to 4.00%, and on 4 February 2025 from 4.00% back to 4.50%. These changes directly affected all leases under variable rates. Historically, variable-rate leases carry higher interest charges; consequently, the increase in interest income is closely aligned with these rate adjustments.

On the other hand, the operating lease book contracted by 28% during the year. Furthermore, specific provisioning increased significantly, reflecting a prudential stance taken on certain luxury assets. This had an impact on the net income from leasing operations which should have increase by more than the actual 3.1%.

Following restructuring initiated in April 2025, SPICE was unable to expand its lease book in line with targets during the last quarter, leading to an overall decrease of 4.8% in the total lease book.

Interest expense rose by 11.8%, as the Group had to raise and retain deposits in a tight market environment, thereby increasing its cost of funds. The rise in interest expense was largely driven by competitive pressures and the need to align with market expectations. As a result, net interest income declined by 4.85%.

Financial Review for the year ended June 30, 2025 (Cont'd)

Cost Controls

The Company's cost management efforts over the past years have been largely effective. However, since the beginning of last year, the economy has been significantly impacted by inflation, which has inevitably affected overheads.

The increase in expenses is primarily attributable to staff costs, which recorded a substantial rise. This was driven by salary adjustments aimed at retaining key employees, remuneration for new recruits, and a higher provision for the Bonus Pool aligned with the Company's performance.

Professional fees, comprising both internal and external audit fees, also increased in line with inflation. Depreciation, excluding operating leases, rose due to accelerated depreciation charged on assets relating to Group recharges. Conversely, administration expenses decreased, mainly as a result of lower advertising costs.

TABLE II

	Jun-25 Rs	Jun-24 Rs	Jun-23 Rs	Change (June 25 v/s June 2024) %
Staff expenses	65,245,005	60,723,222	49,702,132	7.45%
Depreciation (excl. depreciation of OI assets)	13,556,073	11,609,875	11,167,535	16.76%
Management & other professional fees	3,886,956	4,286,901	5,832,068	-9.33%
Administrative expenses	42,852,648	59,159,792	36,415,133	-27.56%
Total Non Interest Expenses	125,540,682	135,779,790	103,116,868	-7.54%

Credit Exposure

We define our credit exposure as all transactions where losses may arise due to counterparties being unwilling or unable to meet their contractual payment obligations. At SPICE Finance Ltd, our strategy remains focused on maintaining a balance between growth, interest rate margin, and liquidity through the prudent selection of market sectors, comprising both corporate and individual clients.

The Company maintains a well-diversified lease portfolio, with the principal exposure being to the personal sector (households). The most significant decline was noted in the agricultural and fishing sector. This was directly related to a major related party, whose obligations had been supported by a corporate guarantee from the ultimate parent company. Following the ultimate beneficial owner going into receivership in April 2025, the corporate guarantee is no longer valid and the amount outstanding was deemed irrecoverable. Consequently, the amount due was fully written off against general reserves, which had been previously been provided for as undistributable profit.

Additional declines were observed across most other sectors, with the exception of the personal sector. This was largely attributable to the reduction in business operations during the last quarter, resulting from the restructuring process initiated after the liquidation of the UBO.

SPICE has consistently adopted a prudential approach and remains committed to responsible lending practices. The Company has not engaged in price competition nor undertaken unmeasured risks to expand its lease book, particularly in light of the prevailing operational uncertainties.

Financial Review for the year ended June 30, 2025 (Cont'd)

Credit Exposure (Cont'd)

TABLE III

	Jun-25 Rs	Jun-24 Rs	Jun-23 Rs	Change (June 25 v/s June 2024) %
Personal and others	2,559,028,677	2,402,655,389	2,090,155,404	6.51%
Professional	220,417,747	263,509,563	236,648,882	-16.35%
Traders	406,492,829	439,332,750	269,919,206	-7.47%
Tourism	56,108,134	68,707,244	69,935,247	-18.34%
Transport	435,121,815	473,487,620	430,613,982	-8.10%
Agriculture and fishing	14,885,115	102,284,988	94,346,916	-85.45%
Construction	178,375,200	197,759,112	186,024,245	-9.80%
Financial institutions	11,998,383	11,810,849	8,406,708	1.59%
Manufacturing	179,981,338	203,794,591	157,619,239	-11.68%
Education	27,166,183	25,422,234	24,187,495	6.86%
IT & Telecommunications	42,913,911	50,575,677	30,847,120	-15.15%
Total Investment in Finance Leases	4,132,489,332	4,239,340,017	3,598,704,444	-2.52%
Allowance for Credit Losses	(74,507,096)	(58,130,528)	(68,588,613)	28.17%
Transfer of repossessed assets to other assets	(1,276,299)	(2,817,000)	(6,672,500)	-54.69%
Total Net Investment in Finance Leases	4,056,705,937	4,178,392,489	3,523,443,331	-2.91%
Assets under Operating Leases	236,024,489	329,358,182	341,243,093	-28.34%
Operating income earning assets	4,292,730,426	4,507,750,671	3,864,686,424	-4.77%

Provision for credit losses:

The growth in our performing lease book for 3 consecutive years post covid, ensure a constant improvement in our historical loss rate. The provision as per IFRS 9 - ECL on performing lease book is of an average of 0.56% for 2025, 0.69% in 2024 and 0.76% in 2023. Our healthier lease book also results to lower provision under IFRS 9. However a major increase is noted for Specific provision due to prudential stand the company adopted for some high value assets. The overall increase is thus 28.2%.

We have however applied:

- The threshold imposed by the Bank Of Mauritius based on the Guideline on Classification, Provisioning and Write-Off of Credit Exposures. SPICE has adopted the minimum provisioning under prudential norms for the whole performing lease book and an additional macro prudential provision for some specific sectors like household, accommodation and construction. The general provision imposed by BOM stands at 1.49% for the financial year 2025. The difference between the IFRS 9 provision of 0.56% and general provision of 1.49% is recorded in other reserves as an appropriation of reserves.
- A more conservative approach on specific provisioning for clients identified as impaired.
- The inclusion of all leases we identify as a potential risk for impairment, even if client form part of the performing lease book as at June 30, 2025.

Refer to the below notes for additional disclosures on credit risk:

- 6 (c) reconciliation of provisioning for the performing and non-performing lease books;
- 6 (d) for the breakdown of the lease book by industry sector;
- 22 (d) for reconciliation of provision on operating lease receivable and ;
- 27(a) for credit risk concentration; credit quality analysis; details of loans with moratoriums

The Company has at all times complied with the regulatory requirements set out in the *Guideline on Classification, Provisioning and Write-Off of Credit Exposures* and the *Guideline on Credit Concentration limits*.

Outlook for 2026

As SPICE is bracing to welcome its new shareholders, the team is more than ever motivated to continue and build up on the excellent performance that it has achieved since a few years. We shall leverage on the experience on OMCL to attain new highs.

Our objectives for FY 2026 are as follows:

- Maintain our core business and position as the preferred Leasing partner for car dealers;
- To grow our Balance Sheet and deliver sustainable returns to our shareholders;
- To diversify our funding base;
- To diversify our lease book and consider new opportunities in the leasing segment;
- To introduce the use of Artificial Intelligence (AI) in our processes.

Capital Structure

As a non-bank deposit taking institution, the Company is required to comply with the following:

- Maintain a minimum capital adequacy ratio of 10%. The ratio as at June 30, 2025 was 16.3%
- Maintain liquid assets equivalent to not less than 10% of deposit liabilities. The statement of liquid funds and deposits as at June 30, 2025 showed liquid assets to deposits ratio of 16.8%

In addition to complying strictly with the above, the Company has maintained a minimum capital requirement of Rs200m (2024 & 2023: Rs200m). It has further transferred to a Reserve Account each year an amount equal to not less than 15% of the net profit until the balance in the Statutory Account is equal to the amount paid as stated capital. Statutory appropriations of retained earnings for the year ended June 30, 2025 amounted to Rs 16.2m.

Refer to the below key metrics for capital risk management:

TABLE IV

	Jun-25 Rs	Jun-24 Rs	Jun-23 Rs	Change (June 25 v/s June 2024) %
Issued Capital	200,000,000	200,000,000	200,000,000	0.00%
Retained Earnings	187,648,593	185,017,871	151,952,468	1.42%
Reserves	137,879,784	121,679,951	102,751,424	13.31%
Intangible assets	(2,271,651)	(2,852,894)	(2,832,596)	-20.37%
Tier One Capital	523,256,726	503,844,928	451,871,296	3.85%

Refer to note 28 for further details on capital risk management.

Risk Management Policies and Controls

The Risk Management Committee, under the stewardship of the Board of Directors, is responsible for risk management, the risk framework in place within the Company and the definition of the overall strategy for risk tolerance.

Please refer to Corporate Governance Report – Principle 5: Risk Governance and Internal Control for further information on company's risk management and internal control system.

Concentration of Risk Policies

In accordance with the Bank of Mauritius *Guideline on Credit Concentration Risk*, the Company is subject to credit exposure limits:

- i. credit exposure to any single customer shall not exceed 25 per cent of the Company's Tier 1 Capital;
- ii. credit exposure to any group of closely-related customers shall not exceed 40 per cent of the Company's Tier 1 Capital; and
- iii. aggregate large credit exposures to all customers and groups of closely related customers shall not exceed 800 per cent of the Company's Tier 1 Capital.

The Company has further implemented a policy on credit concentration risk which falls under the mandate of the Risk Management Committee. Management is required to:

- i. develop prudent rules and limits for granting credit to a single customer and its related parties, to industry sectors and financial counterparties; and
- ii. develop and implement information systems and procedures and techniques that accurately and continually identify, measure and monitor credit concentration risk in the Company's portfolio

The six most significant exposures as at June 30, 2025 are as follows:

Customer	Category	Net exposure	% of Tier 1	Regulatory limit
		Rs'm	%	%
1	Group	122.1	23.3%	40.0%
2	Group	85.0	16.2%	40.0%
3	Single entity	42.4	8.1%	25.0%
4	Single entity	42.1	8.1%	25.0%
5	Group	38.4	7.3%	40.0%
6	Single entity	32.1	6.1%	25.0%

Related Party Transactions Policies and Practices

The Company adheres to the *Guideline on Related Party Transactions* issued by the Bank of Mauritius and effective as from January 2009 and latest revision in May 2022. An amended related party policy has been put in place to be fully compliant with the revised Guideline. The Company has policies and procedures in place to review and approve exposure to related parties and ensure that market terms and conditions are applied. The Risk Management Committee oversees that the policies and procedures are being followed.

In accordance with the Bank of Mauritius Revised *Guideline on Related Parties*, the Company is subject to credit exposure limits:

- i. credit exposure of all related parties in Category 1 shall not exceed 60 per cent of the Company's Tier 1 Capital;
- ii. credit exposure of all related parties in Category 1 and Category 2 shall not exceed 150 per cent of the Company's Tier 1 Capital;

As at 30 June 2025, the Company did not exceed any regulatory limits.

The six most significant exposures as finance and operating leases as at June 30, 2025 are as follows:

Customer	Category	Net exposure	% of Tier 1
		Rs'm	%
1	Single entity	7.8	1.5%
2	Single entity	6.5	1.2%
3	Single entity	1.6	0.3%
4	Single entity	1.2	0.2%
5	Single entity	1.2	0.2%
6	Single entity	0.6	0.1%

Statement of Corporate Governance practices

The Board of Directors and the Management of the Company are fully aware of their roles and responsibilities with regard to enhancing good corporate governance in line with the guidelines set out by the Bank of Mauritius.

As a non-bank deposit-taking institution, every action is taken to ensure that the standards of corporate governance as laid down by the Bank of Mauritius are adhered to in particular that our business is run with integrity and with due respect to all its stakeholders' interest and welfare.

Appreciation

Going through so many challenges would not have been possible without a great team. The Board of SPICE has played a key role by providing guidance and support to the Company. We wish to thank all directors for the insights and encouragement that they have offered throughout the year and for their contribution to the smooth running and development of the Company. We also wish to thank our dedicated staff members for their motivation and dedication to deliver high quality of service to our stakeholders. With all these ingredients, we look forward to welcoming our new shareholders for better and brighter days ahead.



Director

ESPITALIER NOEL Patrice Jean Pierre Edouard



Director

TAUJOO Mohammad Issa



Chief Executive Officer

TULSIDAS Vikash R

**SPICE FINANCE LTD
CERTIFICATE FROM THE COMPANY SECRETARY
FOR THE YEAR ENDED JUNE 30, 2025**

49.

In accordance with Section 166(d) of the Mauritian Companies Act 2001, we certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year ended June 30, 2025, all such returns as required under the Mauritian Companies Act 2001.


.....
Eddie Ah-Cham
Per Omnicane Management & Consultancy Limited
Company Secretary



September 25, 2025

**Independent Auditor's Report
To the Shareholder of Spice Finance Ltd****Page | 50****Report on the audit of the financial statements****Opinion**

We have audited the financial statements of Spice Finance Ltd ("the Company") set out on pages 56 to 117, which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Spice Finance Ltd as at 30 June 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and the requirements of the Companies Act 2001 of Mauritius and the Financial Reporting Act 2004 of Mauritius.

