SUGAR INVESTMENT TRUST

ANNUAL REPORT 2019



Corporate Information

Board of Directors

Mr. Preetam Boodhun (Chairperson)

Mrs. Indira Rugjee

Mr. Uttam Junkeesaw

Mr. Sobeersen Sanmukhiya

Mr. Heymant Rao Anand Sonoo

Mr. Daramdev Jhunput

Mr. Gilbert Bernadin Legrand

Mr. Feroze Peerboccus

Chief Finance Officer

Mr. Mahendra Kumar Ramroop

Registered Office

Ground Floor, NG Tower, Cybercity, Ebène

Secretaries, Registrar and Transfer Office

SIT Corporate and Secretarial Services Ltd

Legal Advisor

Me Dheerendra Kumar Dabee, G.O.S.K, S.C

Auditors

Mazars

Bankers

SBM Bank (Mauritius) Ltd

Mauritius Commercial Bank Ltd

MauBank Ltd

The Hong Kong and Shanghai Banking Corporation Ltd

AfrAsia Bank Limited

Absa Bank

Bank One Ltd

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Our Vision
Mission & Values

- **Our Vision**

  To be among the leading companies through sustainable investments in key viable economic sectors that support capital appreciation and ensure consistent income streams.

- **Our Mission**

  To be recognised as the leading organisation in economic empowerment through our drive for excellence, creation and distribution of wealth.

- **Core values**

- Integrity
- Professionalism
- Teamwork
- Passion
- Commitment
- Customer Focus
- Diligence
- Attentiveness

- **Our Overriding Objective**

  The overriding objective of the Board and Management is to ensure the company’s financial stability, profitability, growth and sustainability to maximise shareholders’ wealth with a view to providing an enhanced and consistent dividend distribution and appreciation of share value to all shareholders.

CHAIRMAN'S MESSAGE

Dear Shareholder,

On behalf of the Board of Directors of the Sugar Investment Trust (SIT), it is my privilege to present to you the Annual Report of SIT and its subsidiaries for the financial year ended 30 June 2019.

The financial year 2018/2019 was a year of transition as the Board of Directors was reconstituted following the elections held in late 2018. Performance wise, the Group's financial year under review was marked with certain challenges. The Group's revenue has been influenced by various unfavourable factors including a fall in the dividend income from investee companies. Sale of land relating to the residential morcellement projects at Aurea Living Harmony will be recognised on the Group's books in 2020, upon signature of title deeds. Despite having a challenging financial year 2018/2019, the SIT Board has given due consideration to its undertakings and has decided to pay a dividend of Rs. 0.04 per share for the year under review.

The year under review was also highlighted by the hard work and efforts put by the SIT Group on the renovation and refurbishment of the waterpark, which led to its successful reopening in October 2019. As you must be aware, the water-themed attraction park, now rebranded as *'Splash N Fun Leisure Park',* had remained closed to the public since October 2013 and impacted negatively on the revenue of the Group for the past years. The reopening of the park is a statement of intent of the Board and its commitment towards achieving long term returns for its stakeholders. The renovation and refurbishment works were completed within the budgeted amount of Rs. 350 M. *'Splash N Fun Leisure Park'* is now offering a combination of new attractions including water rides and other modern entertainment such as Virtual Reality Games and 7D-Interactive Cinema, amongst others. The SIT Group has also enhanced the security aspects of the park, with the recruitment of additional Lifeguards and installation of CCTV cameras. I am pleased to note that the park has attracted over 90,000 visitors during its first three months of operations. Furthermore, a *Boomerango slide* is currently being installed at the park and is one of the largest waterslides around the world. It will be operational in 2020.

The next financial year will be very promising as an increase in cash flow is expected through the operation of the *'Splash N Fun Leisure Park'* and realisation of land sales at Aurea, Cote D'or. These will eventually boost the total revenue of the Group. The implementation of the Smart City Project at Le Bouchon is on the right track and a Letter of Comfort was granted by the Economic Development Board last year. A Shareholder's Agreement is scheduled to be signed in 2020.

I wish to thank all the Board members who have brought their valuable contributions to the SIT Board for the advancement of the Group. I would also like to thank the management team and the staff of the SIT Group for their dedication. Finally, I wish to express my thanks to all shareholders for their unflinching support.

Preetam Boodhun
Chairman

MANAGEMENT REPORT

I am pleased to present the Annual Report of the Sugar Investment Trust (SIT) and its subsidiaries for the financial year 2018/2019 to our valuable shareholders and stakeholders.

OVERVIEW

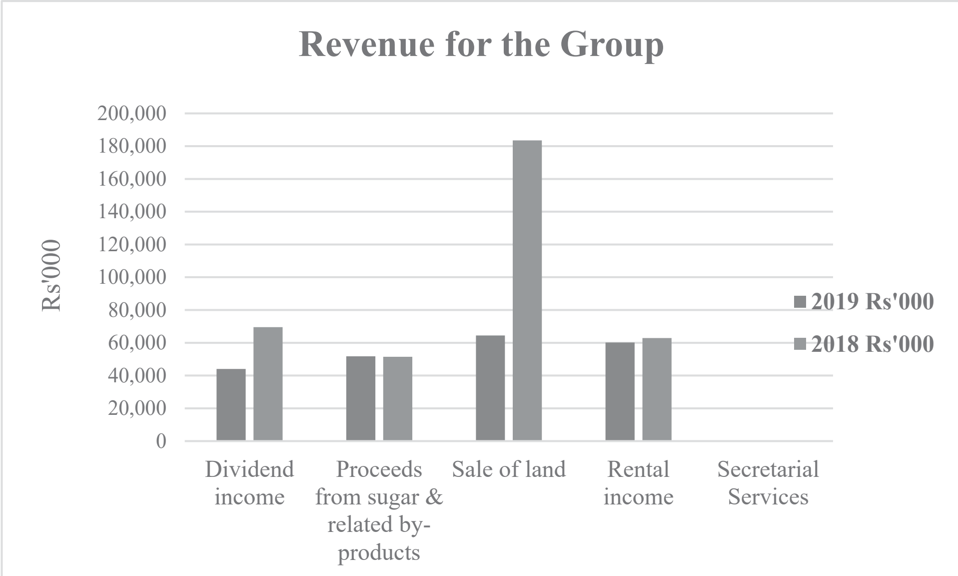
The financial year ending 30 June 2019 was a challenging one as the Group experienced a drop in revenue from Rs. 368 M in 2018 to Rs. 221 M in 2019, due to the decrease in dividends received from major investee companies from the sugar and energy sector. The financial performance was also affected by the delay in finalising the deeds of sale for the residential morcellement projects at Aurea Living Harmony, Cote D'Or, as the Morcellement Permits are still being awaited as at the date of reporting. As per accounting standards, income derived from sale of land are recognised only upon transfer of title deed and not at reservation or payment of deposit. It is expected that same will be realised during the financial year 2020. The drop in the sugar price has also contributed in the decrease in the Group's revenue.

After nearly 18 months of renovation and refurbishment works, the water-themed attraction park at Belle Mare, rebranded as *'Splash N Fun Leisure Park'* finally opened its doors to the public in October 2019, that is, after the financial year close. The accomplishment could not have been achieved without the support, hard work and unflinching support of the board members and SIT staff. *'Splash N Fun Leisure Park'* is now offering a blend of new modern attractions comprising of both water rides of international standards and other entertainment attractions such as 5D/7D-Interactive Cinema and Virtual Reality Games. SIT Leisure Limited is currently proceeding with the installation of the *'Boomerango'*, which is one of the largest waterslides in the world and will soon be opened to the public.

FINANCIAL PERFORMANCE FOR FINANCIAL YEAR 2018/2019

As an investment company, SIT derives its income mainly from dividends received from investee companies. For the financial year 2019, the total revenue generated from investee companies amounted to Rs. 44 M as compared to Rs. 123 M in 2018. This was due to the fact that some sugar milling companies and energy firms had not been performing well and did not declare any dividend.

At Group level, as mentioned above, the total revenue amounted to Rs. 221 M which was generated from proceeds from sugar and its related by-products, sale of land, rental income, provision of secretarial services and dividend received by SIT.



Despite having a challenging financial year, the SIT Board has given due considerations to the expectations of its shareholders and have declared a dividend of Rs. 0.04 per share for the financial year 2019 (Rs.0.04 per share paid in 2018).

The financial year 2020 is expected to be promising and positive as more revenue will be generated with the operation of *'Splash N Fun Leisure Park',* the finalisation of deeds of sale for the residential morcellement projects at Aurea Living Harmony, Cote D'Or and the implementation of the Smart City Project at Le Bouchon.

AGRICULTURAL ACTIVITIES

The agricultural activities of the SIT Group are managed by SIT Land Holdings Ltd (SITLH), a subsidiary of the Sugar Investment Trust.

Sugar cane activities

For the financial year ended 30 June 2019, SITLH generated a total revenue of Rs. 54 M as compared Rs. 55 M in 2018. Sugar proceeds were in respect of 2,852 tons of sugar at the rate of Rs. 8,700 per ton, as compared to 3,276 tons of sugar at the rate of Rs. 11,317 in 2018. However, the total revenue dropped by only 2% due to the receipt of compensations of Rs. 16.7 M from the Sugar Insurance Fund Board (as compared to Rs. 4.1M in 2018) and Rs. 4.5 M from the Sugar Sustainability Fund (as compared to Rs. 1.0 M in 2018).

The loss for the company increased from 29.8 M in 2018 to Rs. 57.2 M in 2019 due to the impact of the share result of its associate company, SIT Property Development Ltd. The latter was loss making during the financial year as the finalisation of deeds of sale regarding the residential morcellement projects will be undertaken during the next financial year. It is praiseworthy to note that strict measures including control of overtime and productivity bonuses have helped to reduce the cost of sales by nearly 30%.

For the crop year 2018, sugar cane harvesting started on 02nd July 2018 and ended on 23rd November 2018. Around 36,676 tons of sugar cane were produced for both Mon Trésor and Britannia regions.

The harvest results for Mon Trésor and Britannia are summarised in the following table:

DETAILS		MON TRESOR		BRITANNIA		TOTAL	
		2018	2017	2018	2017	2018	2017
Area Harvested	**Ha**	309	323	335	373	644	731
Sugar Cane Produced	**Tons**	17,037	20,771	19,639	25,802	36,676	45,042
Sugar Cane Yield	**Tons/Ha**	55.18	64.23	58.66	69.20	56.92	61.62
Sugar Produced	**Tons**	1,642	1,331	1,885	1,874	3,527	3,205
Sugar Yield	**Tons/Ha**	5.32	6.96	5.63	5.03	5.48	4.38
Extraction Rates	**%**	9.64	10.78	9.60	7.26	9.62	7.12

For crop year 2019, sugar cane harvesting started on 01 July 2019 and ended on 16 January 2020. In October 2019, two fire outbreaks occurred which affected some 22 hectares of sugar cane fields. SITLH strongly suspects deliberate acts of arson for both fire outbreaks and the incidents were reported to the police and SIFB. Around 3,000 tons of sugar cane were burnt, which resulted in a delay in the harvesting of the sugar canes. Omnicane Milling Operations Ltd refused to take up approximately 1,100 tons of burnt sugar cane due to their low purity. We have made a request for compensation from the SIFB for the losses suffered in sugar production for the harvest season 2019.

Operation of Nursery

The nursery at St Avold, Britannia, which has over 150 different species of plants, has now been transformed into a business unit to commercialise the plants to other entities of the SIT Group, landscapers and the general public. For the year under review, the revenue generated from the sale of plants amounted to Rs. 709,000 as compared to Rs. 588,000 in 2018, representing an increase of 20.6%.

With the re-opening of *'Splash N Fun Leisure Park'*, several plants from the nursery were used for landscaping works at Belle Mare. Presently, Management is proceeding with the restructuring of the nursery activities and intends to introduce new crop varieties to increase the genetic diversity of the nursery. The marketing system of the nursery are also being reviewed to target new markets. The existing potting plants for sale will be upgraded and an irrigation system will be set up for the nursery.

Project in Tanzania

SITLH is also considering the possibility for sugarcane cultivation and operation of sugar milling in Tanzania. In that respect, a Memorandum of Understanding was signed in December 2019 between SITLH and a Tanzanian firm. A feasibility study will be carried out, following which SITLH will decide on the way forward on this venture.

Land development at Belle Rive

SITLH has around 50A of land at Belle Rive which was leased to the MSIRI in the past for research purposes. Since 2016, Management has been negotiating with the MSIRI to recover its land to carry out other projects. MSIRI has agreed to release some 30A of land to SITLH and Management has already embarked to set up a residential morcellement project on the said portion of land.