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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (the "IESBA Code"), together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius. We have fulfilled our other ethical responsibilities in accordance with these requirements and to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Independent Auditor's Report

To the Shareholder of Spice Finance Ltd

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Report on the audit of the financial statements (Continued)

Key Audit Matters (Continued)

There is one key audit matter, as described hereunder:

Key audit matter	How our audit addressed the key audit matter
Impairment of finance leases and operating lease receivables Management categorises leases in terms of finance leases and operating leases. To estimate the Expected credit loss (ECL), Management applies the provision matrix for performing leases. For non-performing leases, Management estimates the lifetime ECL after taking into account the value of the collateral backing the receivables. There are significant judgements and estimates involved in the estimation of ECL provisions, including: - Using a given level of aggregation/segmentation of the lease portfolio; - Inferring the probability of default using the historical loss rates determined from the provision matrix; - Incorporating forward-looking information into the ECL estimates;	Our audit procedures in respect of this key audit matter included: - Determined appropriate classification of receivables as per time bucket and sector of activity for the given level of aggregation; - Checked the arithmetical accuracy and completeness of the ECL computation workings, including determining whether key assumptions have been appropriately applied; - Understood the assumptions used by Management for collateral valuation and determining the loss given default (LGD); - Determined the past due lease receivables based on the reliability of the ageing report, to identify non-performing leases; - Tested the key inputs and assumptions to understand whether they would not be materially misstated or materially deviate from the underlying economic reality of the lease assets. - Reviewed the minutes of the Risk Management Committees. - We emphasise the above key matters relating to the estimation of the ECL, given the considerable judgements that must be exercised on the inputs to the ECL model and on the key assumptions underlying these.

Report on the audit of the financial statements (Continued)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of finance leases and operating lease receivables (Continued) Estimating the value of the leased assets and other collaterals; and - Assessing the ECL on both finance and operating lease exposures based on the key characteristics of the two lease categories.	Our audit procedures in respect of this key audit matter included (Continued): We have also considered the regulatory thresholds for ECL as prescribed under the <i>Guideline on Classification, Provisioning and Write Off of Credit Exposures</i>.

Other Information

The directors are responsible for the other information. The other information comprises the Annual Report from the Directors, the Statutory Disclosures, the Secretary's Certificate and the Corporate Governance Report, as required by the Companies Act 2001 of Mauritius. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and in compliance with the requirements of the Companies Act 2001 of Mauritius, the Banking Act 2004 of Mauritius and regulations and guidelines issued by the Bank of Mauritius and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Report on the audit of the financial statements (Continued)
Auditor's 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Independent Auditor's Report

To the Shareholder of Spice Finance Ltd

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Report on the audit of the financial statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

The Companies Act 2001 of Mauritius

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

- We have no relationship with, or interests in, the Company, other than in our capacity as auditor and dealings in the ordinary course of business;
- We have obtained all information and explanations we have required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

The Banking Act 2004 of Mauritius

The Banking Act 2004 of Mauritius requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- In our opinion the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the Banking Act 2004 of Mauritius and regulations and guidelines issued by the Bank of Mauritius; and
- The explanations and or information requested for or provided to us by the officers or agents of the Company were satisfactory.

The Financial Reporting Act 2004 of Mauritius

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

Independent Auditor's Report**To the Shareholder of Spice Finance Ltd****Page | 55*****Report on the audit of the financial statements (Continued)*****Use of this Report**

This report is made solely to the shareholder of Spice Finance Ltd, in accordance with Section 205 of the Companies Act 2001 of Mauritius. 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, for our audit work, for this report, or for the opinion we have formed.



RSM (Mauritius) LLP
Ebene, Mauritius

Date: 30 September 2025



Dharmanand Cushmanjee, FCCA
Licensed by FRC



SPICE FINANCE LTD
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

56.

	Notes	June 30, 2025	June 30, 2024	June 30, 2023
		Rs.	Rs.	Rs.
ASSETS				
Balances with banks and cash in hand	3	417,908,921	307,080,444	130,726,740
Investment in securities	4	-	-	249,667,604
Deposit with financial institutions	5	80,752,558	155,706,974	214,934,456
Net investment in finance leases	6	4,056,705,937	4,178,392,489	3,523,443,331
Intangible assets	7	2,271,651	2,852,894	2,832,596
Equipment	8	247,512,896	347,026,809	368,485,595
Other assets	9	18,876,999	21,542,521	19,409,078
Deferred income tax assets	12	8,263,805	-	-
Total assets		4,832,292,767	5,012,602,131	4,509,499,400
LIABILITIES AND EQUITY				
Deposits				
Personal		3,052,245,950	2,439,242,289	2,227,034,687
Business		805,745,226	1,479,858,729	1,480,885,728
Total deposits	10	3,857,991,176	3,919,101,018	3,707,920,415
Other liabilities	13	234,854,964	328,178,155	250,016,009
Employee benefit obligations	14	11,229,879	8,694,879	5,279,879
Debt issued	15	152,374,726	152,173,973	-
Income tax payable	11 (a)	16,699,116	9,980,345	9,108,590
Deferred income tax liabilities	12	-	584,739	2,297,743
Total liabilities		4,273,149,861	4,418,713,109	3,974,622,636
Equity				
Issued capital	16	200,000,000	200,000,000	200,000,000
Retained earnings		187,648,593	185,017,871	151,952,468
Other reserves	17	171,494,313	208,871,151	182,924,296
Total equity		559,142,906	593,889,022	534,876,764
Total liabilities and equity		4,832,292,767	5,012,602,131	4,509,499,400

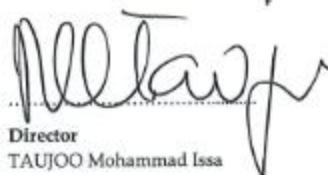
These financial statements have been approved for issue by the Board of Directors on 25 September 2025



Chief Executive Officer
Vikash R TULSIDAS



Director
ESPITALIER NOEL Patrice
Jean Pierre Edouard



Director
TAUJOO Mohammad Issa

The notes on pages 60 to 117 form an integral part of these financial statements.
Independent Auditor's report on pages 50 to 55.

	Notes	June 30, 2025 Rs.	June 30, 2024 Rs.	June 30, 2023 Rs.
Interest and similar income	18	461,445,037	407,441,338	322,696,402
Interest and similar expense	19	(225,462,976)	(187,298,192)	(143,901,681)
Net interest income		235,982,061	220,143,146	178,794,721
Loss on sale of repossessed assets classified as finance lease		(4,696,167)	(3,250,602)	(362,200)
(Allowance)/ reversal for impairment losses on finance leases	6 (c)	(16,376,568)	10,458,085	(4,834,998)
		214,909,326	227,350,629	173,597,523
Other operating income	20	115,544,251	131,085,829	138,937,190
Amount written off on operating leases	23 (c)	(2,492,911)	(3,577,707)	(809,861)
Reversal/ (allowance) for impairment losses on operating lease rentals	23 (d)	1,980,606	1,451,359	(2,678,433)
Net interest and other income		329,941,272	356,310,110	309,046,419
Amortisation of intangible assets	7	(1,041,115)	(1,513,784)	(1,349,470)
Depreciation of equipment	8	(69,795,296)	(75,817,989)	(83,367,706)
Administrative expenses	21	(111,984,609)	(124,169,915)	(91,949,333)
Net Impairment losses on other financial assets	22	(10,007,580)	62,578	(95,661)
Non-interest expenses		(192,828,600)	(201,439,110)	(176,762,170)
Profit before income tax		137,112,672	154,871,000	132,284,249
Income tax expense	11 (b)	(29,113,787)	(28,680,822)	(21,828,831)
Profit for the year		107,998,885	126,190,178	110,455,418
Other comprehensive income				
Items that will not be recycled to profit or loss				
Remeasurement of post-employment benefit obligation	14	(1,348,000)	(2,624,000)	(1,455,000)
Deferred tax on post-employment benefit obligation	12	229,160	446,080	247,350
Total comprehensive income for the year		106,880,045	124,012,258	109,247,768
Earnings per share				
Basic and diluted earnings per share	26	5.40	6.31	5.52

The notes on pages 60 to 117 form an integral part of these financial statements.
Independent Auditor's report on pages 50 to 55.

SPICE FINANCE LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2025

58.

Notes	Issued capital Rs.	Retained earnings Rs.	Other reserves Rs.	Total equity Rs.
Balance as at July 01, 2022	200,000,000	120,571,729	155,057,267	475,628,996
Profit and total comprehensive income for the year	-	110,455,418	-	110,455,418
Transfer to statutory reserve	-	(16,568,313)	16,568,313	-
Transfer to general reserve	-	(2,818,911)	2,818,911	-
Transfer to credit reserve	-	(9,687,455)	9,687,455	-
Other comprehensive income	-	-	(1,207,650)	(1,207,650)
Dividends	-	(50,000,000)	-	(50,000,000)
Balance as at June 30, 2023	200,000,000	151,952,468	182,924,296	534,876,764
Profit for the year	-	126,190,178	-	126,190,178
Transfer to statutory reserve	-	(18,928,527)	18,928,527	-
Transfer to general reserve	-	(2,818,911)	2,818,911	-
Transfer to credit reserve	-	(6,377,337)	6,377,337	-
Other comprehensive income	-	-	(2,177,920)	(2,177,920)
Dividends	-	(65,000,000)	-	(65,000,000)
Balance as at June 30, 2024	200,000,000	185,017,871	208,871,151	593,889,022
Profit for the year	-	107,998,885	-	107,998,885
Transfer to statutory reserve	-	(16,199,833)	16,199,833	-
Transfer to general reserve	-	(2,114,183)	2,114,183	-
Transfer from Other Reserves on write off of Receivable	-	-	(76,626,161)	(76,626,161)
Transfer to credit reserve	-	(22,054,147)	22,054,147	-
Other comprehensive income	-	-	(1,118,840)	(1,118,840)
Dividends	-	(65,000,000)	-	(65,000,000)
Balance as at June 30, 2025	200,000,000	187,648,593	171,494,313	559,142,906

The notes on pages 60 to 117 form an integral part of these financial statements.
Independent Auditor's report on pages 50 to 55.

	Notes	June 30, 2025	June 30, 2024	June 30, 2023
		Rs.	Rs.	Rs.
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before income tax		137,112,672	154,871,000	132,284,249
<i>Adjustments for:</i>				
Non cash-items:				
Depreciation of equipment	8	69,795,296	75,817,989	83,367,706
Interest income	18	(461,445,037)	(407,441,338)	(322,696,402)
Interest expense	19	225,462,976	187,298,192	143,901,681
Remeasurement of post-employment benefit obligation	14	(1,348,000)	(2,624,000)	(1,455,000)
Amortisation of intangible assets	7	1,041,115	1,513,784	1,349,470
Profit on disposal of equipment		(16,654,507)	(16,741,212)	(19,254,316)
(Allowance)/ reversal for impairment losses on finance lease	6(c)	16,376,568	(10,458,085)	4,834,998
Reversal/ (allowance) for impairment losses on operating lease rentals	23(d)	(1,980,606)	(1,451,359)	2,678,433
Net impairment losses on other financial assets	23	10,007,580	(62,578)	95,661
		(158,744,615)	(174,148,607)	(107,177,769)
Change in operating assets				
Net investment in finance leases		20,775,624	(635,515,560)	(357,450,054)
Other assets		(5,165,634)	266,610	(2,440,022)
Interest received		469,175,363	397,513,390	316,296,708
		484,785,353	(237,735,560)	(43,593,368)
Change in operating liabilities				
Deposits		(72,639,472)	203,438,422	473,606,997
Other liabilities		(70,168,607)	50,135,216	(65,398,029)
Retirement benefit obligation		2,535,000	3,415,000	1,924,000
Interest paid		(213,933,347)	(179,556,010)	(139,046,675)
Income tax paid		(27,848,061)	(26,049,055)	(17,945,105)
		(382,054,487)	51,383,573	253,141,188
Net cash from/(used in) operating activities		81,096,923	(205,629,594)	234,654,300
CASH FLOWS FROM INVESTING ACTIVITIES				
Deposit with financial institutions		55,139,071	(42,480,667)	(52,468,488)
Proceeds from disposal of equipment		143,815,110	177,738,361	148,200,955
Acquisition of intangible assets	7	(459,872)	(1,534,082)	(714,093)
Acquisition of assets under operating leases	8	(85,654,557)	(214,834,136)	(136,420,676)
Acquisition of equipment	8	(11,787,429)	(522,216)	(9,292,366)
Net cash used in investing activities		101,052,323	(81,632,740)	(50,694,668)
CASH FLOWS FROM FINANCING ACTIVITIES				
Debt notes	16	200,753	152,173,973	-
Dividend paid	31	(91,320,928)	(40,000,000)	(45,000,000)
Net cash used in financing activities		(91,120,175)	112,173,973	(45,000,000)
Net movement in cash and cash equivalents		91,031,071	(175,088,361)	138,959,632
Effect of impairment loss on cash and cash equivalents		(17,939)	66,312	(95,722)
Cash and cash equivalents at beginning of the year		367,838,263	542,860,312	403,996,402
Cash and cash equivalents at end of the year		458,851,395	367,838,263	542,860,312
<i>Cash and cash equivalents are made up of:</i>				
Balances with banks and cash in hand	3	417,908,921	307,080,444	130,726,740
Investment in treasury bills	4	-	-	249,667,604
Deposit with financial institutions	5	40,942,474	60,757,819	162,465,968
		458,851,395	367,838,263	542,860,312

The notes on pages 60 to 117 form an integral part of these financial statements.
Independent Auditor's report on pages 50 to 55.

1. CORPORATE INFORMATION

SPICE Finance Ltd (the "Company"), is a public limited liability company incorporated and domiciled in Mauritius. The main activity of the Company is to provide lease financing for various types of assets. The Company also holds a deposit-taking licence under the Mauritian Banking Act 2004 and a leasing license from the Financial Services Commission. The Company's registered office is situated at 6th Floor, Dias Pier Building, Le Caudan Waterfront, Port-Louis, Mauritius.

The financial statements have been authorised by the Board of Directors for issue on September 25, 2025 and the Directors do not have the power to amend the financial statements after issue.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis, except where otherwise stated. The financial statements are presented in Mauritian Rupee ("Rs") rounded to the nearest Rupee. Where necessary comparative figures have been amended to conform to change in presentation in the current year.

The directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2.2 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in compliance with the requirements of the Mauritian Companies Act 2001, Mauritian Banking Act 2004 and the Guidelines and Guidance Notes issued by the Bank of Mauritius, in so far as the operations of the Company are concerned.

2.3 Significant accounting judgements and estimates

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

In the process of applying the Company's accounting policies, the directors have used its judgement and made estimates in determining the amounts recognised in the financial statements. The most significant use of judgement and estimates are as follows:

Judgements

In preparing the financial statements, the directors have to consider whether substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee in determining whether the leases should be classified as finance or operating leases. The directors made use of the guidance as set out in IFRS 16 *Leases* to classify leases between finance and operating leases.

2. ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting judgements and estimates (cont'd)

Estimates and assumptions

Impairment losses on lease receivables

Measurement of the expected credit loss allowance (ECL)

The measurement of the expected credit loss allowance for lease receivables is an area that requires the use of assumptions about forward looking economic information and credit behaviour. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as determining the collateral value and the extent of any management overlay.

The Directors estimate that the weightage on the Base case, Best Case and worst case scenarios for the Lifetime loss rate has improved from last year and the weightage is 30%, 20% and 50% (2023: 30%, 5%, 65%, 2022: 10%, 5%, 85%). Management believes that this shift in loss rate is adequate to determine the sensitivity of impairment as a result of a change in loss rate.

Retirement Benefit Obligations

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. Any changes in the assumptions will impact the carrying amount of pension obligations.

The assumptions used in determining the net cost (income) for pensions include the discount rate. The actuarial report determines the appropriate discount rate at the end of each year and which are validated by the Company. 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 pension obligations. In determining the appropriate discount rate, the actuary considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions.

The sensitivity analysis for the key assumptions is disclosed in Note 15.

Estimated useful lives and residual values of equipment

The directors are required to make estimation in respect of the useful lives and residual values of its assets. The estimates of useful lives and residual values carry a degree of uncertainty especially for assets which have been leased under an operating lease agreement. The directors have used historical information relating to similar equipment in order to best determine the useful lives and residual values of these items.

2. ACCOUNTING POLICIES (CONT'D)

2.4 Changes in accounting policy and disclosures

Application of new and revised International Financial Reporting Standards (IFRS)

Standards and Interpretations applied in the financial statements

In the current period, the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2024:

- **Supplier Finance Arrangements: Amendments to IAS 7 and IFRS 7**

Supplier Finance Arrangements amends IAS 7 Statement of Cash Flows to require an entity to provide additional disclosures about its supplier finance arrangements. The amendments also add supplier finance arrangements as an example within the liquidity risk disclosure requirements of IFRS 7 Financial Instruments: Disclosures.

The effective date of the amendment is for years beginning on or after 01 January 2024.

- **Lease Liability in a Sale and Leaseback-**

Lease Liability in a Sale and Leaseback amends IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions. The effective date of the amendment is for years beginning on or after 01 January 2024.

- **Non-current Liabilities with Covenants**

Non-current Liabilities with Covenants amends IAS 1 Presentation of Financial Statements. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.

The effective date of the amendment is for years beginning on or after 01 January 2024.

- **Classification of Liabilities as Current or Non-Current - Amendment to IAS 1**

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 01 January 2024.

2. ACCOUNTING POLICIES (CONT'D)

2.4 Changes in accounting policy and disclosures

Application of new and revised International Financial Reporting Standards (IFRSS)

New standards and interpretations and amendments to existing standards not yet effective and not yet adopted by the Company

Certain new IFRS Accounting Standards, amendments to IFRS Accounting Standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Company:

- **IFRS 19 Subsidiaries without Public Accountability**

An eligible subsidiary follows the requirements of other IFRS Accounting Standards, except for the disclosure requirements, which are replaced by the reduced disclosure requirements of IFRS 19. Disclosures works in conjunction with other IFRS Accounting Standards.

The reduced disclosure requirements of IFRS 19 aim to balance the information needs of users of the financial statements of eligible subsidiaries with the cost savings for preparers.

IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if it:

- does not have public accountability, and
- has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The effective date of the standard is for years beginning on or after 01 January 2027.

- **IFRS 18 Presentation and Disclosure in Financial Statements-**

The new standard will improve the quality of financial reporting by:

- requiring defined subtotals in the statement of profit or loss;
- requiring disclosure about management-defined performance measures; and
- adding new principles for aggregation and disaggregation of information.

The effective date of the standard is for years beginning on or after 01 January 2027.

- **Lack of Exchangeability: Amendments to IAS 21**

Lack of Exchangeability amends IAS 21 The Effects of Changes in Foreign Exchange Rates to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The effective date of the amendment is for years beginning on or after 01 January 2025

2. ACCOUNTING POLICIES (CONT'D)

2.4 Changes in accounting policy and disclosures

Application of new and revised International Financial Reporting Standards (IFRS)

New standards and interpretations and amendments to existing standards not yet effective and not yet adopted by the Company (Cont'd)

- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (IAS 28)**

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture.

The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is yet to be determined by the IASB.

The directors have assessed the impact on the overall financial statements in relation to the new standards and interpretations and amendments to existing standards not yet effective and not yet adopted by the Company at the reporting date. They are of the opinion that the above will not have an impact on these financial statements.

2. ACCOUNTING POLICIES (CONT'D)

2.5 Summary of material accounting policies

(a) Foreign currency translation

The financial statements are presented in Mauritian Rupee, which is the Company's functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of the reporting period. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(b) Equipment

Equipment is stated at cost excluding the costs of the day-to-day servicing, net of accumulated depreciation and/or accumulated impairment losses, if any. Changes in the expected useful life and residual values, which are reviewed at least at the end of each financial year, are accounted for by changing the depreciation period or method, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated on the straight-line method to write down the cost of equipment to their residual values over their estimated useful life as follows:

Furniture and fittings	10-20%
Office equipment	10-33%
Computer and equipment	20-33%
Motor vehicles	20%

Depreciation charged for assets under operating leases, is based on the lower of the useful life of the asset or the terms of the operating lease agreement.

The net carrying amount of equipment leased to customers under operating leases includes projected residual values, which at the end of the current lease terms, will be recovered through re-letting or disposal. The estimated useful lives of equipment under operating leases vary between 1 and 7 years.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in "other operating income" or "administrative expenses" in profit or loss in the year the asset is derecognised.

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

(c) Leases

Finance leases - Company acting as the Lessor

The Company is involved in the provision of finance and operating leases to both individuals and corporates.

The portfolio comprises mainly motor vehicles. Other assets financed are boats, vessels and other equipment.

2. ACCOUNTING POLICIES (CONT'D)

2.5 Summary of material accounting policies (Cont'd)

(c) Leases (Cont'd)

In order to successfully manage the risks associated with its lease portfolio, the Company has taken a series of measures such as:

- Setting up buy back agreements with asset suppliers for high residual values;
- Establishing residual value guarantees for large exposures; and
- Considering the appropriate percentage of deposit required from clients at credit assessment stage based on the clients' risk profile.

Finance leases - Company acting as the Lessor

(i) *Recognition and initial measurement*

Under a finance lease, substantially all the risks and rewards incidental to ownership are transferred by the Company, and thus the lease payment receivable is treated by the Company as repayment of principal and finance income to reimburse and reward the lessor for its investment and services.

Initial direct costs such as commissions, legal fees and internal costs that are incremental and directly attributable to negotiating and arranging a lease, but excluding general overheads, are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term. The interest rate implicit in the lease is defined in such a way that the initial direct costs are included automatically in the finance lease receivable; there is no need to add them separately.

(ii) *Subsequent measurement*

The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

The Company aims to allocate finance income over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the Company's net investment in the finance lease. Lease payments relating to the period, excluding costs for services, are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

Estimated unguaranteed residual values used in computing the Company's gross investment in a lease are reviewed regularly. If there has been a reduction in the estimated unguaranteed residual value, the income allocation over the lease term is revised and any reduction in respect of amounts accrued is recognised immediately.

Operating leases - Company acting as the Lessor

Assets subject to operating leases are presented in the statement of financial position under equipment. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Lease income (excluding receipts for services provided such as insurance and maintenance) is recognised on a straight-line basis over the lease term even if the receipts are not on such a basis, unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Receipts under operating leases are recognised as an income in profit or loss on a straight-line basis over the lease term. Contingent rental payable is recognised as an expense in the period in which they are incurred.

2. ACCOUNTING POLICIES (CONT'D)

2.5 Summary of material accounting policies (Cont'd)

(c) Leases (Cont'd)

The Company as a Lessee

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases, based on the assessment made of the terms of the existing agreements (e.g. termination options and lease term) and on management's intent. The Company has thus recognised the lease payments associated with the leases as an expense on a straight-line basis in profit or loss.

(d) Financial assets and liabilities

Initial recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Immediately after initial recognition, an expected credit loss allowance ("ECL") is recognised for financial assets measured at amortised cost, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

(e) Amortised cost and effective interest rate

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

2. ACCOUNTING POLICIES (CONT'D)

2.5 Summary of material accounting policies (Cont'd)

(f) Financial assets

(i) *Classification and subsequent measurement*

The Company has applied IFRS 9 and has the option to classify its financial assets in the following measurement categories:

- Fair value through profit or loss ("FVTPL");
- Fair value through other comprehensive income ("FVOCI") or
- Amortised cost.

A description of each of the measurement category is given below:

- Under the amortised cost model, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI"), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 2.5(e)(iii). Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.
- Financial assets held for a business model that is achieved by both collecting contractual cash flows and selling and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. They are recognised on the trade date when the Company enters into contractual arrangements to purchase and are normally derecognised when they are either sold or redeemed. They are subsequently remeasured at fair value and changes therein (except for those relating to impairment, interest income and foreign currency exchange gains and losses) are recognised in other comprehensive income until the assets are sold. Upon disposal, the cumulative gains or losses in other comprehensive income are recognised in the statement of comprehensive income as 'Other operating income'.
- Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented within 'Other operating income' in the period in which it arises. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

In order to determine the classification and subsequent measurement of its financial assets, IFRS 9 introduces the concept of SPPI and business model.

Business model

The business model reflects how the Company manages its assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows arising from the sale of the assets. If neither of these is applicable (e.g. financial assets being held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL as described above. Factors which have been considered by the Company in determining its business model includes past experience on how the cash flows for the assets were collected, amongst others.

2. ACCOUNTING POLICIES (CONT'D)

2.5 Summary of material accounting policies (Cont'd)

(f) Financial assets (Cont'd)

(i) SPPI

Where the business model is to hold assets to collect contractual cash flows, or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows, represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk and other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The Company classifies its financial assets, comprising balances with banks and cash in hand, investment securities, net investment in finance leases and other assets (excluding non-financial instruments) under the amortised cost measurement model. The Company does not have any financial asset classified as either FVOCI or FVTPL.

The Company, as a lessor recognises and measures the rights and obligations under a lease as per the general requirements of IFRS 16 *Leases* and consequently those rights and obligations are not subject to the general recognition and measurement requirements of IFRS 9. However, the lease receivables recognised by the Company are subject to the derecognition and impairment requirements of IFRS 9 which is described below.

As per the company's own assessment for the classification of financial assets under IFRS 9 under the SPPI test, the classification of the financial assets have been determined as follows:

- i) Balances with banks and cash -at amortised cost
- ii) Deposits with financial institutions -at amortised cost
- iii) Investment securities (T Bills and Government Bonds) -at amortised cost
- iv) Investment securities (corporate bonds) -at amortised cost
- v) Other assets (excluding non-financial assets)-at amortised cost

(ii) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

(iii) Impairment of financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets at amortised cost.

The financial assets where expected credit loss to be calculated are:

- (a) Balances with banks and cash in hand
- (b) Investment securities
- (c) Net investment in finance leases
- (d) Other assets - Operating lease receivables
- (e) Other assets - amount receivable from related parties
- (f) Other assets (excluding non-financial assets and those in (d) and (e))

2. ACCOUNTING POLICIES (CONT'D)

2.5 Summary of material accounting policies (Cont'd)

(f) Financial assets (Cont'd)

(iii) *Impairment of financial assets (Cont'd)*

Simplified Approach for Investment in finance lease and Operating lease receivable ('lease receivable)

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance (ECL) for all lease receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

To measure the expected credit losses, lease receivables have been grouped based on shared credit risk characteristics and the days past due. The Company determines the default rate based on the simplified approach except where underlying assets are under examination, for which the Company applies specific provisions. The Company has established a provision matrix that is based on its historical credit loss experience.

The expected loss rates are adjusted to reflect current and available forward-looking information affecting the ability of the customers to settle the receivables.

The Company considers a finance lease in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a finance lease to be in default when information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held. Finance lease is written off when there is no reasonable expectation of recovering the contractual cash flows.

General ('Stage') Approach for other financial instruments:

For recognition of impairment loss on other financial assets and its risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased

significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

2. ACCOUNTING POLICIES (CONT'D)

2.5 Summary of material accounting policies (Cont'd)

(f) Financial assets (Cont'd)

(iii) *Impairment of financial assets (Cont'd)*

Simplified Approach for Investment in finance lease and Operating lease receivable ('lease receivable') (Cont'd)

Exposures would be classified into 3 stages as follows:

Stage 1: Exposures for where a significant increase in credit risk has not occurred since origination. For these exposures 12 months expected credit loss is recognised.

Stage 2: Exposures for which a significant increase in credit risk has occurred since origination. The Company assesses whether a significant increase in credit risk has occurred based on qualitative and quantitative drivers; as

well as exposures that are more than 30 days past due contractual payment date. Lifetime expected credit losses are recognised for these assets.

Stage 3: Exposures which meet the definition of default. The Company has defined default as exposures that are more than 90 days past due, forbearance, as well as indicators that an exposure is unlikely to pay. Lifetime expected credit losses are recognised for these assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company uses the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of comprehensive income. In the statement of financial position, ECL for financial assets measured at amortised cost is presented as an allowance, i.e. as an integral part of the measurement of those assets. The allowance reduces the net carrying amount of the financial assets. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Default: All financial assets which are past due 90 days and more, are considered as in 'default' unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write Off: The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) whether the Company's recovery method is foreclosing on collateral and the value of the collaterals is such that there is no reasonable expectation of recovering in full.