Other agricultural activities

During the year under review, the income generated from the rental of land to small planters amounted to Rs. 1.2 M.

For the next financial year, SITLH intends to invest further in its diversification programme and proceed with the cultivation of onions, banana and turmeric.

PROPERTY DEVELOPMENT

SIT Property Development Ltd (SPDL), the property development arm of the SIT Group, generated a total revenue of Rs. 109 M in 2019 as compared to Rs. 229 M in 2018. The rental income received from The Core Building amounted to Rs. 46.7M in 2019.

The revenue from the sale of land decreased from Rs. 180 M in 2018 to Rs. 62.5 M. This was mainly due to the fact that the deeds of sale have not yet been signed for the two residential morcellement projects at Aurea Living Harmony, Cote D'Or. Same is expected to be finalised during the next financial year upon receipt of clearances from the relevant authorities and Morcellement Permit from the Morcellement Board.

For the residential morcellement projects for Sites S1 and S2 at Aurea Living Harmony over a total extent of 9.38 A of land, the Morcellement Permit is being awaited from the Morcellement Board. As regards to the residential morcellement project for Sites S3, S4 and S5 over a total extent of 10.63 A of land, all infrastructure works have been completed and clearances are being awaited from relevant authorities before obtaining the Morcellement Permit. The total revenue from the two residential morcellements amount to Rs. 426 M.

SPDL will soon embark on the development of a residential and a commercial morcellement at Cote D'or. Applications for a Letter of Intent have been made to the Morcellement Board of the Ministry of Housing & Land Use Planning. The consultant of the development projects has already submitted the application for the EIA Licence pertaining to the commercial lots to the Ministry of Environment, Solid Waste Management and Climate Change.

LEISURE ACTIVITIES

'Splash N Fun Leisure Park' opened its doors to the public on Saturday 19th October 2019, after the financial close. As you would recall, the waterpark has remained close to the public for the past 6 years. The SIT Group has invested around Rs. 350 M in the renovation and refurbishment of the park, to make it one of the landmark attractions in the Indian Ocean.

Among the new water rides include the *Constrictor, Splash N Fun Body Slides* and *Aqua-Play,* the latter being dedicated mainly for the children. Other rides include a Pirate Ship, Bumper Cars, Carousel, 5D/7D-Interactive Cinema and Virtual Reality (VR) Games, which are one of the most advanced and modern simulation gaming technology in the world.

It is noteworthy to point out that the SIT Group has integrally implemented the recommendations of Committee of Enquiry which was instituted following the two unfortunate accidents in 2013. Some of the measures taken by SITL regarding the security of its visitors include:

- Recruitment of additional Lifeguards
- Increase in the level of security at the park, with the installation of around 100 CCTV Cameras
- New modern equipment for the First Aid Room
- 1,100 new lockers put at the disposal of visitors
- Installation of new signages detailing safety precautions, in line with international standards.

We are pleased to inform you that another waterslide known as *Boomerango* is currently being installed at the park which will be accessible to the public in 2020. It is to be pointed out that the *Boomerango* is one of the largest water slides which exists and is currently found in only three places, namely USA, Dubai and China. Mauritius will be the fourth venue of the *Boomerango* slide.

During the first 3 months of operations, *'Splash N Fun Leisure Park'* has attracted over 90,000 visitors and has generated a total revenue of Rs. 39.5 M.

SMART CITY PROJECT

During the financial year 2019, a Letter of Comfort was received from the Economic Development Board regarding the implementation of the Smart City Project at Le Bouchon. SITLH appointed an Independent Transaction Advisor to assist the company for the project. The project is on track and a Shareholder's Agreement is expected to be signed in early 2020.

ACKNOWLEDGMENT

I would like to thank all board members of the Company for their support and guidance throughout the year. I would also like to express my appreciation to Mr. Chittaman Jugroo for his contribution as Chief Executive Officer for the SIT Group for the past four years. A special thanks to our staff for their commitment that has enabled us to achieve our expectations.

Mahendra Kumar Ramroop
Chief Finance Officer

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

STATUTORY DISCLOSURES
for the year ended 30 June 2019

The directors have the pleasure in submitting the annual report and corporate governance report of Sugar Investment Trust (the "Company") and its subsidiaries (the "Group") together with the audited consolidated and separate financial statements for the year ended 30 June 2019.

1. PRINCIPAL ACTIVITIES

The principal activities of the Group are the holding of investments, sugar cane growing, operation of a leisure park and through the democratisation policy, selling of land to individuals as residential and agricultural morcellements.

2. DIRECTORS

The directors who held office as at the reporting date were as follows:

THE COMPANY

Name of Director	Date of Appointment	Date of Cessation
Mr Preetam Boodhun *(Chairperson)*	25 November 2015	-
Mrs. Chandanee Jhowry	29 January 2019	-
Mr. Uttam Junkeesaw	25 November 2015	-
Mr. Krishna Kistnen	12 November 2018	30 November 2019
Mr. Sobeersen Sanmukhiya	05 November 2015	-
Mr. Heymant Rao Anand Sonoo	12 November 2018	-
Mr. Daramdev Jhunput	12 November 2018	-
Mr. Gilbert Bernadin Legrand	12 November 2018	-
Mr. Feroze Peerboccus	05 November 2015	-
Mr. Sachin Kumar Sumputh	25 November 2015	12 October 2018
Mr. Gansam Boodram	29 October 2012	12 November 2018
Mr. Bhagwat Parsadsing Daumoo	05 November 2015	12 November 2018
Mr. Yousouf Oodally	29 October 2012	12 November 2018
Mr. Thierry Desiré Laval Govinden	05 November 2015	12 November 2018

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

STATUTORY DISCLOSURES (CONTINUED)

for the year ended 30 June 2019

2. DIRECTORS (CONTINUED)

SUBSIDIARIES

SIT Leisure Limited

Name of Director	Date of Appointment	Date of Cessation
Mr. Preetam Boodhun (Chairperson)	25 November 2015	-
Mrs. Chandanee Jhowry	29 January 2019	-
Mr. Uttam Junkeesaw	24 March 2016	-
Mr. Krishna Kistnen	10 December 2018	30 November 2019
Mr. Sobeersen Sanmukhiya	24 March 2016	-
Mr. Heymant Rao Anand Sonoo	10 December 2018	-
Mr. Daramdev Jhunput	10 December 2018	-
Mr. Gilbert Bernadin Legrand	10 December 2018	-
Mr. Feroze Peerboccus	24 March 2016	-
Mr. Sachin Kumar Sumputh	24 March 2016	18 October 2018
Mr. Gansam Boodram	04 April 2013	10 December 2018
Mr. Bhagwat Parsadsing Daumoo	24 March 2016	10 December 2018
Mr. Yousouf Oodally	04 April 2013	10 December 2018
Mr. Thierry Desiré Laval Govinden	24 March 2016	10 December 2018

SIT Land Holdings Ltd

Name of Director	Date of Appointment	Date of Cessation
Mr. Gansam Boodram (Chairperson)	28 March 2019	-
Mr. Heymant Rao Anand Sonoo	24 April 2019	-
Mr. Krishna Kistnen	14 May 2019	30 November 2019
Mr. Gilbert Bernadin Legrand	24 April 2019	-
Mr. Uttam Junkeesaw	24 April 2019	-
Mr. Gessavah Chengan	28 March 2019	-
Mr. Deepaksing Ramjeet	28 March 2019	-
Mr. Poonith Mungrooa	28 March 2019	-
Mr. Daramdev Jhunput	28 June 2019	-
Mr. Preetam Boodhun	24 April 2019	14 May 2019
*Mr.Preetam Boodhun	09 December 2019	-
Mrs. Chandanee Jhowry	24 April 2019	28 June 2019
Mr. Bhagwat Parsadsing Daumoo	03 February 2016	24 April 2019
Mr. Farhad Boodhun	03 February 2016	24 April 2019
Mr. Rajmohun Choonea	03 February 2016	24 April 2019
Mr. Thierry Desiré Laval Govinden	03 February 2016	24 April 2019
Mr. Feroze Peerboccus	03 February 2016	24 April 2019
Mr. Madhoo Soodhun Motah	03 February 2016	28 March 2019
Mr. Khemlall Ramyad	03 February 2016	28 March 2019
Miss Ashitah Devi Sanmukhiya	03 February 2016	28 March 2019
Mr. Kamless Seeam	03 February 2016	28 March 2019

**Reappointed*

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

STATUTORY DISCLOSURES (CONTINUED)
for the year ended 30 June 2019

2. DIRECTORS (CONTINUED)

SIT Property Development Ltd

Name of Director	Date of Appointment	Date of Cessation
Mr. Sobeersen Sanmukhiya	01 August 2013	10 December 2018
*Mr. Sobeersen Sanmukhiya ***(Chairperson)***	14 May 2019	-
Mrs. Chandanee Jhowry	24 April 2019	-
Mr. Heymant Rao Anand Sonoo	10 December 2018	-
Mr. Feroze Peerboccus	10 December 2018	-
*Mr. Daramdev Jhunput	14 May 2019	-
Mr. Daramdev Jhunput	10 December 2018	24 April 2019
*Mr. Gansam Boodram	30 April 2019	-
Mr. Gansam Boodram	01 August 2013	10 December 2018
Mr. Deepaksing Ramjeet	30 April 2019	-
Mr. Gessavah Chengan	30 April 2019	-
Mr. Poonith Mungrooa	30 April 2019	-
Mr. Uttam Junkeesaw	10 December 2018	14 May 2019
Mr. Gilbert Bernadin Legrand	24 April 2019	14 May 2019
Mr. Krishna Kistnen	10 December 2018	24 April 2019
Mr. Kamless Seeam	04 February 2016	30 April 2019
Miss. Ashitah Devi Sanmukhiya	04 February 2016	30 April 2019
Mr. Madhoo Soodhun Motah	04 February 2016	30 April 2019
Mr. Khemlall Ramyad	04 February 2016	30 April 2019
Mr. Sachin Kumar Sumputh	04 February 2016	18 October 2018
Mr. Omeshsing Banee	23 March 2016	10 December 2018
Mr. Yousouf Oodally	04 April 2013	10 December 2018

*Reappointed

SIT Corporate and Secretarial Services Ltd

Name of Director	Date of Appointment	Date of Cessation
Mr. Feroze Peerboccus	02 December 2016	-
Mr. Sobeersen Sanmukhiya	02 December 2016	-
Mr. Uttam Junkeesaw	02 December 2016	-
Mr. Chittaman Jugroo	02 December 2016	-
Mr. Mahendra Kumar Ramroop	26 February 2018	-
Mr. Yousouf Oodally	04 December 2013	24 April 2019
Mr. Thierry Desiré Laval Govinden	02 December 2016	24 April 2019

STATUTORY DISCLOSURES (CONTINUED)
for the year ended 30 June 2019

2. DIRECTORS (CONTINUED)

SIT Landscape Contracting Services Ltd

Name	Date of Appointment	Date of Cessation
Mr. Sobeersen Sanmukhiya	21 August 2013	-

SIT Ebène Property Development Ltd

Name	Date of Appointment	Date of Cessation
Mr. Preetam Boodhun	25 November 2015	-
Mr. Chittaman Jugroo	17 February 2017	-

SIT Property Development Consultancy Ltd

Name	Date of Appointment	Date of Cessation
Mr. Preetam Boodhun	25 November 2015	-

SIT Syndicate Services Ltd

Name	Date of Appointment	Date of Cessation
Mr. Sobeersen Sanmukhiya	23 March 2016	-
Mr. Chittaman Jugroo	17 February 2017	-

NG Tower II Ltd, NG Tower III Ltd, NG Tower IV Ltd and NG Tower V Ltd

The following directors held office at the reporting date for the above named companies:

Name	Date of Appointment	Date of Cessation
Mr. Preetam Boodhun	24 April 2019	-
Mr. Chittaman Jugroo	10 March 2016	-

Waterpark Leisure Ltd

Name	Date of Appointment	Date of Cessation
Mr Feroze Peerboccus	12 May 2016	-
Mr Sobeersen Sanmukhiya	12 May 2016	-

STATUTORY DISCLOSURES (CONTINUED)
for the year ended 30 June 2019

2. DIRECTORS (CONTINUED)

Executive Café Ltd

Name	Date of Appointment	Date of Cessation
Mr Sobeersen Sanmukhiya	21 October 2014	-
Mr Chittaman Jugroo	17 February 2017	-

3. DIRECTORS' REMUNERATION AND BENEFITS

Remunerations and benefits received, or due and receivable from the Company and its subsidiaries are as follows:

	2019	2018
	Rs'000	Rs'000
SUGAR INVESTMENT TRUST		
9 Non-Executive Directors (2018: 9)	1,403	1,116
SIT LEISURE LIMITED		
9 Non-Executive Directors (2018:9)	870	-
SIT LAND HOLDINGS LTD		
9 Non-Executive Directors (2018: 9)	934	986
SIT PROPERTY DEVELOPMENT LTD		
9 Non-Executive Directors (2018: 9)	938	997

No emoluments were paid to directors of SIT Property Development Consultancy Ltd, Executive Café Ltd, SIT Ebène Property Development Ltd, SIT Syndicate Services Ltd, SIT Landscape Contracting Services Ltd, Le Waterpark Leisure Ltd, SIT Corporate and Secretarial Services Ltd, NG Tower II Ltd, NG Tower III Ltd, NG Tower IV Ltd and NG Tower V Ltd.