The Company may write-off financial assets that are still subject to enforcement activity. The Company still seeks to recover the amount it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

2. ACCOUNTING POLICIES (CONT'D)

2.5 Summary of material accounting policies (Cont'd)

(f) Financial assets (Cont'd)

(iii) Impairment of financial assets (Cont'd)

Simplified Approach for Investment in finance lease and Operating lease receivable ('lease receivable') (Cont'd)

Bank of Mauritius requirements

Under the Bank of Mauritius *Guideline on Credit Impairment Measurement and Income Recognition*, collective impairment provision (i.e. Stages 1 & 2 ECL under IFRS 9) shall not be less than one percent of aggregate amount of portfolio assessed leases except if dispensed by the Bank of Mauritius. To comply with this requirement the company makes an appropriation from retained earnings to credit reserve.

The Bank of Mauritius *Guideline on Credit Impairment Measurement and Income Recognition*, also directs financial institutions to stand guided by the Prudential Norms with regards to classification and assessment of credit impairment.

(g) Balances with banks and cash in hand

Balances with banks and cash in hand comprise cash in hand and balances with banks.

For the purpose of the statement of cash flows, cash and cash equivalents comprise of balances with banks, cash in hand and investment securities which have a short-term maturity of three months or less from the date of acquisition.

(h) Financial liabilities

Financial liabilities carried at amortised cost consist mainly of deposits from customers, loans and borrowings, and other liabilities. All financial liabilities are recognised initially at fair value and in the case of interest-bearing loans, net of transaction costs incurred.

They are subsequently stated at amortised cost; using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well through the effective interest rate method (EIR) amortisation process.

Financial liabilities are derecognised only when the obligation is discharged, cancelled or expired.

(i) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in "Interest and similar expense" in profit or loss.

2. ACCOUNTING POLICIES (CONT'D)

2.5 Summary of material accounting policies (Cont'd)

(j) Deposits from customers

Deposits are received from individual and corporate (business) clients. Deposits are repayable and derecognised on demand or when the deposits come to maturity.

After initial recognition the deposits are subsequently measured at amortised cost using the effective interest rate method.

(k) Modification of financial assets

Where existing financial assets is replaced by substantially different terms, the Company derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

(l) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts; and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(m) Intangible assets

Intangible assets consist of computer software. Intangible assets acquired separately are measured on initial recognition at cost. The cost of the intangible assets acquired is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

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

2. ACCOUNTING POLICIES (CONT'D)

2.5 Summary of material accounting policies (Cont'd)

(m) Intangible assets (Cont'd)

Amortisation is calculated using the straight line method to write down the cost of intangibles to their residual values over their estimated useful lives as follows:

Computer software - 5 years

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the intangible asset) is recognised in "other income" or "non-interest expense" in profit or loss in the year the asset is derecognised.

(n) Impairment of non-financial assets

The Company assesses at each reporting date, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

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

2. ACCOUNTING POLICIES (CONT'D)

2.5 Summary of material accounting policies (Cont'd)

(o) Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest and similar income and expense

For all financial instruments measured at amortised cost and interest-bearing financial instruments classified as investment securities, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the original effective interest rate applied to the new carrying amount.

Non-interest income

Financial service fees

The recognition of revenue for financial service fees depends on the purposes for which the fees are assessed and the basis of accounting for any associated financial instrument.

Fees that are an integral part of the effective interest rate of a financial instrument

Such fees are generally treated as an adjustment to the effective interest rate. However, when the financial instrument is measured at fair value with the change in fair value recognised in profit or loss, the fees are recognised as revenue when the instrument is initially recognised.

Rental income from operating leases

Lease income from operating leases is recognised as income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished.

Facility fees

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

2. ACCOUNTING POLICIES (CONT'D)

2.5 Summary of material accounting policies (Cont'd)

(p) Pension benefits

The Company operates a defined contribution pension plan. The contribution payable to a defined contribution plan is the rules and regulation of the pension plan, the contribution is a percentage of the monthly basic salary according to the respective age and is recorded as an expense in profit or loss. Unpaid contributions are recorded as a liability. The Company ensures that the fair value of the plan equals or exceeds the gratuity requirement under the Workers' Rights Act 2019. Remeasurements of the defined liability which comprises of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the profit and loss statement.

(q) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

Deferred income tax

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised. Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred income tax is recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

2. ACCOUNTING POLICIES (CONT'D)

2.5 Summary of material accounting policies (Cont'd)

(q) Taxes (Cont'd)

Corporate Social Responsibility

In line with the definition within the Mauritian Income Tax Act 1995, Corporate Social Responsibility ("CSR") is regarded as a tax and is therefore subsumed with the income tax shown within profit or loss and the income tax liability on the statement of financial position.

The CSR charge for the current period is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(r) Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Company.

(s) Equity reserves

The reserves recorded in equity on the Company's statement of financial position include:

- Statutory reserve towards which 15% of the profit for the year which is transferred annually in accordance with Section 21 (1) of the Mauritian Banking Act 2004 until the reserve is equal to the stated capital; and
- General Reserve, which comprises of amounts set aside to meet the 1% minimum provisioning requirement and the Prudential Norms set out by the Bank of Mauritius *Guideline on Credit Impairment Measurement and Income Recognition* by making appropriation to credit reserve. The Company also makes an appropriation to a general reserve for unforeseen risks and future losses.

2. ACCOUNTING POLICIES (CONT'D)

2.5 Summary of material accounting policies (Cont'd)

(t) Segmental reporting

The Chief Executive Officer monitors the operating results of its business as a whole for the purpose of making decisions about resource allocation and performance assessment. As such, management considers that there is only one operating segment.

(u) Repossessed assets

It is the Company's policy to seize assets when client is defaulting. The repossessed assets are either leased back to a new client or disposed of.

(v) Provisions

Provisions, including legal claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(w) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Where IAS 8 applies, comparative figures have been adjusted to conform with changes in presentation in the current year.

3. BALANCES WITH BANKS AND CASH IN HAND

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Cash in hand	31,567	17,220	2,160
Balances with banks	418,086,397	307,216,832	130,789,975
Allowance for impairment losses	(209,043)	(153,608)	(65,395)
	<u>417,908,921</u>	<u>307,080,444</u>	<u>130,726,740</u>

The Company earns interest ranging from 2.50% to 2.60% (2024 : 2.50% to 2.60%), 2023 none.

Reconciliation of Allowance for impairment losses on balances with banks

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
At July 01,	153,608	65,395	202,090
Charge/(release) for the year (Note 22)	55,435	88,213	(136,695)
At June 30,	<u>209,043</u>	<u>153,608</u>	<u>65,395</u>

4. INVESTMENT IN SECURITIES

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Investment in treasury bills	-	-	249,792,500
Allowance for impairment losses	-	-	(124,896)
	<u>-</u>	<u>-</u>	<u>249,667,604</u>

The investment in treasury bills relates to Bank Of Mauritius Bills with a tenor of seven days and bearing interest rate of 4.35%.

Reconciliation of Allowance for impairment losses on investment in treasury bills

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
At July 01,	-	124,896	-
(Release)/charge for the year (Note 22)	-	(124,896)	124,896
At June 30,	<u>-</u>	<u>-</u>	<u>124,896</u>

5. DEPOSIT WITH FINANCIAL INSTITUTIONS

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Fixed deposit with banks	80,615,079	154,832,433	214,040,830
Accrued interest	177,875	952,433	1,001,147
Allowance for impairment losses	(40,396)	(77,892)	(107,521)
Total deposit with financial institutions	<u>80,752,558</u>	<u>155,706,974</u>	<u>214,934,456</u>

5. DEPOSIT WITH FINANCIAL INSTITUTIONS (CONT'D)

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Less than 3 months			
Fixed deposit with banks	40,956,609	60,658,550	161,758,470
Accrued interest	6,346	129,663	788,772
Allowance for impairment losses	(20,481)	(30,394)	(81,274)
Closing balance less than 3 months	40,942,474	60,757,819	162,465,968
More than 3 months			
Fixed deposit with banks	39,658,470	94,173,883	52,282,360
Accrued interest	171,529	822,770	212,375
Allowance for impairment losses	(19,915)	(47,498)	(26,247)
Closing balance more than 3 months	39,810,084	94,949,155	52,468,488
Total deposit with financial institutions	80,752,558	155,706,974	214,934,456

During the year under review the Company placed fixed deposit in forex with various maturity terms ranging from 1 month to 11 months with banks with interest payable at maturity ranging from 1.05% to 4.05% (2024: 3.30% to 5.28%, 2023: 2.90% to 5.36%).

The breakdown of these deposits held to maturity is as per below

	June 30, 2025		June 30, 2024	
	FCY	MUR	FCY	MUR
Dollar	175,700	7,936,369	2,411,700	114,531,633
Euro	1,266,750	66,529,710	772,000	39,341,120
Pound Sterling	100,000	6,149,000	16,000	959,680

Reconciliation of Allowance for impairment losses on investment securities

	June 30, 2025	June 30, 2024	June 30, 2,023
	Rs.	Rs.	Rs.
As at June 30,	40,396	107,521	107,521
At July 01,	77,892	107,521	-
Charge for the year (Note 22)	(37,496)	(29,629)	107,521
At June 30,	40,396	77,892	107,521

6. NET INVESTMENT IN FINANCE LEASES

(a) Finance lease receivables

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
The investment in finance leases can be analysed as follows:			
Current			
- Not later than 1 year	1,591,993,061	1,684,442,013	1,334,030,543
Non-current			
- Later than 1 year and not later than 5 years	3,249,652,197	3,225,584,450	2,821,490,796
- Later than 5 years	273,172,933	307,720,790	251,226,633
Total non-current	3,522,825,130	3,533,305,240	3,072,717,429
Gross investment in finance leases	5,114,818,191	5,217,747,253	4,406,747,972
Unearned future finance income on finance leases	(982,328,859)	(978,407,236)	(808,043,528)
Net investment in finance leases before impairment	4,132,489,332	4,239,340,017	3,598,704,444
Allowance for impairment losses:			
ECL on Non - performing leases	(51,884,824)	(29,847,668)	(42,255,421)
ECL on performing leases	(22,622,272)	(28,282,860)	(26,333,192)
	4,057,982,236	4,181,209,489	3,530,115,831
Transfer of repossessed assets to other assets (note 9)	(1,276,299)	(2,817,000)	(6,672,500)
Net investment in finance leases	4,056,705,937	4,178,392,489	3,523,443,331

Assets (vehicles and equipment) are leased to customers for periods of up to 84 months. The average lease term is 60 months and the majority of these leases are at interest rates linked to the Prime Lending Rate.

The interest rates prevailing as at June 30, 2025 range from 0% to 14.35%. (2024: 6% to 16%, 2023: 6% to 16%).

(b) Credit concentration of risk by industry sectors

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Personal and others	2,559,028,677	2,402,655,389	2,090,155,404
Transport	435,121,815	473,487,620	430,613,982
Traders	406,492,829	439,332,750	269,919,206
Professional	220,417,747	263,509,563	236,648,882
Manufacturing	179,981,338	203,794,591	157,619,239
Construction	178,375,200	197,759,112	186,024,245
Agriculture and fishing	14,885,115	102,284,988	94,346,916
Tourism	56,108,134	68,707,244	69,935,247
IT & Telecommunications	42,913,911	50,575,677	30,847,120
Education	27,166,183	25,422,234	24,187,495
Financial institutions	11,998,383	11,810,849	8,406,708
4,132,489,332	4,239,340,017	3,598,704,444	

6. NET INVESTMENT IN FINANCE LEASES (CONT'D)

(c) Allowances for impairment losses

	ECL on non-performing leases	ECL on performing leases	Total impairment
	Rs.	Rs.	Rs.
At July 01, 2022	28,057,328	35,696,287	63,753,615
Charge for the year	14,198,093	(9,363,095)	4,834,998
At June 30, 2023	42,255,421	26,333,192	68,588,613
(Release)/charge for the year	(12,407,753)	1,949,668	(10,458,085)
At June 30, 2024	29,847,668	28,282,860	58,130,528
Charge/(release) for the year	22,037,156	(5,660,588)	16,376,568
At June 30, 2025	51,884,824	22,622,272	74,507,096

(d) Allowances for impairment losses by industry sectors

June 30, 2025	Gross leases	In default leases	ECL on non-performing leases	ECL on performing leases	Total impairment	Reposessed leases	Net leases
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Personal and others	2,559,028,677	29,104,714	13,032,159	11,775,201	24,807,360	341,799	2,533,879,518
Transport	435,121,815	15,775,368	12,069,799	2,598,804	14,668,603	934,500	419,518,712
Traders	406,492,829	9,576,953	4,202,710	2,612,027	6,814,737	-	399,678,092
Professional	220,417,747	16,272,580	14,346,963	1,366,483	15,915,446	-	204,502,301
Construction	178,375,200	4,150,229	2,707,005	1,713,105	4,420,110	-	173,955,090
Manufacturing	179,981,338	-	-	645,379	645,379	-	179,335,959
Agriculture and fishing	14,885,115	-	-	264,167	264,167	-	14,620,948
Tourism	56,108,134	4,427,685	4,181,320	558,882	4,740,202	-	51,367,932
IT & Telecommunications	42,913,911	1,144,868	1,144,868	391,167	1,536,035	-	41,377,876
Education	27,166,183	654,986	-	482,121	482,121	-	26,684,062
Financial institutions	11,998,383	-	-	212,936	212,936	-	11,785,447
	4,132,489,332	81,107,383	51,884,824	22,622,272	74,507,096	1,276,299	4,056,705,937

6. NET INVESTMENT IN FINANCE LEASES (CONT'D)

(d) Allowances for impairment losses by industry sectors (Cont'd)