4. DONATIONS

The Company and its subsidiaries did not make any donations during the year (2018: Nil).

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

STATUTORY DISCLOSURES (CONTINUED)
for the year ended 30 June 2019

5. AUDITORS' REMUNERATION

The fees payable to the Auditors for audit and other services for the year under review were:

	THE GROUP	THE COMPANY
	2019	2019
For the financial year ended 30 June 2019	Rs'000	Rs'000
Audit services	792	265
Tax compliance services	118	25
Other services	100	-
	1,010	290

	THE GROUP	THE COMPANY
	2018	2018
For the financial year ended 30 June 2018	Rs'000	Rs'000
Audit services	825	260
Tax compliance services	115	30
	940	290

Approved and authorised by the Board of Directors on 15 January 2020 and signed on its behalf by:

.... Director

.... Director

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2019

1. GOVERNANCE STRUCTURE

1.1 Commitment to Good Practice

Sugar Investment Trust (hereinafter referred to as SIT) is a body corporate established under the Sugar Industry Efficiency Act (SIE Act) and operates as a public company under the Companies Act 2001. SIT and its subsidiaries (hereinafter referred to as the SIT Group) fall under the definition of a public interest entity as provided under the First Schedule of the Financial Reporting Act 2004. The National Code of Corporate Governance for Mauritius 2016 (the New Code) provides that all public interest entities must explain how they applied the principles of the code. The Board of SIT is aware of its legal duties and assumes responsibility for leading and controlling the Company and meeting all legal and regulatory requirements.

The Board considers that the SIT Group has complied in all material respects with the provisions of the New Code for the reporting year ended 30 June 2019, except as specifically stated in this Corporate Governance Report. Explanations have been given in this report of any departure from the practical recommendations of the New Code.

1.2 Board Charter

The Board, as a governing body, fully understand its role, responsibility and authority in setting the direction, the management and control of the Company. The Company presently has not adopted any written Board Charter, but will develop one during the next financial year to be in line with the recommendations of the National Code of Corporate Governance 2016.

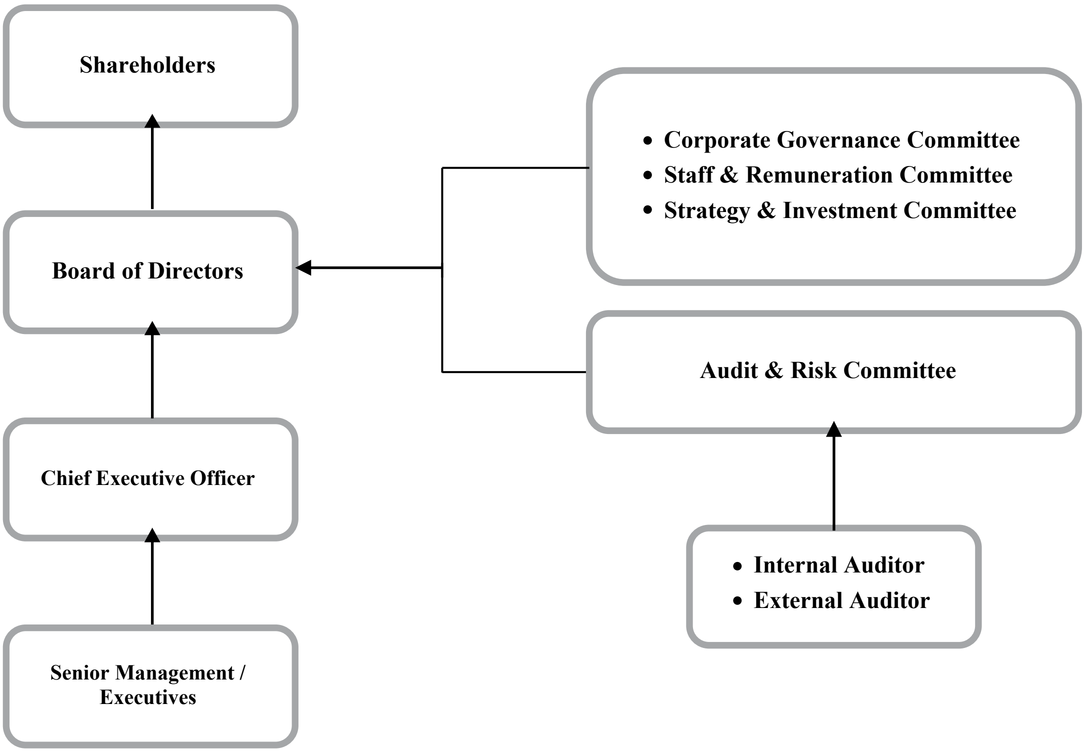
1.3 Code of Ethics

The SIT Group is committed to the highest standards of integrity and ethical conduct in dealing with all its shareholders. Staff at all levels drew up the Company’s code of ethics which reflects the Company’s diversity and unique culture. Adequate grievances and disciplinary procedures are in place to enable enforcement of the Code of Ethics. During the next financial year, the SIT Group will develop a new written Code of Ethics which reflects all the recommended disclosures made in the New Code.

1. GOVERNANCE STRUCTURE (CONTINUED)

1.4 Job Descriptions of key senior governance positions, organisational chart and statement of accountabilities

The Board has approved the appropriate job descriptions of key senior governance positions, an organisational chart and a statement of accountabilities.

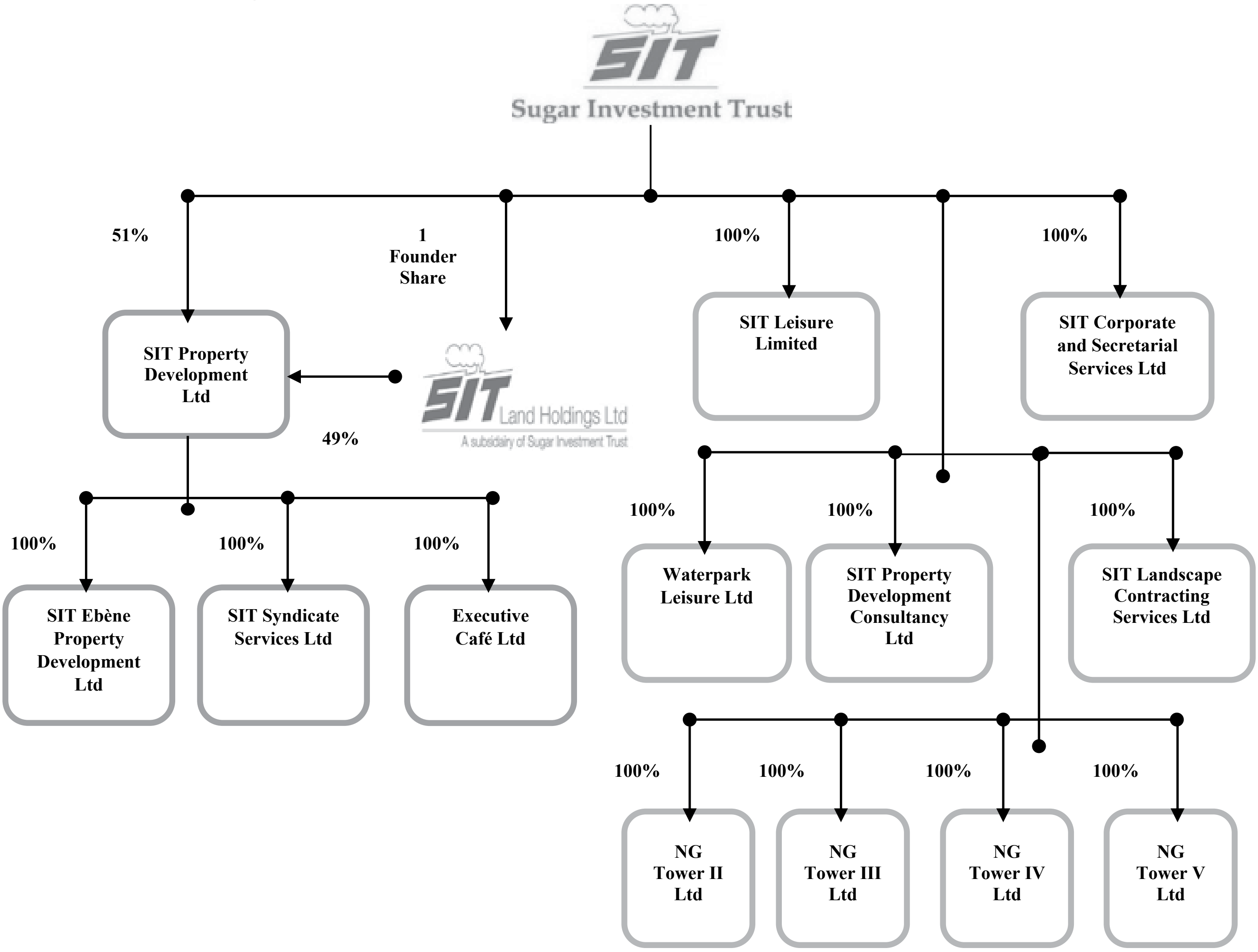


SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2019

1. GOVERNANCE STRUCTURE (CONTINUED)

1.5 Holding Structure



2. THE STRUCTURE OF BOARD AND ITS COMMITTEES

2.1 Board Structure

SIT has a unitary or one-tier Board structure. Section 5 of the SIE Act provides that the Board of Directors of SIT shall comprise of nine directors. All directors holding office during the year were non-executive directors. They come from diverse business and academic backgrounds and possess the necessary knowledge, skills, objectivity, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the Company. All Board members are ordinary resident of Mauritius. Although the National Code of Corporate Governance 2016 recommends having at least two Executive Directors and two Independent Directors, the Board believes that the Board composition is adequate due to the size and complexity of the business, which is in line with the Company's Memorandum & Articles of Association (M&A) and the SIE Act.

Presently no mechanism is in place within SIT to promote gender balance on the Board, as the Board members are elected and appointed by the Company's shareholders as provided under the SIE Act.

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2019

2. THE STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.1 Board Structure (continued)

All directors receive timely information so that they are equipped to fulfil their duties in Board Meetings. All Board members have access to the Company Secretary for any further information they require. The Company Secretary ensures that the Board members receive appropriate training as necessary. Independent professional advice would be available to directors in appropriate circumstances, at the Company's expense.

As at the date of preparation of this report, the Board composition was as follows:

NAME	Date of Appointment	Date of Cessation	Capacity
Mr. Preetam Boodhun (Chairperson)	25 November 2015	-	Non-Executive Director
Mrs. Chandanee Jhowry	29 January 2019	-	Non-Executive Director
Mr. Uttam Junkeesaw	25 November 2015	-	Non-Executive Director
Mr. Sobeersen Sanmukhiya	05 November 2015	-	Non-Executive Director
Mr. Krishna Kistnen	12 November 2018	30 November 2019*	Non-Executive Director
Mr. Heymant Rao Anand Sonoo	12 November 2018	-	Non-Executive Director
Mr. Daramdev Jhunput	12 November 2018	-	Non-Executive Director
Mr. Gilbert Bernadin Legrand	12 November 2018	-	Non-Executive Director
Mr. Feroze Peerboccus	05 November 2015	-	Non-Executive Director
Mr. Sachin Kumar Sumputh	25 November 2015	18 October 2018	Non-Executive Director
Mr. Gansam Boodram	29 October 2012	12 November 2018	Non-Executive Director
Mr. Bhagwat Parsadsing Daumoo	05 November 2015	12 November 2018	Non-Executive Director
Mr. Yousouf Oodally	29 October 2012	12 November 2018	Non-Executive Director
Mr. Thierry Desiré Laval Govinden	05 November 2015	12 November 2018	Non-Executive Director

*Mr Krishna Kistnen sadly passed away on 30 November 2019.

SIT Corporate and Secretarial Services Ltd is the Company Secretary to the Board of SITLH.

The role of the Company secretary is to:

- ensure compliance with the Company's constitution and all relevant statutory and regulatory requirements, codes of conduct and rules established by the Board; and

- provide guidance and advice to the Board on matters of ethics and good governance.

2. THE STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.2 Role of the Board

The Board is ultimately accountable and responsible for the performance and affairs of the Company. Its principal functions include the following:

- protecting and enhancing shareholders' value by identifying and monitoring key risks areas and key performance indicators;
- ensuring that the Company has clear strategies, policies and business plans, and monitoring its implementation;
- reviewing and approving the system of internal control and compliance with laws and regulations as may be appropriate and relevant to the business of the Company;
- approving such acquisition and disposal of assets as appropriate;
- exercising leadership, enterprise, intellectual honesty, integrity and judgement in directing the Company so as to achieve sustainable prosperity for the Company;
- ensuring timely communication with shareholders and other stakeholders;
- any conflict or potential conflict of interest occur, it would be the duty of any director of SIT to make a full and timely disclosure to the Board;
- to manage any conflict or potential conflict of interest that might arise regarding transactions between the Company and its management, Directors and Shareholders; and
- to appoint a Chief Executive Officer and ensure that succession is professionally planned in good time.

2.3 Role and function of the Chairperson

The Board is subject to the firm and objective leadership of a Chairperson who brings out the best in each director and ensures the smooth functioning of the Board in the interests of good governance. The Chairperson's principle functions include the following:

- provide overall leadership to the Board and encourage and ensure active participation of each director in discussions and board matters;
- overseeing a formal succession plan for the Board, Chief Executive Officer and Senior Management;
- ensuring that all the relevant information and facts are placed before the Board to enable the directors to reach informed decisions; and
- maintaining sound relations with the Company's shareholders and ensuring that the principles of effective communication and pertinent disclosure are followed.

2.4 Role and function of the Chief Executive Officer

The role of the Chief Executive Officer (CEO) is separate from the Chairperson and is responsible for all day-to-day management decisions. The principle functions of the CEO include the following:

- develop and recommend to the Board a long-term vision and strategy for the Company that will generate satisfactory levels of shareholder value and positive relations with relevant stakeholders;
- strive consistently to achieve the Company's financial and operating goals and objectives and ensure that the day-to-day business affairs of the company are appropriately managed and monitored;
- serve as the chief spokesperson for the company on all operational and day-to-day matters; and
- develop and recommend to the Board annual business plans and budgets that support the company's long-term strategy and ensure a proper assessment of the risks under a variety of possible or likely scenarios is undertaken and presented to the Board.

2. THE STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.5 Profile of Directors

Mr. Preetam Boodhun is a non-executive Chairperson of the Company and is one of the 3 persons appointed by the Minister of Agro Industry & Food Security under section 5(2)(f) of the SIE Act. He was first appointed as director in November 2015 and was reappointed for a further period of 3 years in January 2019. Mr. Boodhun holds a Diploma in Mathematics from the Mauritius Institute of Education and currently works as Educator at Keats College. He is also a non-executive director at Omnicane Ltd since 2016.

Mr. Uttam Junkeesaw is a non-executive director of the Company since November 2015 and is one of the 3 persons appointed by the Minister of Agro Industry & Food Security under section 5(2)(f) of the SIE Act. He was first appointed as director in November 2015 and was reappointed for a further period of 3 years in January 2019. Mr. Junkeesaw is a self-employed businessman and has ample experience in the tourism sector and other commercial activities. Presently, he is the Chairperson of La Rosa Social Welfare Centre.

Mrs. Chandanee Jhowry is a non-executive director of the Company since January 2019 and is one of the 3 persons appointed by the Minister of Agro Industry & Food Security under section 5(2)(f) of the SIE Act. She is the holder of a BSc (Hons) Management and a Master's degree in Public Policy & Administration. Mrs. Jhowry is presently the Deputy Permanent Secretary at the Ministry of Agro Industry & Food Security and has a vast experience in public administration.

Mr. Sobeersen Sanmukhiya is a non-executive director and representative of sugarcane planters cultivating less than 5 hectares of land. He was first elected as director in November 2015 pursuant to section 5(2)(a) of the SIE Act and was re-elected in November 2018 for a term of 3 years. He holds an LLB degree and has followed a legal course conducted by the Legal and Vocational Education under the aegis of the Supreme Court of Mauritius. Mr. Sanmukhiya is a self-employed businessman and has ample experience as planter and other service provider in the sugar industry.

Mr. Krishna Kistnen was a non-executive director and representative of sugarcane planters cultivating less than 5 hectares of land. He was elected as director in November 2018 by virtue of section 5(2)(a) of the SIE Act for a term of 3 years. He had previously served as director of SIT during the period 2012-2015 as representative of sugarcane planters cultivating more than 5 hectares of land.

Mr. Heymant Rao Anand Sonoo is a non-executive director and representative of sugarcane planters cultivating more than 5 hectares of land. He was elected as director in November 2018 pursuant to section 5(2)(b) of the SIE Act. He is holder of a BSc in Agriculture and has over 25 years of experience in the sugar industry. Mr. Sonoo is presently the Chairperson of Mauritius Sugar Syndicate, member of MCIA Advisory Council and director of Sonoo Estates Ltd.

Mr. Daramdev Jhunput is a non-executive director and representative of agricultural workers of the sugar industry. He was elected as director in November 2018 by virtue of section 5(2)(c) of the SIE Act for a term of 3 years. He has over 40 years of working experience at the Medine Sugar Estate and is now retired. Mr. Jhunput has previously served as elected member of the Bambous Village Council twice.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2019

2. THE STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.5 Profile of Directors (continued)

Mr. Gilbert Bernadin Legrand is a non-executive director and representative of non-agricultural workers of the sugar industry. He was elected as director in November 2018 by virtue of section 5(2)(d) of the SIE Act for a term of 3 years. He has over 25 years of working experience at the Deep River Beau Champ Sugar Milling Co. Ltd and 4 years of working experience at Consolidated Energy Ltd. Mr. Legrand is presently self-employed.

Mr. Feroze Peerboccus is a non-executive director and representative staff of the sugar industry. He was first elected in November 2015 by virtue of section 5(2)(e) of the SIE Act and was re-elected in November 2018 for a term of 3 years. He holds a Diploma in Occupational Health and Safety from the University of Mauritius. Mr. Peerboccus was a Labour Officer at the Ministry of Labour and Industrial Relations. He joined the sugar industry afterwards and served as Labour Advisor at Compagnie Usinière de Mon Loisir Ltée and Alteo Limited. He is now retired.

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2019

2. THE STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.6 Common directors within the group

Name of Director	SUGAR INVESTMENT TRUST	SIT LEISURE LIMITED	SIT LAND HOLDINGS LTD	SIT PROPERTY DEVELOPMENT LTD	SIT CORPORATE AND SECRETARIAL SERVICES LTD	NG TOWER II LTD	NG TOWER III LTD	NG TOWER IV LTD	NG TOWER V LTD	SIT EBENE PROPERTY DEVELOPMENT LTD	SIT LANDSCAPE CONTRACTING SERVICES LTD	SIT SYNDICATE SERVICES LTD
Mr. Preetam Boodhun	✓	✓				✓	✓	✓	✓	✓		
Mrs. Chandanee Jhowry	✓	✓		✓								
Mr. Uttam Junkeesaw	✓	✓	✓		✓							
Mr. Krishna Kistnen	✓	✓	✓									
Mr. Sobeersen Sanmukhiya	✓	✓		✓	✓						✓	✓
Mr. Heymant Rao Anand Sonoo	✓	✓	✓	✓								
Mr. Daramdev Jhunput	✓	✓	✓	✓								
Mr. Gilbert Bernadin Legrand	✓	✓	✓									
Mr. Feroze Peerboccus	✓	✓		✓	✓							
Mr. Gansam Boodram			✓	✓								
Mr. Deepaksing Ramjeet			✓	✓								
Mr. Gessavah Chengan			✓	✓								
Mr. Poonith Mungrooa			✓	✓								
Mr. Chittaman Jugroo					✓	✓	✓	✓	✓	✓		✓
Mr. Mahendra Kumar Ramroop					✓							

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2019

2. THE STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.7 Board Attendance

The attendance for the SIT Board and subsidiaries as at 30 June 2019 is as follows:

No	Name of board member	Sugar Investment Trust	SIT Leisure Limited	SIT Land Holdings Ltd	SIT Property Development Ltd
1	Mr. Preetam Boodhun	16/16	21/21	-	-
2	Mrs. Chandanee Jhowry	5/6	6/6	2/2	1/3
3	Mr. Uttam Junkeesaw	13/16	17/21	2/2	-
4	Mr. Krishna Kistnen	10/10	5/8	1/1	-
5	Mr. Sobeersen Sanmukhiya	16/16	14/21	-	5/6
6	Mr. Heymant Rao Anand Sonoo	9/10	5/8	1/2	2/3
7	Mr. Daramdev Jhunput	10/10	5/8	-	3/3
8	Mr. Gilbert Bernadin Legrand	10/10	7/8	2/2	-
9	Mr. Feroze Peerboccus	12/16	12/21	3/3	3/3
10	Mr. Sachin Kumar Sumputh	3/3	4/8	-	0/2
11	Mr. Gansam Boodram	4/6	7/13	2/2	4/6
12	Mr. Bhagwat Parsadsing Daumoo	3/6	7/13	3/3	-
13	Mr. Yousouf Oodally	6/6	12/13	-	3/3
14	Mr. Thierry Desiré Laval Govinden	6/6	11/13	3/3	-
15	Mr. Deepaksing Ramjeet	-	-	2/2	3/3
16	Mr. Gessavah Chengan	-	-	2/2	3/3
17	Mr. Poonith Mungrooa	-	-	1/2	3/3
18	Mr. Farhad Boodhun	-	-	2/3	-
19	Mr. Rajmohun Choonea	-	-	2/3	-
20	Mr. Madhoo Soodhun Motah	-	-	3/3	3/3
21	Mr. Khemlall Ramyad	-	-	3/3	2/3
22	Miss Ashitah Devi Sanmukhiya	-	-	3/3	3/3
23	Mr. Kamless Seeam	-	-	3/3	3/3

2. THE STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.8 Directors holding office on investee companies

The directors holding office on the Boards of investee companies for the year ended 30 June 2019 are as follows:

Investee Companies	SIT Representatives
Alteo Energy Ltd	Mr. Heymant Rao Anand Sonoo Mr. Gilbert Bernadin Legrand
Omnicane Holdings Limited	Mr. Sobeersen Sanmukhiya Mr. Gilbert Bernadin Legrand
Omnicane Ltd	Mr. Preetam Boodhun Mr. Krishna Kistnen
Omnicane (Management & Consultancy) Ltd	Mr. Preetam Boodhun Mr. Daramdev Jhunput
Omnicane Milling Operations Ltd	Mr. Uttam Junkeesaw
Omnicane Thermal Energy Operations (La Baraque) Limited	Mr. Heymant Rao Anand Sonoo
Omnicane Thermal Energy Operations (St Aubin) Limited	Mr. Heymant Rao Anand Sonoo
Sugarworld Limited	Mr. Gilbert Bernadin Legrand
Terragen Ltd	Mr Feroze Peerboccus
Eole Plaine des Roches Ltée	Mr. Feroze Peerboccus Mr. Mahendra Kumar Ramroop
Synnove Energy Ltd	Mr. Sobeersen Sanmukhiya
Synnove Solar (Mauritius) One Ltd.	Mr. Sobeersen Sanmukhiya Mr. Chittaman Jugroo

2.9 Planters and employees representing sit on board of directors of milling companies

As at 30 June 2019, the following persons represented SIT on the Boards of milling companies.