June 30, 2024	Gross leases	In default leases	ECL on non- performing	ECL on performing	Total impairment	Reposessed leases	Net leases
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Personal and others	2,402,655,389	27,795,560	12,427,688	13,816,173	26,243,861	136,000	2,376,275,528
Transport	473,487,620	12,124,519	5,013,648	3,517,747	8,531,395	1,246,000	463,710,225
Traders	439,332,750	2,400,568	813,727	3,170,948	3,984,675	-	435,348,075
Professional	263,509,563	5,704,998	2,046,340	2,024,034	4,070,374	-	259,439,189
Construction	197,759,112	8,566,749	3,747,976	1,981,498	5,729,474	1,435,000	190,594,638
Manufacturing	203,794,591	2,072,916	962,986	905,795	1,868,781	-	201,925,810
Agriculture and fishing	102,284,988	41,821,727	322,716	628,152	950,868	-	101,334,120
Tourism	68,707,244	4,361,916	4,332,321	813,618	5,145,939	-	63,561,305
IT & Telecommunications	50,575,677	180,266	180,266	566,061	746,327	-	49,829,350
Education	25,422,234	-	-	586,400	586,400	-	24,835,834
Financial institutions	11,810,849	-	-	272,434	272,434	-	11,538,415
	4,239,340,017	105,029,219	29,847,668	28,282,860	58,130,528	2,817,000	4,178,392,489
June 30, 2023							
Personal and others	2,090,155,404	40,339,666	17,447,104	13,812,758	31,259,862	1,477,500	2,057,418,042
Transport	430,613,982	24,814,357	14,060,580	3,187,515	17,248,095	3,925,000	409,440,887
Traders	269,919,206	4,069,270	1,445,560	2,373,571	3,819,131	80,000	266,020,075
Manufacturing	236,648,882	4,192,940	2,367,493	1,803,839	4,171,332	-	232,477,550
Professional	186,024,245	8,173,864	1,595,402	1,985,765	3,581,167	950,000	181,493,078
Construction	157,619,239	483,304	27,213	775,318	802,531	-	156,816,708
Agriculture and fishing	94,346,916	39,737,229	216,735	505,629	722,364	-	93,624,552
Tourism	69,935,247	5,219,948	4,504,790	731,415	5,236,205	240,000	64,459,042
IT & Telecommunications	30,847,120	668,686	590,544	412,213	1,002,757	-	29,844,363
Financial institutions	24,187,495	-	-	552,975	552,975	-	23,634,520
Education	8,406,708	-	-	192,194	192,194	-	8,214,514
	3,598,704,444	127,701,264	42,255,421	26,333,192	68,588,613	6,672,500	3,523,443,331

7. INTANGIBLE ASSETS

	Computer software	Total
	Rs.	Rs.
Cost		
At July 01, 2022	7,771,357	7,771,357
Additions	714,093	714,093
At July 01, 2023	8,485,450	8,485,450
Additions	1,534,082	1,534,082
At June 30, 2024	10,019,532	10,019,532
Additions	459,872	459,872
At June 30, 2025	10,479,404	10,479,404
Amortisation		
At July 01, 2022	4,303,384	4,303,384
Charge for the year	1,349,470	1,349,470
At June 30, 2023	5,652,854	5,652,854
Charge for the year	1,513,784	1,513,784
At June 30, 2024	7,166,638	7,166,638
Charge for the year	1,041,115	1,041,115
At June 30, 2025	8,207,753	8,207,753
NET BOOK VALUE		
At June 30, 2025	2,271,651	2,271,651
At June 30, 2024	2,852,894	2,852,894
At June 30, 2023	2,832,596	2,832,596

8. EQUIPMENT

* Assets under operating lease consist mainly of motor vehicles and operating equipment.

The operating lease book is breakdown as per below as at June 30, 2025:

	Motor vehicles	Other Equipments	Total
	Rs	Rs	Rs
Cost	408,194,135	2,490,000	410,684,135
Accumulated depreciation	(173,171,313)	(1,488,333)	(174,659,646)
Net book value	235,022,822	1,001,667	236,024,489

8. EQUIPMENT (CONT'D)

COST	Computer & equipment	Furniture & fittings	Office equipment	Assets under operating lease	Motor vehicles	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At July 01, 2022	18,328,632	56,380,595	9,383,888	754,675,172	14,452,851	853,221,138
Additions	89,861	-	89,950	136,420,676	9,112,555	145,713,042
Disposals	-	-	-	(281,995,585)	(5,602,275)	(287,597,860)
At June 30, 2023	18,418,493	56,380,595	9,473,838	609,100,263	17,963,131	711,336,320
Additions	424,845	-	97,371	214,834,136	-	215,356,352
Disposals	-	-	-	(283,143,645)	-	(283,143,645)
Transfers	-	-	-	1,663,900	-	1,663,900
At June 30, 2024	18,843,338	56,380,595	9,571,209	542,454,654	17,963,131	645,212,927
Additions	3,009,649	-	97,580	85,654,557	8,680,000	97,441,986
Disposals	-	-	-	(217,425,076)	(9,864,555)	(227,289,631)
At June 30, 2025	21,853,187	56,380,595	9,668,789	410,684,135	16,778,576	515,365,282
ACCUMULATED DEPRECIATION						
At July 01, 2022	17,361,128	37,161,893	6,189,053	348,427,409	8,994,755	418,134,238
Charge for the year	501,796	5,473,472	967,539	73,549,641	2,875,258	83,367,706
Disposals	-	-	-	(154,119,880)	(4,531,339)	(158,651,219)
At June 30, 2023	17,862,924	42,635,365	7,156,592	267,857,170	7,338,674	342,850,725
Charge for the year	461,509	5,471,427	955,726	65,721,898	3,207,429	75,817,989
Disposals	-	-	-	(121,846,496)	-	(121,846,496)
Transfers	-	-	-	1,363,900	-	1,363,900
At June 30, 2024	18,324,433	48,106,792	8,112,318	213,096,472	10,546,103	298,186,118
Charge for the year	676,897	8,232,359	1,407,607	57,280,338	2,198,095	69,795,296
Disposals	-	-	-	(95,717,164)	(4,411,864)	(100,129,028)
At June 30, 2025	19,001,330	56,339,151	9,519,925	174,659,646	8,332,334	267,852,386
NET BOOK VALUE						
At June 30, 2025	2,851,857	41,444	148,864	236,024,489	8,446,242	247,512,896
At June 30, 2024	518,905	8,273,803	1,458,891	329,358,182	7,417,028	347,026,809
At June 30, 2023	555,569	13,745,230	2,317,246	341,243,093	10,624,457	368,485,595

9. OTHER ASSETS

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Current			
Other financial assets			
Amount receivable from related parties	10,122,506	3,398,507	2,774,844
Allowance for impairment losses *	(9,988,522)	-	-
	133,984	3,398,507	2,774,844
Other receivables	10,672,144	8,434,392	1,802,952
Allowance for impairment losses			
Allowance for impairment losses - Note 9(a)	(5,336)	(4,217)	(483)
	10,666,808	8,430,175	1,802,469
Operating lease receivable (Note 23 (b))	13,091,345	17,445,901	17,423,455
Allowance for impairment losses:			
ECL on Non - performing leases - Note 23(d)	(10,197,690)	(11,604,414)	(13,261,356)
ECL on performing leases - Note 23(d)	(342,371)	(916,253)	(710,670)
	2,551,284	4,925,234	3,451,429
Other non- financial Assets			
Repossessed assets (note 6)	1,276,299	2,817,000	6,672,500
Prepayments	4,248,624	1,971,605	4,707,836
	5,524,923	4,788,605	11,380,336
Other Assets	18,876,999	21,542,521	19,409,078

(a) Reconciliation of Allowance for impairment losses on Other receivables

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
At July 01,	4,217	483	544
Charge/ (Release) for the year (Note 22)	9,989,641	3,734	(61)
At June 30,	9,993,858	4,217	483

* The company has recognised a full provision against the current account balance with AXYS Services Ltd , which has been placed under receivership. As the recharge of expenses due from AXYS Services Ltd is no longer considered recoverable, the amount has been fully impaired in accordance with IFRS 9 - Financial Instruments.

(b) For reconciliation of allowance for impairment losses on Operating lease receivable please refer to note 23(d).

(c) Other receivables are non interest-bearing and are generally on 30-90 days' term.

(d) For terms and conditions in respect of amounts receivable from related parties please refer to note 24.

10. DEPOSITS

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
PERSONAL			
Current			
- Not later than 1 year	899,827,855	530,574,831	822,229,448
Non-current			
- Later than 1 year and not later than 5 years	1,829,999,512	1,642,971,139	1,208,782,238
- Later than 5 years	322,418,583	265,696,319	196,023,001
Total non-current	2,152,418,095	1,908,667,458	1,404,805,239
	3,052,245,950	2,439,242,289	2,227,034,687
	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
BUSINESS			
Current			
- Not later than 1 year	425,479,971	1,005,237,052	612,133,720
Non-current			
- Later than 1 year and not later than 5 years	367,109,669	470,472,567	838,700,413
- Later than 5 years	13,155,586	4,149,110	30,051,595
Total non-current	380,265,255	474,621,677	868,752,008
	805,745,226	1,479,858,729	1,480,885,728

Deposits represent time deposits from individuals and corporates in Mauritian Rupee, Euro, Dollar and Pound Sterling. The maturity terms vary between 1 month to 72 months. Interest rate on these time deposits vary between 2.60% to 7.65% (2024: 2.40% to 7.65%, 2023: 1.25% to 7.65%).

11. INCOME TAX

(a) Amount shown on the statement of financial position is as follows:

From the year of assessment starting on 1 July 2024, companies are required to pay a CCR Levy of 2% on their chargeable income. This levy must be paid with the company's annual tax return, except for companies with turnover below MUR 50 million, which are exempt.

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Current tax on the adjusted profit for the year ended June 30,	30,449,824	23,753,661	22,560,629
Corporate Climate Responsibility Levy	4,059,977	3,167,155	
Under provision of income tax liability in previous year payable	-	(20,000)	-
Less: Payment made under the Advance Payment System	(17,810,685)	(16,920,471)	(13,452,039)
Current income tax liability at June 30,	16,699,116	9,980,345	9,108,590

11. INCOME TAX (CONT'D)

(b) The major components of income tax expense are as follows:	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Current tax on the adjusted profit	30,449,824	23,753,661	22,560,629
Corporate Social Responsibility	3,166,344	3,026,930	3,008,085
year	13,108	-	(363,794)
Under provision of income tax liability in previous year payable	43,918	-	30,695
Corporate Climate Responsibility Levy	4,059,977	3,167,155	-
Under/ (over) provision of deferred income tax in previous year	-	-	92,489
Movement in deferred income taxes (Note 11)	(8,619,384)	(1,266,924)	(3,499,273)
Total income tax expense	29,113,787	28,680,822	21,828,831

- (c) The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:-

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Profit before income tax	137,112,672	154,871,000	132,284,249
Tax calculated at 17% (2024 and 2023: 17%)	23,309,154	26,328,070	22,488,322
Corporate Climate Responsibility Levy	4,059,977	3,167,155	-
(Over)/under provision of tax liability in previous year	57,026	-	(333,099)
year	-	-	92,489
(Non taxable income)/non deductible expenses	1,687,630	(814,403)	(418,881)
Income tax expense	29,113,787	28,680,822	21,828,831

12. DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2024 & 2023: 17%). Deferred income taxes relate to the following:

	Statement of financial position		
	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
<i>Movement in Statement of financial Movement</i>			
<i>Deferred income tax liabilities</i>			
(Under)/over provision of accelerated depreciation	(92,489)	(92,489)	(92,489)
Accelerated depreciation for tax purposes	(9,752,161)	(14,021,153)	(17,188,851)
	(9,844,650)	(14,113,642)	(17,281,340)
<i>Deferred income tax asset</i>			
Employee benefit obligations recognised in profit and loss	986,489	784,699	650,229
Allowance for credit losses	16,199,376	12,050,774	14,086,018
	17,185,865	12,835,473	14,736,247
<i>Items that will not be recycled to profit or loss</i>			
Employee benefit obligations recognised in OCI	922,590	693,430	247,350
Deferred income tax asset/liabilities	8,263,805	(584,739)	(2,297,743)

12. DEFERRED INCOME TAXES (CONT'D)

Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2024 & 2023: 17%). Deferred income taxes relate to the following:

Income Statement Movement	Statement of comprehensive income		
	June 30, 2025	June 30, 2024	June 30, 2023
<i>Deferred income tax liabilities</i>	Rs.	Rs.	Rs.
(Under)/over provision of accelerated depreciation	-	-	(92,489)
Accelerated depreciation for tax purposes	4,268,992	3,167,698	2,125,998
	4,268,992	3,167,698	2,033,509
<i>Deferred income tax asset</i>			
Employee benefit obligations recognised in profit and loss	201,790	134,470	79,730
Allowance for credit losses	4,148,602	(2,035,244)	1,293,545
	4,350,392	(1,900,774)	1,373,275
Deferred income tax expense	8,619,384	1,266,924	3,406,784
<i>Items that will not be recycled to profit or loss</i>			
Employee benefit obligations recognised in OCI	229,160	446,080	247,350
Net deferred tax movement	8,848,544	1,713,004	3,654,134

13. OTHER LIABILITIES

	June 30, 2025	June 30, 2024	June 30, 2023
Current	Rs.	Rs.	Rs.
Payables to lease suppliers	44,553,039	164,682,269	55,098,127
Other payables	190,301,925	163,495,886	194,917,882
	234,854,964	328,178,155	250,016,009

Other payables are non interest-bearing and have an average term of 1- 3 months.

Payables to lease suppliers relate to amount due to the suppliers of the leased assets and have an average term of 1- 3 months.

14. EMPLOYEE BENEFIT OBLIGATIONS

The Company has recognised a retirement benefit obligation of Rs.11,229,879 (2024: Rs.8,694,879, 2023: Rs.5,279,879) in its statement of financial position as at June 30, 2025 in respect of employees under the pension plan who are entitled to residual retirement gratuities because their pension plan benefits are not expected to fully offset the Company's retirement gratuity obligations under the Workers' Rights Act 2019 (WRA 2019).