	Planters' representative	Employees' representatives
Terra Milling Ltd and Compagnie Usinière de Mon Loisir Limitée	Mr. Gajandranath Mutty	Mr. Vidyanand Jeetooa
Alteo Milling Ltd, Deep River Beau Champ Milling Company Ltd and Mon Desert Alma Sugar Milling Co Ltd	Mr. Suttea Buruthsing Bissessur	Mr. Danraj Ram
Medine Sugar Milling Company Ltd	Mr. Douvendra Seesurun	Mr. Jacques Tristan Gerard Mootoosamy
Omnicane Milling Holdings (Mon Tresor) Limited, Omnicane Milling Holdings (Britannia-Highlands) Limited, Compagnie Sucrière de Riche en Eau Limitée and Union St Aubin Milling Company Limited.	Mr. Soobas Muniah	Mr. Danirajsing Purseed

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2019

2. THE STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.10 Interest in Shares and Option Certificates

The interest of directors holding office as at 30 June 2019 is as follows:

Name of director	The Company- SIT		Subsidiary- SITLH	
	Number of Ordinary Shares		Number of Ordinary Shares	
	Direct	Indirect	Direct	Indirect
Mr. Preetam Boodhun	Nil	Nil	Nil	Nil
Mrs. Chandanee Jhowry	Nil	Nil	Nil	Nil
Mr. Uttam Junkeesaw	Nil	Nil	Nil	15,000
Mr. Krishna Kistnen	4,000	Nil	15,000	Nil
Mr. Sobeersen Sanmukhiya	234,500	95,600	102,000	826,500
Mr. Heymant Rao Anand Sonoo	100,000	150,000	30,000	120,000
Mr. Daramdev Jhunput	5,000	Nil	Nil	Nil
Mr. Gilbert Bernadin Legrand	4,000	Nil	Nil	Nil
Mr. Feroze Peerboccus	81,000	Nil	45,000	15,000
Mr. Gansam Boodram	26,500	25,500	15,000	Nil
Mr. Deepaksing Ramjeet	10,500	14,000	5,000	10,000
Mr. Poonith Mungrooa	15,500	Nil	15,000	Nil
Mr. Gessavah Chengan	13,400	4,400	60,000	Nil
Mr. Bhagwat Parsadsing Daumoo	47,500	Nil	180,000	180,000
Mr. Yousouf Oodally	10,000	Nil	5,000	Nil
Mr. Thierry Desiré Laval Govinden	3,500	Nil	Nil	Nil
Mr. Sachin Kumar Sumputh	Nil	13,500	Nil	15,000
Mr. Rajmohun Choonea	Nil	Nil	Nil	Nil
Mr. Farhad Boodhun	Nil	Nil	Nil	Nil
Mr. Madhoo Soodhun Motah	24,000	Nil	15,000	Nil
Mr. Kamless Seeam	26,000	Nil	15,000	Nil
Miss Ashitah Devi Sanmukhiya	15,000	308,500	231,500	874,000
Mr. Khemlall Ramyad	4,000	Nil	15,000	30,000
Mr. Oomeshsingh Banee	Nil	Nil	Nil	Nil

2.11 Directors dealings

There were no directors dealings during the year.

2. THE STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.12 Committees

The Board is assisted in fulfilling its responsibilities by committees, namely the Corporate Governance Committee, Audit & Risk Committee, Strategy & Investment Committee and Staff & Remuneration Committee, which operate under clearly defined terms of reference and regularly report and recommend specific matters to the Board for approval.

a) Corporate Governance Committee

The Corporate Governance Committee acts as a useful mechanism for making recommendations to the Board on all corporate governance provisions to be adopted so that the Board remains effective and complies with the prevailing corporate governance principles.

The Committee has the following responsibilities:

- Determine, agree and develop the Company's general policy on corporate governance in accordance with the Code of Corporate Governance;
- Ensure that disclosures are made in the annual report in compliance with the disclosure provisions of the code;
- Consult other non-executive directors in its evaluation of the Chairperson and the Chief Executive Officer of the Board;
- Regular review of the Board structure, size and composition and make recommendations with regards to any adjustments that are deemed necessary;
- Make recommendations for the continuation (or not) in services of any director who has reached the age of 70;
- Recommend directors retiring by rotation for re-election;
- Have due regard for principles of governance and code of best practice;
- Liaise with the Board in relation to the preparation of the Committee's report to Shareholders;
- Assessing the Board's relationships with Management and to recommend, where necessary, limits on Management's authority to act without explicit Board approval; and
- Considering recommendations regarding the appointment of the Chief Executive Officer of the Company.

The Committee Members and attendance for the year under review are as follows:

No	Members	Attendance
1	Mrs. Divanandum Packiry P Chinien	2/2
2	Mr. Sobeersen Sanmukhiya	1/2
3	Mr. Heymant Rao Anand Sonoo	1/2
4	Mr. Daramdev Jhunput	2/2
5	Mr. Gilbert Bernadin Legrand	2/2

b) Audit & Risk Committee

The Audit Committee meets regularly and consists of non-executive directors. The Company Secretary and Management executives attend the meetings as and when required.

2. THE STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.12 Committees (continued)

b) Audit & Risk Committee (continued)

The Committee has the following responsibilities:

- To monitor the integrity of the financial statements of the Company;
- To review financial statements prior to their approval;
- To review the Company's internal financial control and the risk management systems;
- To monitor and review the effectiveness of the Company's internal audit function;
- To make recommendations to the Board in relation to the appointment of the external auditors and to approve the remuneration and terms of engagement of the external auditors;
- To monitor and review the external auditors' independence, objectivity and effectiveness; and
- To develop and implement policy on the engagement of the external auditors to supply non-audit services.

The terms of reference of the Audit & Risk committee have been approved by the Board and are reviewed as necessary. The Committee has satisfied its responsibilities for the year, in compliance with its terms of reference.

The Committee members and attendance for year under review were as follows:

No	Members	Attendance
1	Mr Gunesh Beegadhur (Chairperson)	4/4
2	Mr Gilbert Bernadin Legrand (as from 29th January 2019)	2/2
3	Mr Satian Rao Deojee	3/4
4	Mr. Omeshsing Banee (as from 29th January 2019)	0/2
5	Mr Dhirshantsing Ramkelawon (until 29th January 2019)	2/2
6	Mr. Feroze Peerboccus (until 29th January 2019)	2/2

c) Strategy & Investment Committee

The Committee consists of 6 members and its main objective is to discuss strategic matters and oversee strategic investment of the SIT Group.

Authority is delegated to the Committee to investigate and take all the necessary actions pertaining to strategy and investment decision making pursuant to strategic objectives of the SIT Group. It is then required to submit its recommendations to the main Board of the SIT Group for final approval.

The Committee has the following functions:

- Ensure that the Group has a proper strategy management system in place;
- Review the effectiveness of SIT Group strategy and make recommendation to the Board;
- Review strategic plans, corporate objectives and budgets and monitor performance compared to targets;
- Review and recommend strategic projects to the Board and monitor their implementation;
- Review management of the Group's capital resources;
- Seeking expert consultancy services pertaining to investment planning, due diligence, econometric modelling etc.; and
- Provide a rapid response forum capable of seizing opportunities as they arise.

2. THE STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.12 Committees (continued)

c) Strategy & Investment Committee (continued)

The Committee members and attendance for the year under review were as follows:

No	Members	Attendance
1	Mr. Preetam Boodhun	1/1
2	Mr. Sobeersen Sanmukhiya	1/1
3	Mr. Feroze Peerboccus	0/1
4	Mr. Gansam Boodram	1/1
5	Mr. Bhagwat Parsadsing Daumoo	1/1
6	Mr. Chittaman Jugroo	1/1
7	Mr. Yousouf Oodally	1/1

d) Staff & Remuneration Committee

The Staff & Remuneration Committee has been established to provide a mechanism to enhance communication and consultation between staff and management on matters of mutual interest in terms of work matters, issues and concerns. It also promotes the spirit of cooperation between management and staff, considers suggestions for continuous improvements in the Group's operational efficiency, ensures staff welfare and recognition of staff concerns and ensures that SIT Group is an inclusive workplace.

The functions of the Staff & Remuneration Committee are essentially to:

- Advise management on work matters of interest and of concern to staff;
- Determine, agree and develop the Group's general policy on recruitment, remuneration and conditions of employment;
- Co-ordinate its activities with the Chairperson of the Board and the Chief Executive Officer and consult them in formulating the Committee's remuneration policy and specific remuneration packages;
- Raise issues, initiate discussions and make suggestions to arrive at options to address the issues/concerns;
- Share with management staff ideas and suggestions for improvements to increase the Group's operational efficiency and ensure staff welfare;
- Act as a conduit for 2-way communication between staff and management and provide feedback both ways;
- Work such matters of interest/concern and issues/concerns for discussions that contribute towards achieving the Group's Mission and Vision;
- Personnel issues such as recruitment, staff training and development, performance management, grievance procedures, etc.;
- Administrative matters such as procurement, travel, transport, telecommunications, security, etc.;
- Staff relations and communications such as staff and customer satisfaction surveys, enhancing management/staff relationships, staff suggestions, etc.;
- New initiatives to benefit the SIT Group and the staff;
- Strategic issues for the future such as strategic staffing etc.;
- Matters relating to the wellbeing of staff – physical welfare, working conditions, sports and recreation, etc.; and
- Any other matters affecting the Group's operational efficiency and staff well-being.

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2019

2. THE STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

d) Staff & Remuneration Committee (continued)

The Committee members and attendance for the year ended 30 June 2018 are as follows:

No	Members	Attendance
1	Mr. Feroze Peerboccus (Chairperson)	1/2
2	Mr. Uttam Junkeesaw	2/2
3	Mr. Sobeersen Sanmukhiya	2/2
4	Mr. Krishna Kistnen	1/1
5	Mr. Daramdev Jhunput	1/1
6	Mrs. Chandanee Jhowry	1/1

2.13 Senior Management

(a) Profile of Senior Management

Chittaman Jugroo – *Chief Executive Officer*

Mr Jugroo joined SIT in February 2016. He has more than 25 years of managerial experience and was in charge of the Commercial Division of the Central Water Authority. He was responsible for the Debt Management, Billing, Prosecutions, Anti-Fraud Unit and drafting of all legislations/regulations.

Mr Jugroo is a Fellow Member of the Association of Chartered Certified Accountants, UK. He also holds MSc Finance.

Mahendra Kumar Ramroop – *Chief Finance Officer*

Mr Ramroop joined SIT in March 2017 and has vast experience in the field of finance. He has worked in the banking sector for over 18 years. After that he joined the SIC Group and worked in the leisure sector for 7 years. Subsequently, he was assigned responsibilities in Corporate Services and for at least 12 years in Fund Management.

Mr Ramroop is a Fellow Member of the Association of Chartered Certified Accountants, UK. He is a member of M.I.P.A. He also holds an MBA with specialisation in Financial Management.

Govinden Mareemootoo Veeramootoo – *Chief Operating Officer*

Mr Veeramootoo is a holder of a B.Eng (Hons), Post Graduate Diploma and an MSc in Civil Engineering studies. He has worked as Assistant Resident Engineer / Resident Engineer / Project Manager on various Civil Engineering Projects for the last 21 years.

Roudisteerun Mathaven – *Compliance Officer*

Mr Mathaven joined SIT in April 2016. He has more than 29 years’ experience in auditing, investigation, legal drafting and handling court cases.

He holds a B.A (Hons) Legal Studies & Management and MSc Financial Management and Taxation.

2. THE STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.13 Senior Management (continued)

(a) Profile of Senior Management (continued)

Dayanand (Rakesh) Koobrawa – *Team Leader – Administration & Human Resource*

Mr Koobrawa joined SIT in June 2008 as Team Leader – Administration & Human Resources. He is a holder of an MBA General with Merit, a Degree in Human Resource Management, a Diploma in Occupational Health and Safety Management, a Diploma in Personnel Management and a Higher National Diploma in Computer Studies. He has also worked for 15 years as Administrative and Human Resource Manager at Triolet Bus Service Ltd.

Krishan Ramjutton – *Deputy Head of Operations for the Waterpark*

Mr Ramjutton joined the SIT Group in January 2019. He is holder of a Diploma in Industrial Industries – Hospitality & Tourism, BA (Hons) Hotel Business Management and MSc – Tourism Management & Marketing. He has worked for the hospitality and tourism industry for the past 20 years and has gained profound knowledge in that sector.

Patrick Huët – *Field Operations Officer*

Mr Huët joined the SIT Group in May 2018 as Field Operating Officer. He is responsible for the implementation and management of the agricultural projects and activities of the SIT Group. He has over 40 years of working experience in the agricultural sector in Mauritius and prior to joining the SIT Group, Mr Huët has held several key positions at the Medine Group and Compagnie de Mapou.

Ranjeeta Deerpaul – *Accountant*

Mrs Deerpaul joined the SIT Group in May 2016 as Accountant. She is a Fellow Member of The Association of Chartered Certified Accountants, UK. Prior to joining the SIT Group, she spent 7 years at KPMG Mauritius where she gained valuable accounting and auditing experience in supervisory positions. She was in charge of various audits of large institutions in the banking, manufacturing and hotel sector. She subsequently moved to London where she worked in a firm of accountants for 2 years. In 2011, she returned to Mauritius and joined Extell Investments Limited (a member of South African based Bravura Group) where she worked for 5 years as Finance Manager.