The company has recognised a liability as the present value of the retirement benefit obligation as per the employment rights act exceeds the present value of the members' accounts of defined pension contribution, based on the actuarial assumptions used below:

- Interest risk: A decrease in the note interest rate will increase the plan liability; however, this may be partially offset by a decrease in inflationary pressures on salary increases.
- Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the 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.

14. EMPLOYEE BENEFIT OBLIGATIONS (CONT'D)

The Company has a residual obligation imposed by Workers' Rights Act 2019 on top of its define contribution plan. It is therefore particularly exposed to investment under-performance of the defined contribution plan.

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

The principal actuarial assumptions are:

	June 30, 2025	June 30, 2024	June 30, 2023
Weighted average discount rate	6.00%	5.50%	5.70%
Post-retirement discount rate	3.00%	2.50%	3.00%
Rate of salary increases	3.20%	3.20%	3.20%
Average retirement age	65	65	65

Maturity profile of the Retirement Benefit Obligation

The weighted average duration of the Retirement benefit obligation is 19 years.

	June 30, 2025	June 30, 2024	June 30, 2023
Pension expense components for the year	Rs.	Rs.	Rs.
<i>Components of retirement benefit obligation recognised in profit and loss</i>			
Current service cost	709,000	490,000	294,000
Interest expense	478,000	301,000	175,000
Total amount recognised in profit or loss	1,187,000	791,000	469,000
<i>Components of retirement benefit obligation recognised in OCI</i>			
Experience loss	3,332,000	1,996,000	1,098,000
Gain due to change in demographic assumptions	(300,000)		
(Gain)/loss due to change in financial assumptions	(1,684,000)	628,000	357,000
Total amount recognised in OCI	1,348,000	2,624,000	1,455,000
<i>Movement in liability recognised in statement of financial position</i>			
At start of the year	8,694,879	5,279,879	3,355,879
Amount recognised in profit or loss	1,187,000	791,000	469,000
Amount recognised in OCI	1,348,000	2,624,000	1,455,000
At end of the year	11,229,879	8,694,879	5,279,879
<i>Reconciliation of Present Value of Defined Benefit Obligation</i>			
At start of the year	8,694,879	5,279,879	-
Current service cost	709,000	490,000	294,000
Interest expense	478,000	301,000	175,000
Liability experience loss	3,332,000	1,996,000	1,098,000
Liability gain due to change in demographic assumptions	(300,000)		
Liability loss/(gain) due to change in financial assumptions	(1,684,000)	628,000	357,000
At end of the year	11,229,879	8,694,879	1,924,000

14. EMPLOYEE BENEFIT OBLIGATIONS (CONT'D)

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Sensitivity analysis			
1% increase in discount rate	3,078,000	2,668,000	(1,873,000)
1% decrease in discount rate	2,486,000	(2,131,000)	1,464,000
1% increase in salary increase assumption	3,146,000	2,703,000	1,912,000
1% decrease in salary increase assumption	2,573,000	(2,190,000)	(1,514,000)
Effect of changing longevity – rate up	214,000	192,000	156,000
Effect of changing longevity – rate down	241,000	(218,000)	(175,000)

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

Future cashflows

- The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.
- Expected employer contribution for the next year -
- Weighted average duration of the defined benefit obligation 19 years

The retirement obligation liabilities at June 30, 2025 are based on the report prepared by AON Solutions Ltd (previously known as Aon Hewitt) in September 2025 (2024 and 2023 : AON Solutions Ltd).

15. DEBT ISSUED

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Issued notes (MUR150 million floating rate notes due 2026)	150,000,000	150,000,000	-
Accrued interest	2,374,726	2,173,973	-
	152,374,726	152,173,973	-

In July 2023, the Company issued 150 floating rate notes with a nominal value of MUR 1m per note. These rates have a maturity term of 3 years with a floating interest rate of Key Rate + Margin of 1.85%. Interest are payable semi annually on 31st March and 30th of September. Please refer to note 30 for additional details.

16. ISSUED CAPITAL

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
<u>Issued and fully paid-up capital</u>			
20,000,000 ordinary shares at no par value	200,000,000	200,000,000	200,000,000

The ordinary shareholder is entitled to voting rights and dividends.

17. OTHER RESERVES

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Statutory reserve	137,879,784	121,679,951	102,751,424
General reserve	-	74,511,978	71,693,067
Actuarial loss reserves	(4,504,410)	(3,385,570)	(1,207,650)
Credit reserves	38,118,939	16,064,792	9,687,455
	<u>171,494,313</u>	<u>208,871,151</u>	<u>182,924,296</u>

Statutory reserve

The Statutory reserve represents transfers from Retained earnings in accordance with the Mauritian Banking Act 2004. A sum equal to not less than 15% of the profit for the year is transferred to this reserve until the balance is equal to the amount paid as stated capital.

General and credit reserve

The Company had previously recognized an undistributable provision under general reserves, in respect to amounts guaranteed by the Parent Company. In April 2025, the Parent Company entered into receivership and thus the corporate guarantee has ceased to be enforceable. Accordingly, the provision has been crystallized and fully written back against the amount due, as the related receivable is no longer considered recoverable.

The Credit Reserves represents amount set aside by the Company as appropriation of earnings for unforeseeable risks, general and future credit losses on the Company's lease portfolio credit. The reserves relate to the provisions created to comply with the Bank of Mauritius Guideline on Credit Impairment Measurement and Income Recognition.

Actuarial loss reserve

The actuarial loss reserve represents the cumulative remeasurement of defined benefit obligation reserve net of deferred tax provision.

18. INTEREST AND SIMILAR INCOME

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Interest and similar income on:			
- Finance leases	454,641,915	397,924,768	319,111,527
- Balances with banks	6,803,122	9,309,070	1,011,875
- Investment securities	-	207,500	2,573,000
	<u>461,445,037</u>	<u>407,441,338</u>	<u>322,696,402</u>

19. INTEREST AND SIMILAR EXPENSE

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Interest expense on deposits	216,937,276	178,932,388	143,901,681
Interest on notes	8,525,700	8,365,804	-
	<u>225,462,976</u>	<u>187,298,192</u>	<u>143,901,681</u>

20. OTHER OPERATING INCOME

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Rental income from operating leases	83,658,808	96,189,351	108,910,276
Facility fees	263,144	864,970	440,124
Profit on disposal of equipment	16,654,507	16,741,212	20,254,316
Penalty fees	11,270,616	11,739,596	6,704,305
Others	3,697,176	5,550,700	2,628,169
	<u>115,544,251</u>	<u>131,085,829</u>	<u>138,937,190</u>

21. ADMINISTRATIVE EXPENSES

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
<i>Included in administrative expenses:</i>			
Advertising and marketing expenses	6,929,615	19,301,236	2,994,822
Employee benefit expenses	65,245,005	60,723,222	49,702,132
Commissions and other costs	13,292,866	17,857,476	17,923,283
Professional fees	3,886,956	4,286,901	5,832,068
Rental premises	4,264,640	5,523,633	5,175,532
Expenses relating to the maintenance of operating leases	23,442	289,641	394,056
<i>Analysis of employee benefits expense:</i>			
- Salaries and wages	30,660,048	30,333,435	25,912,986
- Allowances	5,004,786	4,026,495	3,291,219
- Social security charges	2,227,879	1,899,536	1,633,665
- Pension costs	2,896,777	2,324,859	2,099,433
- Retirement benefit cost	1,187,000	791,000	469,000
- Other benefits	23,268,515	21,347,897	16,295,829
	65,245,005	60,723,222	49,702,132

22. NET IMPAIRMENT LOSSES ON OTHER FINANCIAL ASSETS

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Balances with banks (Note 3)	55,435	88,213	(136,695)
Investment securities	-	(124,896)	124,896
Deposit with financial institutions	(37,496)	(29,629)	107,521
Other receivables (Note 9 (a))	9,989,641	3,734	(61)
	10,007,580	(62,578)	95,661

23. OPERATING LEASES

- (a) The future minimum lease payments under non-cancellable operating leases can be analysed as follows:

<u>SPICE Finance Ltd as the Lessor</u>	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
- Not later than 1 year	56,422,010	72,567,090	89,727,771
- Later than 1 year and not later than 5 years	58,975,965	92,619,189	100,782,975
- Later than 5 years	-	-	106,917
	115,397,975	165,186,279	190,617,663

23. OPERATING LEASES (CONT'D)	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
(b) <i>Amount in arrears</i>			
1 - 30 days	2,785,253	5,100,651	5,829,791
31 - 60 days	746,017	905,564	851,358
61 - 90 days	147,094	788,361	652,537
Over 90 days	9,412,981	10,651,325	10,089,769
Total amount in arrears	13,091,345	17,445,901	17,423,455

(c) AMOUNT WRITTEN OFF ON OPERATING LEASES

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Arrears and other cost written off	(2,492,911)	(3,577,707)	(809,861)

These amount related to arrears for operating assets seized and sold excluding disposal proceeds. It also included legal and other cost associated with the lease.

(d) ALLOWANCE FOR CREDIT LOSSES

	ECL on non- performing leases	ECL on performing leases	Total impairment
	Rs.	Rs.	Rs.
At June 30, 2022	10,247,793	1,045,800	11,293,593
Release for the year	3,013,563	(335,130)	2,678,433
At June 30, 2023	13,261,356	710,670	13,972,026
Charge/(release) for the year	(1,656,942)	205,583	(1,451,359)
At June 30, 2024	11,604,414	916,253	12,520,667
Charge/(release) for the year	(1,406,724)	(573,882)	(1,980,606)
At June 30, 2025	10,197,690	342,371	10,540,061

24. FAIR VALUE OF FINANCIAL INSTRUMENTS

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements.

	As at June 30, 2025		As at June 30, 2024		As at June 30, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets						
Balances with banks and cash in hand (Note 3)	417,908,921	417,908,921	307,080,444	307,080,444	130,726,740	130,726,740
Investment in securities (Note 4)	-	-	-	-	249,667,604	249,667,604
Deposit with financial institutions (Note 5)	80,752,558	80,752,558	155,706,974	155,706,974	214,934,456	214,934,456
Net investment in finance leases	4,056,705,937	3,290,426,300	4,178,392,489	3,265,231,617	3,523,443,331	2,730,942,174
Other assets (Note 9)	14,628,375	14,628,375	19,570,916	19,570,916	14,701,242	14,701,242
	<u>4,569,995,791</u>	<u>3,803,716,154</u>	<u>4,660,750,823</u>	<u>3,747,589,951</u>	<u>4,133,473,373</u>	<u>3,340,972,216</u>
Financial liabilities						
Deposits	3,857,991,176	3,584,626,049	3,919,101,018	3,672,582,802	3,707,920,415	3,543,771,399
Other liabilities (Note 13)	234,854,964	234,854,964	328,178,155	328,178,155	250,016,009	250,016,009
Debt issued	152,374,726	152,374,726	152,173,973	152,173,973	-	-
	<u>4,245,220,866</u>	<u>3,971,855,739</u>	<u>4,399,453,146</u>	<u>4,152,934,930</u>	<u>3,957,936,424</u>	<u>3,793,787,408</u>

Fair value of financial assets and liabilities not carried at fair value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements.

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months) it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they are first recognised with current market rates offered for similar financial instruments. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using the prevailing money-market interest rates for debts with similar credit risk and maturity.

Financial instruments whose fair values are disclosed

The fair value of fixed rate financial instruments as per note above are classified as level 2.

Financial assets and liabilities by category

At June 30, 2025, all the above financial assets and liabilities were classified at amortised cost.

25. RELATED PARTY DISCLOSURES

(a) Transactions with related parties

During the year, transactions were entered with related parties. The following table shows the outstanding balances and the corresponding income earned and expenses borne by the Company.

STATEMENT OF FINANCIAL POSITION

	Rs.	Rs.	Rs.	Rs.	Rs.
	Finance lease receivable	Operating lease receivable	Deposits	Other receivables	Other payables
June 30, 2025					
Holding company	-	-	-	-	(3,679,072)
Entities under common control	12,132,200	250	-	10,122,506	(8,059,823)
Directors and close family members	2,462,802	-	(21,128,752)	-	-
June 30, 2024					
Holding company	-	-	-	-	(30,000,000)
Entities under common control	94,939,268	95,691	(286,696,079)	3,398,507	(974,956)
Directors and close family members	1,719,418	12,554	(17,462,627)	-	-
June 30, 2023					
Holding company	-	-	-	-	(5,000,000)
Entities under common control	93,624,553	125,262	(215,969,226)	2,774,844	(1,463,258)
Directors and close family members	2,710,002	-	(26,497,007)	-	-

25. RELATED PARTY DISCLOSURES (CONT'D)

(a) Transactions with related parties (Cont'd)

	STATEMENT OF COMPREHENSIVE INCOME				
	Recharge of administrative expenses	Interest income on finance leases	Interest expense on deposits	Rental income on operating leases	Other recharges
	Rs.	Rs.	Rs.	Rs.	Rs.
June 30, 2025					
Holding company	-	-	-	-	-
Entities under common control	7,446,895	3,550,690	-	1,618,170	9,521,138
Directors and close family members	-	122,483	(1,430,781)	131,110	-
June 30, 2024					
Holding company	-	-	-	-	-
Entities under common control	(12,567,851)	4,951,622	(3,703,152)	3,212,618	6,313,800
Directors and close family members	-	150,484	(903,031)	131,110	-
June 30, 2023					
Holding company	-	-	-	-	-
Entities under common control	(12,575,264)	4,873,266	(1,831,504)	3,547,568	6,331,559
Directors and close family members	-	174,575	(1,448,671)	131,110	-

25. RELATED PARTY DISCLOSURES (CONT'D)

(a) Transactions with related parties (Cont'd)

Terms and conditions of transactions with related parties

The outstanding balances arose in the ordinary course of business. The interest charged to and by related parties are at normal commercial rates.

Investment in finance and operating leases

These represent leases granted to related parties bearing interest at normal commercial rate depending on nature of the asset.

Deposits

These deposits were made at normal commercial rate which depend on the periodicity of the deposits.