2. THE STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

(b) Senior Management Interests

Senior management holding shares in the Company and its subsidiary SIT Land Holdings Ltd as at 30 June 2019 is shown below:

Name	The Company- SIT		Subsidiary- SITLH	
	Number of Ordinary Shares		Number of Ordinary Shares	
	Direct	Indirect	Direct	Indirect
Mr. Chittaman Jugroo	10,500	Nil	75,000	Nil
Mr. Govinden Mareemootoo Veeramootoo	Nil	Nil	Nil	Nil
Mr. Mahendra Kumar Ramroop	Nil	Nil	Nil	Nil
Mr. Roudisteerun Mathaven	9,000	4,000	15,000	Nil
Mr. Dayanand (Rakesh) Koobrawa	5,000	Nil	15,000	Nil
Mr. Krishan Ramjutton	Nil	Nil	Nil	Nil
Mr Patrick Huët	Nil	Nil	Nil	Nil
Mrs Ranjeeta Deerpaul	Nil	Nil	Nil	Nil

3. ELECTION AND RE-ELECTION

The term of office of each Board member is three years. Three directors (including the Chairperson) are appointed by the Ministry of Agro Industry & Food Security under Section 5(2)(f) of the SIE Act. The remaining six directors are elected by the Assembly of Delegates under the following categories:

(i) two directors are elected by planters cultivating less than 5 hectares of land;
(ii) one director is elected by planters cultivating more than 5 hectares of land;
(iii) one director is elected by agricultural workers;
(iv) one director is elected by non-agricultural workers; and
(v) one director is elected by employees as defined under Part I(a)(v) of the Third Schedule of the SIE Act.

The last election of directors was held on 12 November 2018 after the reconstitution of the Assembly of Delegates. No director is eligible hold office for more than two successive terms.

In line with the recommendations of the New Code of Corporate Governance 2016, the Board assumes the responsibilities for succession planning and for the appointment and induction of new directors to the Board.

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2019

4. DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE

The directors are aware of their legal duties as provided under the Companies Act 2001 and regularly monitors and evaluates compliance with its Code of Ethics. The Company Secretary maintains an interest register and is available for consultation to shareholders upon written request to the Company Secretary.

The remuneration of the non-executive directors is determined whilst having due regard to the market and industry conditions, as well as the interest of the shareholders. During the year under review, the Board has not reviewed the adequacy of directors' and senior executives' remuneration and the form of that remuneration.

The Board Members are entitled to a fixed monthly remuneration and a travelling allowance. The Committee Members are entitled to a fixed remuneration per sitting. There is no variable remuneration policy for the directors within the SIT Group.

For the year under review, the non-executive directors have not received remuneration in the form of share options or bonuses associated with the Group's performance.

Monthly fees payable to the Chairperson and directors of Sugar Investment Trust and its subsidiaries as at 30 June 2019 are summarised as follows:

Capacity	Sugar Investment	SIT Leisure Limited	SIT Land Holdings Ltd	SIT Property Development Ltd
Chairpersons	Rs. 24,000	Rs. 16,000	Rs. 16,000	Rs. 16,000
Directors	Rs. 8,000	Rs. 8,000	Rs. 8,000	Rs. 8,000

No emoluments were paid to the directors of SIT Corporate and Secretarial Services Ltd, Executive Café Ltd, SIT Property Development Consultancy Ltd, SIT Ebène Property Development Ltd, Waterpark Leisure Ltd, NG Tower II Ltd, NG Tower III Ltd, NG Tower IV Ltd, NG Tower V Ltd, SIT Landscape Contracting Services Ltd and SIT Syndicate Services Ltd.

4. DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

In line with the recommendations of the Code of Corporate Governance, the names of the Directors of the Company holding office as at 30 June 2019 and their respective earnings in terms of remunerations and other benefits are disclosed in the table hereunder:

No.	Name	The Company (Rs)	Subsidiaries & Committees (Rs)	Total (Rs)
1	Mr Preetam Boodhun	299,500	179,000	478,500
2	Mrs. Chandanee Jhowry	37,500	94,653	132,153
3	Mr. Uttam Junkeesaw	104,000	165,657	269,657
4	Mr. Sobeersen Sanmukhiya	105,000	192,613	297,613
5	Mr. Krishna Kistnen	65,800	107,899	173,699
6	Mr. Heymant Rao Anand Sonoo	64,800	131,221	196,021
7	Mr. Daramdev Jhunput	65,800	105,141	170,941
8	Mr. Gilbert Bernadin Legrand	65,800	90,757	156,557
9	Mr. Feroze Peerboccus	103,000	263,677	366,677
10	Mr. Gansam Boodram	38,700	164,600	203,300
11	Mr. Deepaksing Ramjeet	-	43,532	43,532
12	Mr. Gessavah Chengan	-	43,532	43,532
13	Mr. Poonith Mungrooa	-	43,532	43,532
14	Mr. Bhagwat Parsadsing Daumoo	38,200	179,823	218,023
15	Mr. Yousouf Oodally	40,700	99,807	140,507
16	Mr. Thierry Desiré Laval Govinden	39,700	129,484	169,184
17	Mr. Sachin Kumar Sumputh	34,500	57,600	92,100
18	Mr. Kamless Seeam	-	154,000	154,000
19	Mr. Madhoo Soodhun Motah	-	155,000	155,000
20	Mr. Khemlall Ramyad	-	155,500	155,500
21	Miss Ashitah Devi Sanmukhiya	-	155,000	155,000
22	Mr. Farhad Boodhun	-	73,000	73,000
23	Mr. Rajmohun Choonea	-	73,000	73,000
24	Mrs. Divanandum Packiry P. Chinien	-	80,000	80,000
25	Mr. Gunesh Beegadhur	-	26,500	26,500
26	Mr. Oomeshsing Banee	-	43,823	43,823
27	Mr. Satian Rao Deojee	-	19,500	19,500
28	Mr. Dhirshantsingh Ramkhelawon	-	22,400	22,400
29	Mr. Chittaman Jugroo	-	24,000	24,000

The Board ensures that an effective IT policies and strategy are in place within the SIT Group. In this respect, an independent IT Team has been appointed. The expenditures on information technology and information security policies are regularly reviewed and monitored.

4. DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

The Chairperson ensures that all Board Members received accurate, timely and clear information whereas the Company Secretary ensures that good information flows within the Board and its committees and between senior management and non-executive directors. The Board makes sure that the directors have access to independent professional advice at the Company's expense in cases where the directors judge it necessary for discharging their responsibilities as directors.

All Board Members have an obligation to treat all matters relating to the Company, learned in their capacity as directors, in strict confidentiality and private and must not under any circumstance divulge them to anyone without the authority of the Board.

The Board has not yet adopted any policy regarding board and director appraisal but intends to implement same to be in line with the recommendations of the National Code of Corporate Governance.

5. RISK GOVERNANCE AND INTERNAL CONTROL

5.1 Risk Management and Internal Control System

The Board is responsible for the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. In this respect, the Audit & Risk Committee looks after the risk management issues of the SIT Group.

The Board acknowledges that internal control is one of the mechanisms used to reduce risk to an acceptable level. It is the role of Senior Management to oversee the establishment, administration and assessment of the system and processes. The monitoring and review covers all material controls, including financial, operational and compliance. In this respect, internal control systems have been enhanced during the year to reduce risk and mitigate such deficiencies.

During the last financial year, the internal control systems of the agricultural activities for the subsidiary SIT Land Holdings Ltd (SITLH) were enhanced to improve the effectiveness of the organisation, which proved to be fruitful as the expenditures were significantly reduced. The same internal control systems were in place for the harvest season 2019. All areas of the operational activities were covered and no known risks or deficiencies in the organisation's system were noted during the year under review.

5.2 Identification of key risk managements

(i) Please refer to Note 31 of the Financial Statements.

(ii) Shareholders' Data Protection Risk

The SIT Group has over 55,000 shareholders and therefore has to ensure that the share register is properly maintained and duly updated. SIT Corporate and Secretarial Services Ltd, which acts as Company Secretary of the Company, ensures that all share transfers and amendments in shareholders' particulars are entered into the share register. The risk of leakage of shareholders personal information definitely invites for a negative external image of the Company.

To overcome the risk, SIT Corporate and Secretarial Ltd has worked in close collaboration with the Central Depository & Settlement Co Ltd (CDS), to ensure the highest level of privacy of shareholders personal information. The share transfers and any change in shareholders particulars are stocked in an external IT database, monitored by CDS at its registered office. Moreover, regular interaction is made with the Commissioner of Data Protection Office to ensure that the provisions of the Data Protection Act are thoroughly complied with. Therefore, with the above structure in place, the likelihood of any leakage of shareholders personal information can be said to be negligible.

6. REPORTING WITH INTEGRITY

The Board is responsible for the preparation of accounts that fairly present the financial position of SIT and also have to ensure that such accounts adhere to IFRS, IAS and the Companies Act 2001.

6.1 Charitable donations

Charitable donations made by the Group for the year under review is as follows:

	2018 Rs'000	2018 Rs'000
The Company	0	0
The Subsidiaries	0	597

6.2 Political donations

The Company, in line with its policy, did not make any political donation during the year under review (2018: Rs nil).

6.3 Carbon reduction reporting

The Company actually does not have any policy set towards carbon reduction schemes. Nevertheless, it has adopted and implemented within the Group, the following measures amongst others, with the aim of reducing the use of carbon.

- The Company has preferred to go for the Pyroelectric ("Passive") Infrared (PIR) sensor which allows sensing movement of a body within a range of 5 to 7 metres within an office space instead of use of the traditional switch system. The impact of the PIR is such that it switches automatically upon movement of any individual. Subsequently, in the absence of staff members, the office lights switches off automatically and thus lowers consumption of electricity.
- The Company is also via its associate SIT Property Development Ltd (SPDL), planning to set up two solar farms, in its residential morcellement project, *Aurea- Living Harmony*. With the imminent implementation of these solar farms, SPDL plans to convert heat energy into electrical energy during the day which shall be transferred to the CEB Grid. This will allow transmission of electricity solely from solar energy which in a way will avoid burning of coal for production of electricity.
- The Company has also come up with implementation of the VRF (Variable Refrigerant Flow) Air- Conditioning System in its office. The VRF units work only on predetermined rates which allows for substantial energy savings. This eventually contributes to less use of electricity and carbon emission.

With the above main actions undertaken by the Company, the SIT Group has shown that despite not yet having any policy regarding carbon reduction, it has in its best endeavours tried to be in line with the international needs towards a green environment and promote use of energy efficient systems within its office.

6.4 Sustainability reporting

The Company has developed and implemented social, safety, health and environmental policies and practices that in all material respects comply with existing legislative and regulatory frameworks.

6. REPORTING WITH INTEGRITY (CONTINUED)

6.5 Corporate and Social Responsibility

The Company has not undertaken any CSR activity during the year under review.

7. AUDIT

An internal audit department was set up in January 2018. The scope of internal auditing within Sugar Investment Trust (the Group and its companies) is broad as companies in the Group have activities in sugar cane cultivation and harvesting, rental of buildings, waterpark business and property development projects.

The Institute of Internal Auditors (IIA) defines Internal Auditing as:

"An independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. The internal audit activity helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

Consistent with its mission, the Internal Audit Department (IAD) provides management with information, appraisals, recommendations, and counsel regarding the activities examined and other significant issues.

IAD performs the following tasks in accordance with its overall strategy:

- Verify the existence of assets and recommend proper safeguards for their protection;
- Evaluate the adequacy of the system of internal controls;
- Recommend improvements in controls;
- Assess compliance with policies and procedures and sound business practices;
- Assess compliance with laws, regulations and contractual obligations;
- Review operations/programs to ascertain whether results are with established objectives and whether the operations/programs are being carried out as planned;
- Investigate reported occurrences of fraud, embezzlement, theft, waste etc.
- Ad hoc assignments from the Chief Executive Officer.

In carrying out the duties and responsibilities, Internal Auditor issues reports to the Chief Executive Officer and who takes remedial actions immediately. Such reports are made available to the Chairman of the Audit & Risk Committee.

In the course of their duties, internal auditors have full, free and unrestricted access to management, employees, any of the Company's financial and operational activities, physical operations and to all information/records considered necessary for the proper execution of internal audit's work, subject to strict accountability for safekeeping and confidentiality thereof.