Transactions with the key management personnel and directors of the Company

The Company enters into transactions, arrangements and agreements involving directors and senior management in the ordinary course of business at commercial interest and commission rates.

Credit quality

For the year ended June 30, 2025, the Company has made full provision for all on allowance for credit losses relating to amounts owed by related parties that went into administration (2024: Nil, 2023: Nil). At June 30, 2025, all facilities granted to related parties which were in administration were considered to be non-performing. (2024 and 2023: nil).

(b) Compensation of key management personnel of the Company

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Short-term employee benefits	38,036,727	28,438,902	24,415,780
Post employment benefits	2,031,661	1,832,995	1,705,580
	40,068,388	30,271,897	26,121,360

- (c) The Company has recorded full impairment of receivables from AXYS Services Ltd during the year (2024: Nil, 2023: Nil). AXYS Services Ltd entered in liquidation since April 2025 and thus all amount due is considered as irrecoverable. The assessment is undertaken each year through examining the financial position of the related party.

26. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary equity holders of the Company by the number of ordinary shares outstanding during the year.

All classes of shares issued by the Company rank *pari passu* for dividends and have been taken into consideration when determining the number of ordinary shares outstanding during the year.

The following table shows the earnings and number of shares outstanding during the year used in the calculation of earnings per share:

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Net profit attributable to ordinary equity holders of the Company	107,998,885	126,190,178	110,455,418
Number of ordinary shares	20,000,000	20,000,000	20,000,000
Earnings per share			
Basic and diluted earnings per share (Rs)	5.40	6.31	5.52

There has been no transactions involving ordinary shares between the end of the reporting period and approval of these financial statements.

27. FINANCIAL RISK MANAGEMENT**Introduction**

Risk is inherent in the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk.

Changes in the environment, technology and industry are monitored through the Company's strategic planning process.

Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks; however, there are separate independent bodies responsible for managing and monitoring risks.

Board of Directors

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies and principles.

Risk Management Committee

The Risk Management Committee has the overall responsibility for the development of the risk management framework and policies and implementing these principles and limits. It is responsible for the fundamental risk issues and manages and monitors relevant risk decisions. The Risk Management Committee ensures that the proper procedures are in place to monitor and evaluate the effectiveness of these policies.

27. FINANCIAL RISK MANAGEMENT (CONT'D)**Risk measurement and reporting systems***Management*

Management oversees the day to day operations and the Recovery unit which is responsible for the independent control of risks, including monitoring the risk exposures of finance leases.

The Company's risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Company also runs worst case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily performed based on limits established by the Company. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept, with additional emphasis on selected industries. In addition, the Company's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the business is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented through reports and explained to the Board of Directors, the Risk Management Committee and Senior Management. These reports include aggregate credit exposure, limit exceptions, liquidity ratios and risk profile changes. On a monthly basis, detailed reporting of industry and customer risks take place. Senior management assesses the appropriateness of the allowance for credit losses on a monthly basis.

Risk mitigation

The RMC assists the Board in setting up risk mitigation strategies and in assessing and monitoring the risk management process of the Company. It also advises the Board on risk issues and monitors the risk against the set risk appetite, in compliance with relevant regulations and advocated norms.

The responsibility for implementing and mitigating the Risk identified forms part of the day-to-day responsibilities of Senior Management and employees at all levels of the organisation.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers, clients or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and industry concentrations, and by monitoring exposures in relation to such limits. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. An additional security that we have for some clients, is a buy-back agreement directly with the supplier.

Maximum exposure to risk without taking into account of any collateral and other credit enhancements:-

	Maximum exposure		
	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
<u>On-balance sheet exposures:</u>			
Balances with banks (Note 3)	417,908,921	307,080,444	130,726,740
Net investment in finance leases (net of allowance for impairment losses) (Note 6a)	4,056,705,937	4,178,392,489	3,523,443,331
Investment in securities	-	-	249,667,604
Deposit with financial institutions	80,752,558	155,706,974	214,934,456
Other assets (Net of allowance for impairment) (Note 9)	14,628,375	19,570,916	14,701,242
	<u>4,569,995,791</u>	<u>4,660,750,823</u>	<u>4,133,473,373</u>
<u>Off-balance sheet exposures:</u>			
Operating leases (Note 23a)	115,397,975	165,186,279	190,617,663
	<u>4,685,393,766</u>	<u>4,825,937,102</u>	<u>4,324,091,036</u>

An industry sector analysis of the Company's financial assets, before taking account any collateral held or other credit enhancements, is as follows:

	Gross maximum exposure		
	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Personal and others	2,572,652,908	2,427,126,410	2,119,175,915
Financial institutions	510,715,244	478,734,991	610,814,433
Traders	417,539,284	463,295,646	311,012,019
Transport	424,811,587	470,556,652	423,938,702
Professional	257,303,574	328,849,086	280,443,616
Construction	178,477,914	200,204,623	192,399,306
Manufacturing	181,650,942	205,944,667	161,690,734
Tourism	56,791,515	73,096,955	73,095,843
Agriculture and fishing	15,127,708	102,121,524	94,843,652
IT & Telecommunications	42,246,738	51,089,633	32,287,085
Education	28,076,352	24,916,915	24,389,731
	<u>4,685,393,766</u>	<u>4,825,937,102</u>	<u>4,324,091,036</u>

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

The maximum credit exposure associated with the financial instruments amounts to the carrying values as stated in the statement of financial position.

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main type of collateral obtained are assets held under finance leases. Such assets mostly include motor vehicles, fishing vessels, pleasure crafts, industrial equipment and machinery. For investment in finance leases, the assets under lease are registered under Spice Finance Ltd until the lessee pays in full the contractual amount due, at which point the title is transferred. Should the lessee default in payment, the Company has the right to undertake legal procedures to recover the asset under lease, which in substance acts as a collateral against defaults.

The directors monitor the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

It is the Company's policy to dispose of repossessed properties as soon as possible. The proceeds are used to reduce or settle the outstanding claim.

Credit quality per class of financial assets

The table below shows the credit quality by class of asset for all financial assets exposed to credit risk. The amount presented are gross of impairment allowances.

June 30, 2025	Performing book	Non-performing book	Total
	Rs.	Rs.	Rs.
Balances with banks	417,908,921	-	417,908,921
Deposit with financial institutions	80,752,558	-	80,752,558
Net investment in finance leases before impairment	4,072,508,386	58,704,647	4,131,213,033
Other assets (before allowance for impairment)	14,976,082	20,186,212	35,162,294
	<u>4,586,145,947</u>	<u>78,890,859</u>	<u>4,665,036,806</u>

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

June 30, 2024	Performing book	Non-performing book	Total
	Rs.	Rs.	Rs.
Balances with banks	307,080,444	-	307,080,444
Deposit with financial institutions	155,706,974	-	155,706,974
Net investment in finance leases before impairment	4,191,344,523	45,178,494	4,236,523,017
Other assets (before allowance for impairment)	20,491,386	11,604,414	32,095,800
	<u>4,674,623,327</u>	<u>56,782,908</u>	<u>4,731,406,235</u>
June 30, 2023	Performing book	Non-performing book	Total
	Rs.	Rs.	Rs.
Balances with banks	130,726,740	-	130,726,740
Investment in securities	249,667,604	-	249,667,604
Net investment in finance leases before impairment	3,523,216,320	68,815,624	3,592,031,944
Other assets (before allowance for impairment)	15,412,395	13,261,356	28,673,751
	<u>3,919,023,059</u>	<u>82,076,980</u>	<u>4,001,100,039</u>

Assets repossessed

As at June 30, 2025, the Company took possession of collaterals with an estimated fair value of Rs 1,276,299 (2024: Rs 2,817,000, 2023: Rs 6,672,500), which the Company sold or is in the process of selling. The collateral comprised of motor vehicles and equipments.

IMPAIRMENT OF FINANCIAL ASSETS UNDER IFRS 9

The Company has following types of financial assets that are subject to the expected credit loss model:

- (i) Balances with banks and cash in hand
- (ii) Investment measured at amortised cost
- (iii) Amount receivable from related parties
- (iv) Other receivables
- (v) Net investment in finance lease
- (vi) Operating lease receivables
- (vii) Fixed deposit with banks

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

(i) Balances with banks and cash in hand

Credit risk from balances with banks and financial institutions is considered negligible, since the counterparty is a reputable bank with high quality external credit rating. Based on assessment carried by the Company, entire receivable is under this category is classified as "Stage 1".

(ii) Investment in securities

Investment securities represents treasury bills and bonds and guaranteed by Mauritius government. There is no history of loss and credit risk from balances in investment securities is therefore considered negligible. Based on assessment carried by the Company, the entire receivable under this category is classified as "Stage 1".

(iii) Amount receivable from related parties

The balance due from related parties primarily comprises current accounts and recharge of expenses. During the financial year 2025, both the parent company and the ultimate parent company were placed into receivership. Several other entities within the Group also entered receivership, and accordingly, all amounts receivable from these companies have been considered irrecoverable. A full provision has therefore been recognised.

There was no history of credit loss or evidence of credit risk in respect of related party receivables prior to 2025. Consequently, for the financial years 2024 and 2023, all amounts due were assessed as negligible, and no Expected Credit Loss (ECL) was recognised.

(iv) Other receivables

Other receivables represents receivable within very short period. There is no history of loss and credit risk from other receivables is therefore considered negligible. Based on assessment carried by the Company, entire receivable is under this category is classified as "Stage 1".

(v) Net investment in finance lease

The Company applies the IFRS 9 simplified approach to measuring expected credit losses for its performing leases which uses a lifetime expected loss allowance (ECL) for Net investment in finance lease. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at the end of each reporting period, right from its initial recognition.

Level of segmentation used:

Initially, entire finance lease receivables are allocated into pre-defined sectors as per Bank of Mauritius and allocated the entire portfolio for analyses objective into a number of sectors.

These sectors are then aggregated based on number of lease account within each sector to get more accurate and reasonable analysis of historical loss rate. For this purpose of aggregation of number of sectors, parameter considered is as per below:

- Any sectors having 50 or more number of lease account is considered as separate segment for the purpose of ECL analysis. Remaining Sector are classified under "others" category.
- Based on above analysis total of 13 sectors are identified.

The expected credit loss is a product of Exposure at default (EAD), Probability of default (PD) and Loss given default (LGD).

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

Exposure at default (EAD):

EAD is considered as lease receivable including interest (net of write off) as at the end of the reporting period.

Probability of default (PDs):

The provision matrix using the free-flow rate method is initially based on the Company historical observed default rates. Historical default rate is based on ageing analysis for past 5 years data. The Company will calibrate the matrix to adjust the historical credit loss experience with forward looking information.

For instance, if forecast economic conditions (e.g. gross domestic product, unemployment, and weighted average interest rate) are expected to deteriorate over the next year which can lead to an increased number of defaults in any particular sector, the historical observed default rates are updated and changes in the forward looking estimates are analysed, the assessment of correlation between historical observed default rates, forecast economic conditions.

The Company's historical loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. However, considering imperfect relation between dependent and independent variables, management has considered the weighted average default rate for the purpose of computing the expected credit loss. This is justified since the Mauritius economy and independent variables are not moving significantly between the above years and are expected to perform in a similar way based on forward looking information available about the Mauritius economy. Weighted average default rate computed are adjusted for expected changes in Mauritius economy, based on available information and management estimate, to arrive at probability weighted lifetime loss rate.

Loss given default (LGD):

Finance lease receivable accounts are classified into following categories for the purpose of computing LGD:

#	Category	LGD computation approach
i	Leases which are fully repaid by lessee after reporting period	These lease accounts were repaid in full and there is no loss incurred by the Company. Therefore, LGD considered is 0%.
ii	Related party leases guaranteed by Holding Company	For financial year 2025, total amount receivable from related party for which there were Guarantee from Holding company, was totally written off. Thus LGD computation for Related Party Guaranteed by Holding company is no longer applicable. (2024 & 2023: Historically there are was no loss on related party lease. In case if there is default by related party in future, the Company has right to claim the loss from Holding Company. There is no risk of loss to the company for leases to related party. Therefore, LGD considered is 0%.)

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

Loss given default (LGD) (Cont'd):

#	Category	LGD computation approach
iii	Leases other than covered by (1) and (2) above	a) All lease are secured by collaterals. For determining LGD, the Company has carried fair valuation of collaterals for selected samples. b) From total lease account under this category, the Company has selected a sample based on high value lease. Further, the Company has also selected an additional sample from the remaining population on a random basis, wherein all population has an equal chance of being selected. While selecting sample from remaining population, careful consideration is given to type of assets, model, year of purchase, financing for new /second hand assets, etc. c) Fair valuation of collaterals for above selected sample is carried by third party reputed valuers. d) Adjustment to fair value of collaterals as determined in (c) above toward: - Estimated cost to sell the collaterals based on past experience. - Additional haircut estimated based on management best estimate to incorporate adjustment that may be required considering fact that LGD determined for the entire lease receivable portfolio based on sample selected e) Net fair value of collaterals, after adjustment in (d) above, is then compared with the total lease receivable outstanding including overdue to determine the LGD.

*ECL computation:**ECL on non-performing leases*

The Company determines the allowances appropriate for each individually significant finance lease with arrears of more than 90 days on an individual basis. Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance once a financial difficulty has arisen, the availability of other financial support and the realisable value of collateral, and the timing of the expected cash flows. The impairment losses are evaluated at the end of each reporting period, unless unforeseen circumstances require more careful attention.

ECL on performing leases

ECL is computed based on the lease receivable in the performing book as at the end of the reporting period by applying the bucket wise probability weighted Lifetime loss rate (PDs) determined for each reporting period.