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2019

7. AUDIT (CONTINUED)

Following the unfortunate demise of the Internal Auditor during the financial year, the said post is currently vacant and a new Internal Auditor will be recruited to oversee the Internal Audit Department. After the recruitment of a new Internal Auditor, the structure, organization and qualifications members of the internal audit department will be listed on the company's website.

The Internal Auditor regularly reported to the Audit & Risk Committee and it is usually at least four times during a year, with and without management present.

The Audit & Risk Committee has discussed the critical policies, judgements and estimates with the external auditor.

Usually, the SIT Group appoints a new external auditor after every three financial years. External Auditors are appointed through bidding process and the last tender was launched January 2018 and Mazars was appointed as External Auditors at the Annual General Meeting held in March 2018.

8. RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board aims to properly understand the information needs of all shareholders and places great importance on an open and meaningful dialogue with all those involved with the Company. It ensures that shareholders are kept informed on matters affecting the Company. Open lines of communication are maintained to ensure transparency and optimal disclosure. All Board members are requested to attend Annual Meeting of Shareholders (AMS), to which all shareholders are invited. Any queries raised by shareholders at the AMS are responded either during the meeting or they may be requested to call at the registered office of the company to have the requested information.

8.1 Shareholders holding more than 5% of the capital of the Company

SHAREHOLDER	NO. OF SHARES	PERCENTAGE HOLDING (%)
The National Pensions Fund	41,263,241	10.58
MCB Equity Fund Ltd	25,992,500	6.67
Government of Mauritius	25,464,426	6.53

8.2 Dividend Policy

The company aims to ensure that its shareholders have a consistent return on their investments in the form of stable dividends. The dividend cover and dividend yield trend over the past years as shown below:

Year	Dividend Cover (Times)	Dividend Yield (%)
2018	5.36	4
2017	5.32	4
2016	7.28	3
2015	0.00	0

8. RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONTINUED)

8.3 Annual Meeting of Shareholders

The next annual meeting of shareholders will be conducted in April 2020 and notice of annual meeting and other shareholder meetings and related papers will be sent to the shareholders at least 14 days before the meeting in accordance with the Companies Act 2001.

8.4 Related party transactions

Please refer to Note 34 of the Financial Statements.

8.5 Important Events

Reporting

Publication of Unaudited Abridged Interim Financial Statements for Quarter ending September 30, 2019	15 November 2019
Publication of Unaudited Abridged Interim Financial Statements for Half year ending December 31, 2019	15 February 2020
Publication of Unaudited Abridged Interim Financial Statements for nine months ending March 31, 2020	15 May 2020
Publication of Audited Financial Statements for year ending June 30, 2020	30 September 2020

8.6 Employee Share-Option Plan

There is no share-option plan in place for the directors and employees of the Company.

8.7 Material clauses of the constitution

A copy of the SIT Rules is available upon request at the registered office of the Company and on the website.

9. SHAREHOLDERS' AGREEMENT

There is no shareholder's agreement. However, section 6 of the SIE Act provides for an Assembly of Delegates, whereby 6 representatives from each factory area are elected by shareholders of the Company. The election of delegates is held every three years. An election of directors is further held whereby 6 delegates are elected from the Assembly of Delegates to hold office as directors on the Board of the Company for a term of 3 years.

The remaining delegates are appointed as directors on the sugar milling companies, thereby representing the Company on the Board of Directors.

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2019

10. MANAGEMENT AGREEMENT

The Company has not entered into any management agreement with third parties.

Approved and authorised by the Board of Directors and signed on its behalf by:

Director	**Director**

Date: 15 January 2020

STATEMENT OF COMPLIANCE

(Section 75(3) of the Financial Reporting Act 2004)

Name of Public Interest Entity	:	Sugar Investment Trust
Reporting Period	:	01 July 2018 to 30 June 2019

We, the Directors of **Sugar Investment Trust (SIT)**, confirm that to the best of our knowledge, that throughout the year ended 30 June 2019, SIT has complied with the principles of the Code of Corporate Governance (the "Code") except for the following:

Principle 1 – Governance Structure

- *Adoption of a Board Charter*

  The Board, as a governing body, fully understand its role, responsibility and authority in setting the direction, the management and control of the Company. The Company presently has not adopted any written Board Charter, but will develop one during the next financial year to be in line with the National Code of Corporate Governance.

Principle 2 – The Structure of the Board and its Committees

- *Independent Directors*

  Although the National Code of Corporate Governance 2016 recommends having at least two Executive Directors and two Independent Directors, the Board believes that the Board composition is adequate due to the size and complexity of the business, which is in line with the Sugar Industry Efficiency Act 2001 and the SIT Rules.

- *Gender Balance on the Board*

  Presently no mechanism is in place within SIT to promote gender balance on the Board, as the Board members are elected and appointed by the Company's shareholders as provided under the SIE Act.

Principle 3 – Director Appointment Procedures

- *Induction and Orientation Process*

  During the year, the directors did not attend and participate in an induction and orientation process. However, with the constitution of a new Board during year, an induction and orientation programme will be carried out for the new directors during the next financial year.

- *Professional development and ongoing education of directors*

  The Company did not undertake any professional development and ongoing education of directors during the year but will consider implementing such system.

STATEMENT OF COMPLIANCE (CONTINUED)

(Section 75(3) of the Financial Reporting Act 2004)

Principle 4 – Directors Duties, Remuneration and Performance

- *Conflicts of Interest*

  Presently, the SIT Group does not have any formal conflict of interest and related party transactions policy by will adopt same as from the next financial year in line with the National Code of Corporate Governance for Mauritius.

- *Board Evaluation and Development*

  The SIT Group did not appoint any independent Board Evaluator during the year under review and no Board evaluation and development processes were undertaken. However, the SIT Group will consider implementing one as from the next financial year.

Principle 5 – Risk Governance and Internal Control

- *Whistle-blowing rules and procedures*

  The Board has not adopted ant whistle-blowing rules and procedures yet but will implement one soon during the course of the next financial year.

Director **Director**

Date: 15 January 2020

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 30 June 2019

Directors acknowledge their responsibilities for:

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

(ii) the preparation of financial statements which fairly present the state of affairs of the Group and the Company as at the end of the financial year and the results of operations and cash flows for that year and which comply with International Financial Reporting Standards (IFRS) and the requirements of the Mauritius Companies Act and the Financial Reporting Act; and

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

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

The directors report that:

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

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

(iii) International Financial Reporting Standards, the Financial Reporting Act and the Mauritius Companies Act have been adhered to. Any departure in the interest in fair presentation has been disclosed, explained and quantified;

(iv) the Code of Corporate Governance has been adhered to. Reasons have been provided where there has not been compliance.

Approved by the Board of Directors on 15 January 2020 and signed on its behalf by:

………………………………	………………………………
Director	**Director**

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

SECRETARY'S CERTIFICATE
for the year ended 30 June 2019

In accordance with section 166(d) of the Mauritius Companies Act 2001, we certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.

……………………………......
Mahendra Kumar Ramroop, FCCA

FOR SIT CORPORATE AND SECRETARIAL SERVICES LTD
Company Secretary

Date: 15 January 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SUGAR INVESTMENT TRUST

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of SUGAR INVESTMENT TRUST ("the Group and the Company"), which comprise the consolidated and separate statements of financial position as at 30 June 2019 and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies, as set out on pages 40 to 95.

In our opinion, these consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of SUGAR INVESTMENT TRUST as at 30 June 2019 and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act and Financial Reporting Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2.1 in the financial statements, which indicates that the Group and the Company incurred a net loss of **Rs 110,951,000** and **Rs 35,776,000** respectively for the year ended 30 June 2019. As stated in Note 2.1, these events or conditions along with other matters as set forth, indicate that a material uncertainty exists that may cast significant doubt on the Group and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independence

We are independent of the Company and its subsidiaries in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code.

Other information

The Directors are responsible for the other information. The other information comprises the Corporate Governance Report, the Statement of Compliance, Commentary of Directors and the Secretary's Certificate as required by the Mauritius Companies Act 2001 which we have obtained prior to date of the audit report. 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 any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SUGAR INVESTMENT TRUST

Responsibilities of the Directors and Those Charged with Corporate Governance for the financial statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 Group and 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 directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and 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 Group and the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SUGAR INVESTMENT TRUST

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

The Mauritius Companies Act 2001 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 or any of its subsidiaries, other than in our capacity as auditors the Company:
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SUGAR INVESTMENT TRUST

Report on Other Legal and Regulatory Requirements (Continued)

Financial Reporting Act 2004

The Directors are responsible for preparing the corporate governance report. Our responsibility is to report the extent of compliance with the requirements of the Code of Corporate Governance (the "Code") and on whether the disclosure is consistent with the requirements of the Code. In our opinion, the disclosure is consistent with the requirements of the Code.

Other Matter

This report, including the opinion has been prepared for and only the Company's shareholders, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into those whose hands it may come save where expressly agreed by our prior consent in writing.

Mazars

Udaysingh Taukoordass, FCA
Licensed by FRC

Date: 15 January 2020

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019

		The Group		The Company	
ASSETS	**Notes**	**2019**	2018	**2019**	2018
		Rs'000	Rs'000	**Rs'000**	Rs'000
Non-current assets					
Land	4	**386,844**	386,844	**-**	-
Property, plant and equipment	5	**275,594**	11,586	**1,271**	1,459
Intangible assets	6	**180**	135	**180**	135
Investment property	7	**794,016**	816,655	**-**	-
Investment in subsidiaries	8	**-**	-	**167,476**	167,476
Investment in associates	9	**2,140,988**	2,179,012	**529,423**	927,015
Financial assets at fair value through other comprehensive income	10	**579,961**	630,343	**579,961**	630,343
Other financial asset	34	**-**	-	**314,397**	32,023
Development projects costs	11	**29,179**	29,179	**-**	-
Deferred expenditure		**360**	164	**-**	-
Total non-current assets		**4,207,122**	4,053,918	**1,592,708**	1,758,451
Current assets					
Consumable biological assets	12	**15,190**	13,565	**-**	-
Inventories	13	**4,240**	2,776	**-**	-
Trade and other receivables	14	**223,839**	222,115	**1,715,975**	1,741,543
Cash and cash equivalents	30(b)	**103,187**	168,168	**15,151**	61,375
Assets held for sale	15	**1,185,881**	1,192,952	**-**	-
Current tax assets	27(a)	**3,095**	-	**895**	-
Deferred tax assets	19	**11,798**	-	**-**	-
Total current assets		**1,547,230**	1,599,576	**1,732,021**	1,802,918
TOTAL ASSETS		**5,754,352**	5,653,494	**3,324,729**	3,561,369
EQUITY AND LIABILITIES					
Equity					
Stated capital	16	**389,852**	389,852	**389,852**	389,852
Share premium	16	**13,931**	13,931	**13,931**	13,931
Fair value reserves		**1,468,904**	1,519,286	**93,851**	541,824
Retained earnings		**1,257,500**	1,300,715	**1,035,516**	1,015,464
Equity attributable to owners of the Company		**3,130,187**	3,223,784	**1,533,150**	1,961,071
Non-controlling interests		**588,928**	684,156	**-**	-
Total equity		**3,719,115**	3,907,940	**1,533,150**	1,961,071
Liabilities					
Non-current liabilities					
Notes	17	**1,200,000**	1,500,000	**1,200,000**	1,500,000
Retirement benefit obligations	18	**31,491**	31,188	**2,968**	2,640
Deferred tax liabilities	19	**-**	1,129	**-**	-
Total non-current liabilities		**1,231,491**	1,532,317	**1,202,968**	1,502,640
Current liabilities					
Notes	17	**300,000**	-	**300,000**	-
Trade and other payables	20	**115,066**	99,089	**99,520**	85,442
Borrowings	21	**189,091**	8	**189,091**	8
Contract liabilities	2.22	**199,589**	103,877	**-**	-
Current tax liabilities	27(a)	**-**	10,263	**-**	12,208
Total current liabilities		**803,746**	213,237	**588,611**	97,658
Total liabilities		**2,035,237**	1,745,554	**1,791,579**	1,600,298
TOTAL EQUITY		**5,754,352**	5,653,494	**3,324,729**	3,561,369

Approved by Board of directors on 15 January 2020 and signed on its behalf by

……………………………… ………………………………

Directors **Directors**

The notes on pages 53 to 103 are an integral part of these consolidated and separate financial statements.