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

Expected credit loss for net investment in finance lease under simplified approach

	June 30, 2025	Not due	0-30 days past due	31-60 days past due	61-90 days past due	More the 90 days past due	Total
Gross carrying amount		4,072,669,771	37,605,485	4,495,252	2,103,439	14,339,086	4,131,213,033
Expected loss rate		1.43%	5.27%	23.12%	50.64%	84.01%	1.80%
Expected credit losses		58,376,371.00	1,980,405.00	1,039,153.00	1,065,102.00	12,046,065.00	74,507,096.00
	June 30, 2024						
Gross carrying amount		4,092,058,779	57,399,018	7,508,120	2,605,050	76,952,050	4,236,523,017
Expected loss rate		1.01%	4.76%	14.05%	32.42%	15.89%	1.37%
Expected credit losses		41,276,911	2,729,863	1,054,703	844,593	12,224,438	58,130,528
	June 30, 2023						
Gross carrying amount		3,479,129,602	32,077,273	6,312,153	2,337,981	72,174,935	3,592,031,944
Expected loss rate		1.53%	6.17%	21.26%	39.07%	15.26%	1.91%
Expected credit losses		53,342,156	1,978,364	1,342,279	913,395	11,012,419	68,588,613

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

Expected credit loss for operating lease receivables under simplified approach

	June 30, 2025	0-30 days past due	31-60 days past due	61-90 days past due	More the 90 days past due	Total
Gross carrying amount		2,785,254	746,017	147,094	9,412,980	13,091,345
Expected loss rate		17.50%	75.73%	82.23%	99.51%	80.51%
Expected credit losses		487,519.00	564,936.00	120,956.00	9,366,650.00	10,540,061.00
	June 30, 2024					
Gross carrying amount		5,100,651	905,564	788,361	10,651,325	17,445,901
Expected loss rate		15.19%	51.85%	89.02%	99.28%	71.77%
Expected credit losses		774,539	469,548	701,781	10,574,799	12,520,667
	June 30, 2023					
Gross carrying amount		3,779,061	2,050,730	851,358	10,742,306	17,423,455
Expected loss rate		28.51%	68.59%	93.54%	99.53%	80.19%
Expected credit losses		1,077,368	1,406,545	796,329	10,691,784	13,972,026

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows.

The Company also, in accordance with the Bank of Mauritius guidelines, maintains liquid assets representing at least 10% of its deposit base.

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date the Company could be required to pay and the table does not reflect the expected cash flows indicated by the Company's deposit retention history.

	On demand	At June 30, 2025					Total
		Rs.	Less than 3 months	3 to 12 months	Sub total for 1 year	1 to 5 years	
Assets							
Balances with banks and cash in hand	417,908,921	-	-	-	417,908,921	-	417,908,921
Deposit with financial institutions	-	40,942,474	39,810,064	-	80,752,558	-	80,752,558
Net investment in finance leases	-	417,277,912	1,174,715,149	-	1,591,993,061	3,249,652,197	5,114,818,191
Other assets	-	-	14,628,375	-	14,628,375	-	14,628,375
Total	417,908,921	458,220,386	1,229,153,608	-	2,105,282,915	3,249,652,197	5,629,108,045
Liabilities							
Deposits	-	535,617,525	927,304,581	-	1,462,922,106	2,537,370,704	4,357,273,057
Other liabilities	-	-	234,854,964	-	234,854,964	-	234,854,964
Income tax payable	-	-	16,699,116	-	16,699,116	-	16,699,116
Interest-bearing loans	-	-	-	-	-	152,374,726	152,374,726
	-	535,617,525	1,178,858,661	-	1,714,476,186	2,689,745,430	4,761,201,863
Off-balance sheet exposures:							
Operating leases	-	17,238,829	39,183,181	-	56,422,010	58,975,965	115,397,975
Net liquidity gap	417,908,921	(60,158,310)	89,476,128	-	447,228,739	618,882,752	(83,807,313)
Undiscounted lease payments	-	101,692,962	1,122,096,564	-	1,223,789,526	2,655,317,392	4,112,489,332
Net investment in finance leases	-	-	39,183,181	-	56,422,010	58,975,965	115,397,975
Operating leases	-	-	-	-	-	-	-

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Liquidity risk (Cont'd)

	At June 30, 2024						
	On demand	Less than 3 months	3 to 12 months	Sub total for 1 year	1 to 5 years	Over 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assets							
Balances with banks and cash in hand	307,080,444	-	-	307,080,444	-	-	307,080,444
Deposit with financial institutions	-	60,757,819	94,949,155	155,706,974	-	-	155,706,974
Net investment in finance leases	-	421,852,920	1,262,589,093	1,684,442,013	3,225,584,450	307,720,790	5,217,747,253
Other assets	-	-	19,570,916	19,570,916	-	-	19,570,916
Total	307,080,444	482,610,739	1,377,109,164	2,166,800,347	3,225,584,450	307,720,790	5,700,105,587
Liabilities							
Deposits	-	293,640,683	1,396,352,813	1,689,993,496	2,404,110,071	282,185,164	4,376,288,731
Other liabilities	-	-	328,178,155	328,178,155	-	-	328,178,155
Income tax payable	-	-	9,980,345	9,980,345	-	-	9,980,345
Interest-bearing loans	-	-	-	-	152,173,973.00	-	152,173,973.00
Total	-	293,640,683	1,734,511,313	2,028,151,996	2,556,284,044	282,185,164	4,866,621,204
Off-balance sheet exposures:							
Operating leases	-	25,936,118	46,630,972	72,567,090	92,619,189	-	165,186,279
Net liquidity gap	307,080,444	214,906,174	(310,771,177)	211,215,441	761,919,595	25,535,626	998,670,662
Undiscounted lease payments							
Net investment in finance leases	-	320,327,925	1,001,920,900	1,322,248,825	2,633,289,499	283,807,493	4,239,340,017
Operating leases	-	25,936,118	46,630,972	72,567,090	92,619,189	-	165,186,279

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Liquidity risk (Cont'd)

	At June 30, 2023					
	On demand	Less than 3 months	3 to 12 months	Sub total for 1 year	1 to 5 years	Over 5 years
Assets	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balances with banks and cash in hand	130,726,740	-	-	130,726,740	-	-
Investment in securities	-	249,667,604	-	249,667,604	-	-
Deposit with financial institutions	-	152,465,968	52,468,488	214,934,456	-	-
Net investment in finance leases	-	355,009,580	979,020,963	1,334,030,543	2,821,490,796	251,226,633
Other assets	-	-	14,701,242	14,701,242	-	-
Total	130,726,740	767,143,152	1,046,190,693	1,944,060,585	2,821,490,796	251,226,633
Liabilities						
Deposits	-	602,471,354	953,609,547	1,556,080,901	2,282,303,749	243,868,232
Other liabilities	-	-	250,016,009	250,016,009	-	-
	-	602,471,354	1,203,625,556	1,806,096,910	2,282,303,749	243,868,232
Off-balance sheet exposures						
Operating leases	-	23,919,907	65,808,664	89,727,771	100,782,975	106,917
Net liquidity gap	-	188,590,905	(91,626,199)	227,691,446	639,970,022	7,465,318
Undiscounted lease payments						
Net investment in finance leases	-	273,144,317	765,010,889	1,038,155,206	2,328,081,354	252,467,884
Operating leases	-	23,919,107	65,808,664	89,727,771	100,782,975	106,917

3,598,704,444
190,617,663

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Interest rate risk

The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Company manages this risk by matching to the extent possible its deposit and lending interest rate profiles.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Company's profit before tax.

	Effect on profit before income tax		
	June 30, 2025	June 30, 2024	June 30, 2023
	R\$.	R\$.	R\$.
Increase by 50 basis points	9,363,142	6,976,684	5,762,192
Decrease by 50 basis points	(9,363,142)	(6,976,684)	(5,762,192)

The items in the statement of financial position affected by changes in interest rates are the net investment in finance leases and deposits. The off balance sheet item on the other side affected by changes in interest rates relate to the operating lease portfolio.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Foreign currency risk (continued)

	June 30, 2025		June 30, 2024		June 30, 2023	
	FCY	Rs.	FCY	Rs.	FCY	Rs.
Finance leases in foreign currency						
USD	2,680,621	119,728,562	3,307,159	157,054,965	-	-
Fixed deposit in foreign currency						
EURO	1,266,750	66,529,710	772,000	39,541,120	3,399,800	167,406,152
Fixed deposit in foreign currency						
USD	175,700	7,956,369	2,411,700	114,531,633	989,600	45,204,928
Fixed deposit in foreign currency						
GBP	100,000	6,149,000	16,000	959,680	25,000	1,429,750
Deposits in foreign currency						
EURO	1,284,138	67,442,909	820,197	41,797,221	3,755,419	184,916,841
Deposits in foreign currency						
USD	3,503,325	158,245,183	5,810,446	275,938,057	1,139,600	52,056,928
Deposits in foreign currency						
GBP	100,000	6,149,000	16,000	959,680	24,919	1,425,142
Liabilities in foreign currency						
EURO	1,092	57,328	-	-	-	-
Liabilities in foreign currency						
USD	13,317	601,540	-	-	-	-

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar, Euro and GBP exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	June 30, 2025		June 30, 2024		June 30, 2023	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
USD						
Increase by 50 basis points		(1,559,090)		(217,473)		(342,075)
Decrease by 50 basis points		1,559,090		217,473		342,075
EURO						
Increase by 50 basis points		(46,528)		(122,805)		(882,113)
Decrease by 50 basis points		46,528		122,805		882,113
GBP						
Increase by 50 basis points		-		-		253
Decrease by 50 basis points		-		-		(253)

28. CAPITAL

Capital includes equity attributable to the equity holders of the Company.

The Company maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Company's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by the Bank of Mauritius in supervising the Company. During the past year, the Company had complied in full with all its externally imposed capital requirements.

Capital management

The Company's objectives when managing capital are:

- to ensure that the Company maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder's value.
- to comply with the capital requirements set by the Bank of Mauritius, which include maintaining a minimum capital requirement of Rs. 200m and respecting the required Capital Adequacy Ratio (CAR) of 10%.
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for its shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support the development of its business.

In order to maintain the capital structure, the Company may adjust the amount of dividends paid to shareholders. There were no changes in the Company's approach to capital risk management during the year.

CAPITAL ADEQUACY RATIO

The Company has complied with all its externally imposed capital requirements.

The capital adequacy ratio is computed as follows:

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
Total Capital	566,750,426	549,776,500	491,000,243
Risk Weighted Assets ("RWA")	3,479,495,998	3,674,525,725	3,130,315,738
Capital adequacy ratio (Total Capital/ RWA)	16.29%	14.96%	15.69%

28. CAPITAL (Cont'd)

CAPITAL ADEQUACY RATIO (cont'd)

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
<i>Further details of the total capital and risk weighted assets are shown below:</i>			
Tier 1: Core Capital			
Paid up capital	200,000,000	200,000,000	200,000,000
Statutory reserve	137,879,784	121,679,951	102,751,424
Retained earnings	187,648,593	185,017,871	151,952,468
Tier 1 Capital before deductions	525,528,377	506,697,822	454,703,892
Deductions			
Intangible assets	(2,271,651)	(2,852,894)	(2,832,596)
Net Tier 1 Capital	523,256,726	503,844,928	451,871,296
Tier 2: Supplementary Capital			
General and portfolio Provision (limited to 1.25% of RWA)	43,493,700	45,931,572	39,128,947
Total Tier 2 Capital	43,493,700	45,931,572	39,128,947
Total Capital (Tier 1 + Tier 2)	566,750,426	549,776,500	491,000,243

29. PARENT AND ULTIMATE PARENT

The Company considers UIL Asset Finance Ltd (Previously AXYS Group Ltd) in liquidation as its immediate parent and United Investment Limited in liquidation as the ultimate parent, both entities incorporated and operating in Mauritius.

30. EVENTS

On 03 September 2024, our Ultimate Beneficiary Owner United Investments Ltd (UIL) issued a Cautionary Announcement stating that it had proceeded with the Partial Sale of some of its companies within the cluster and SPICE Finance Ltd was not included in the said sale. The Cautionary Announcement also stated that UIL has subsequently decided to run a separate process for the disposal of the remaining financial services investments in its portfolio, including SPICE Finance Ltd, with a view to ensuring that greater value is created for its shareholders.

On 11 April 2025, UIL went into voluntary administration, few months after carrying out a buy-back of its own shares at Rs 8.38. As a result, the Management Buy-Out of SPICE which was on the cards since 2 years did not go through. However, after, through a communiqué on 16 April 2025, Omicane Management & Consultancy Ltd (OMCL) entered into an in-principle agreement for the acquisition of 100% of the shareholding of SPICE. On 04 June 2025, a second communiqué was issued stating that OMCL had signed a Share Purchase Agreement (SPA) and the transaction would be subject to the satisfaction of certain conditions precedent including securing the approval from the appropriate authorities. A formal application has been made by OMCL with the Bank of Mauritius (BOM) and Financial Services (FSC) for the approval of the change in shareholding.

30. EVENTS (CONT'D)

Following the above developments and unforeseen circumstances, Care Ratings (Africa) Ltd temporarily suspended our Rating pending the sale of the Company. It is important to highlight that we remain the only Leasing company to have been rated since 2020. The effective interest payable on the Notes Issue was therefore adjusted upwards by 60 bps.

31. DIVIDEND PAYABLE

	June 30, 2025	June 30, 2024	June 30, 2023
	Rs.	Rs.	Rs.
At July 1,	30,000,000	5,000,000	-
Dividend declared	65,000,000	65,000,000	50,000,000
Dividend paid *	(91,320,928)	(40,000,000)	(45,000,000)
At June 30,	3,679,072	30,000,000	5,000,000
Dividend per ordinary share			
Amount declared per share (Rs)	3.25	3.25	2.50

- * In financial year 30 June 2025, Rs 65 million dividends were declared for financial year 2024 of which dividend paid was Rs 61.3m and Rs3.7m is still due at year end.
- * In financial year 30 June 2024, Rs 65 million dividends were declared for financial year 2023 of which dividend paid was Rs 35m and Rs30m is still due at year end.
- * In financial year 30 June 2022, Rs 50 million dividends were declared for financial year 2022 of which dividend paid was Rs 45m and Rs5m is still due at year end.

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