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

		The Group		The Company	
	Notes	**2019**	2018	**2019**	2018
		Rs'000	Rs'000	**Rs'000**	Rs'000
Revenue	22	**220,642**	367,589	**44,028**	123,086
Cost of sales	23	**(123,908)**	(202,369)	-	-
Gross profit		**96,734**	165,220	**44,028**	123,086
Other income	24	**24,742**	82,108	**10,896**	28,194
Administrative expenses	25	**(112,842)**	(98,166)	**(57,282)**	(48,234)
Operating profit / (loss)		**8,634**	149,162	**(2,358)**	103,046
Finance income		**2,828**	2,915	**134,644**	134,305
Finance costs		**(93,633)**	(92,501)	**(93,625)**	(92,500)
Net finance (costs) / income	26	**(90,805)**	(89,586)	**41,019**	41,805
Share of (loss)/profit of associates, net of tax		**(38,024)**	16,557		-
(Loss)/profit before taxation		**(120,195)**	76,133	**38,661**	144,851
Taxation	27(b)	**9,244**	(11,684)	**(2,885)**	(12,208)
(Loss)/profit for the year		**(110,951)**	64,449	**35,776**	132,643
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Re-measurement of defined benefit liability		**1,103**	(953)	**(130)**	(904)
Share of other comprehensive income of associates			-	-	-
Items that are or may be reclassified subsequently to profit or loss					
Movement in fair value of investments		**(50,382)**	(47,014)	**(447,973)**	(351,537)
Other comprehensive loss		**(49,279)**	(47,967)	**(448,103)**	(352,441)
Total (loss)/profit and other comprehensive income for the year		**(160,230)**	16,482	**(412,327)**	(219,798)
(Loss)/profit attributable to:					
Owner of the Company		**(15,723)**	86,622	**35,776**	132,643
Non-controlling interest		**(95,228)**	(22,173)	-	-
		(110,951)	64,449	**35,776**	132,643
Total (loss)/profit and other comprehensive income attributable to:					
Owners of the Company		**(64,528)**	38,704	**(412,327)**	(219,798)
Non-controlling interest		**(95,702)**	(22,222)	-	-
		(160,230)	16,482	**(412,327)**	(219,798)
Earnings per share (Rs)	28	**(0.28)**	0.17	**0.09**	0.34

The notes on pages 53 to 103 are an integral part of these consolidated and separate financial statements.

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

The Group	Attributable to owners of the Company						
	Stated capital Rs'000	**Share premium Rs'000**	**Fair value reserve Rs'000**	**Retained earnings Rs'000**	**Total Rs'000**	**Non-controlling interests Rs'000**	**Total equity Rs'000**
At 01 July 2017	389,852	13,931	1,566,300	1,243,592	3,213,675	706,378	3,920,053
Total comprehensive income							
Profit for the year	-	-	-	86,622	86,622	(22,173)	64,449
Other comprehensive income	-	-	(47,014)	(904)	(47,918)	(49)	(47,967)
Total comprehensive income	-	-	(47,014)	85,718	38,704	(22,222)	16,482
Transactions with owners of the Company							
Contribution and dividend							
Dividends (Note 29)	-	-	-	(28,595)	(28,595)	-	(28,595)
At 30 June 2018	389,852	13,931	1,519,286	1,300,715	3,223,784	684,156	3,907,940
At 01 July 2018	389,852	13,931	1,519,286	1,300,715	3,223,784	684,156	3,907,940
Total comprehensive income							
First time adoption of IFRS 9 and IFRS 15	-	-	-	-	-	-	-
Profit for the year	-	-	-	**(15,723)**	**(15,723)**	**(95,228)**	**(110,951)**
Other comprehensive income	-	-	**(50,382)**	**1,103**	**(49,279)**	-	**(49,279)**
Total comprehensive income	**389,852**	**13,931**	**1,468,904**	**1,286,095**	**3,158,782**	**588,928**	**3,747,710**
Transactions with owners of the Company							
Contribution and dividend							
Dividends (Note 29)	-	-	-	**(28,595)**	**(28,595)**	-	**(28,595)**
At 30 June 2019	**389,852**	**13,931**	**1,468,904**	**1,257,500**	**3,130,187**	**588,928**	**3,719,115**

The notes on pages 53 to 103 are an integral part of these consolidated and separate financial statements.

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

The Company

	Stated capital Rs'000	Share premium Rs'000	Fair value reserve Rs'000	Retained earnings Rs'000	Total Rs'000
At 01 July 2017	389,852	13,931	893,361	899,319	2,196,463
Total comprehensive income					
Profit for the year	-	-	-	132,643	132,643
Other comprehensive income	-	-	(351,537)	(904)	(352,441)
Total comprehensive income	-	-	(351,537)	131,739	(219,798)
Transactions with owners of the Company					
Contributions and distributions					
Dividend (Note 29)	-	-	-	(15,594)	(15,594)
At 30 June 2018	389,852	13,931	541,824	1,015,464	1,961,071
At 01 July 2018	389,852	13,931	541,824	1,015,464	1,961,071
Total comprehensive income					
First time adoption of IFRS 9 and IFRS 15	**-**	**-**	**-**	**-**	**-**
Profit for the year	**-**	**-**	**-**	**35,776**	**35,776**
Other comprehensive income	**-**	**-**	**(447,973)**	**(130)**	**(448,103)**
Total comprehensive income	**389,852**	**13,931**	**93,851**	**1,051,110**	**1,548,744**
Transactions with owners of the Company					
Contributions and distributions					
Dividend (Note 29)	**-**	**-**	**-**	**(15,594)**	**(15,594)**
At 30 June 2019	**389,852**	**13,931**	**93,851**	**1,035,516**	**1,533,150**

The notes on pages 53 to 103 are an integral part of these consolidated and separate financial statements.

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

		The Group		The Company	
	Notes	**2019**	2018	**2019**	2018
		Rs'000	Rs'000	**Rs'000**	Rs'000
Cash Flows from operating activities					
Cash generated from / (used in) operations	30(a)	**183,160**	125,330	**38,131**	(30,873)
Development project costs	11	**-**	(2,510)	**-**	-
Additions to assets held for sale	15	**(33,088)**	(4,518)	**-**	-
Tax paid	27(a)	**(17,030)**	(11,187)	**(15,987)**	-
Interest income	26	**2,828**	2,915	**134,644**	134,305
Interest expense	26	**(93,633)**	(92,501)	**(93,625)**	(92,500)
Net cash generated from operating activities		**42,237**	17,529	**63,163**	10,932
Cash flows from investing activities					
Purchase of property, plant and equipment	5	**(267,815)**	(1,839)	**(406)**	(460)
Purchase of intangible assets	6	**(96)**	(137)	**(96)**	(137)
Other financial assets		**-**	-	**(282,374)**	(32,293)
Proceeds from sale of land		**1,905**	3,254	**-**	-
Proceeds from share buy back	10	**-**	20,292	**-**	20,292
Additions to investment property	7	**(1,700)**	(3,416)	**-**	-
Dividend received		**-**	53,550	**-**	-
Net cash (used in) / generated from investing activities		**(267,706)**	71,704	**(282,876)**	(12,598)
Cash flows from financing activities					
Dividend paid to Company's shareholders		**(28,595)**	(28,595)	**(15,594)**	(15,594)
Bank loans		**182,632**	-	**182,632**	-
Net cash generated from / (used in) financing activities		**154,037**	(28,595)	**167,038**	(15,594)
Net (decrease) / increase in cash and cash equivalents		**(71,432)**	60,638	**(52,675)**	(17,260)
Cash and cash equivalents at 01 July,		**168,160**	107,522	**61,367**	78,627
Cash and cash equivalents at 30 June,	30(b)	**96,728**	168,160	**8,692**	61,367

The notes on pages 53 to 103 are an integral part of these consolidated and separate financial statements.

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. GENERAL INFORMATION

Sugar Investment Trust, a body corporate established under the Sugar Industry Efficiency Act 2001, operates on a commercial basis as a public company in accordance with the provisions of the Mauritius Companies Act 2001. The principal place of business and address of the registered office of Sugar Investment Trust (the "Company") is Ground Floor, NG Tower, Cybercity, Ebène.

The consolidated and separate financial statements as at 30 June 2019 comprise the Company and its subsidiaries (collectively referred as the "Group") and the Group's interest in associate.

The Group is primarily involved in:

- investment holding;
- dealing in matters relating to agriculture in general;
- acquire, hold and/or dispose of moveable and immovable properties;
- rental of office space; and
- operation of leisure park and through the democratisation policy.

These consolidated and separate financial statements will be submitted for consideration at forthcoming Annual General Meeting of shareholders of the Group and the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the presentation of the financial statements are set out below:

These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of SIT Investment Trust and its subsidiaries have been prepared in accordance with International Financial Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in compliance with the requirements of the Mauritius Companies Act 2001 and Financial Reporting Act. They were authorised for issue by the Company's Board of Directors on 15 January 2020.

The financial statements include the consolidated financial statement of the parent company and its subsidiary companies (the "Group") and the separate financial statements of the parent company (the "Company"). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs'000), except when otherwise indicated.

The financial statements are prepared under the historical cost convention, except that:

- available for sale investments are stated at fair values;
- consumables biological assets are stated at fair values; and
- relevant financial assets and financial liabilities are stated at fair values or at amortised costs.

Going concern

During the year ended 30 June 2019, the Group and the Company incurred a loss of Rs110M and Rs 35.7M respectively. At 30 June 2019, the Company's current liabilities includes a note of Rs300M. The note is due for repayment in April 2020 (see Note 17).

The directors have prepared projected cash flows information for a period ending 12 months from the date of approval of financial statements on the basis that of a timely cash realization of the assets held for resale held by SIT land holdings Limited and the successful outcome of the negotiation for a bridging loan by management to meet any cash shortfall upon the above loan note repayment. On the basis of this existing projected cash flow information, the directors consider that the Company will continue to operate within the banking facilities. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.2 Changes in accounting policies and disclosures

Amendments to published Standards effective in the reporting period

The Group have initially applied IFRS 15 and IFRS 9 from 01 July 2018. A number of other standards are also effective from 01 January 2018 but they do not have a material effect on the Group's financial statements.

Due to the transition methods chosen by the Group in applying these standards, comparative information throughout these financial statements have not been restated to reflect the requirements of the new standards.

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (continued)

IFRS 15 Revenue from contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains controls of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The Group have adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 01 July 2018). Accordingly, the information presented for 2018 has not been restated, under IAS 18, IAS 11 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

IFRS 15 did not have a significant impact on the accounting policies with respect to the revenue generating activities of the Group.

For additional information about the Group's accounting policies relating to revenue recognition, refer to Note 2.21.

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The requirements of IFRS 9 represent a significant change from IAS 39. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

The Group have initially adopted IFRS 9 from 01 July 2018. As permitted by the transitional provisions of IFRS 9, the Group have elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the fate of transition were recognised in opening retained earnings and other reserves of the current period.

Consequently, for notes disclosures, the consequential amendments to IFRS 7 disclosures have also only been applied to the current period. The comparative period notes disclosures repeat those disclosures made in the prior year.

Certain standards, amendments to published standards and interpretations have been applied that are mandatory for accounting periods beginning on or after 01 July 2018 or later periods, but which the Group has not early adopted.

At the reporting date of the financial statements, the following were in issue but not yet effective:

- IFRS 16 leases
- IFRS 17 Insurance contracts
- IFRIC Interpretations 23 uncertainty over income tax treatments
- Prepayment features with negative compensation (Amendments to IFRS 9)
- Long term interest in associates and joint venture (Amendment to IAS 28)
- Plan amendments, curtailment or settlement (Amendments to IAS 19)
- IFRS 3 Business combinations – previously hold interest in joint operation
- IFRS 11 Joint arrangements - previously hold interest in joint operation
- IAS 12 Income taxes – income tax consequences of payment on financial instruments classified as equity.
- IAS 23 – Borrowing costs – borrowing cost eligible for capitalization.

Where relevant, the Group is still evaluating the effect of these standards, Amendments to published standards and Interpretations issued but not yet effective on the presentation of its financial statements.

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial Instruments

(a) Recognition of financial assets and liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group become a party to the contractual provisions of the instrument.

(b) Initial measurement of financial assets and liabilities

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transactions costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(c) Classification and measurement of financial assets and liabilities

IFRS 9 contains three principals for classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flows characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets and financial liabilities as at 01 July 2018:

THE GROUP

	IAS 39		IFRS 9	
Financial instruments	**Classification**	**Carrying amount Rs'000**	**Classification**	**Carrying amount Rs'000**
Financial assets at FVOCI	Available for sale	630,343	FVOCI	630,343
Trade and other receivables	Loans and receivables	222,115	Financial assets at amortised cost	222,115
Cash and cash equivalents	Loans and receivables	168,168	Financial assets at amortised cost	168,168
Trade and other payables	Other financial liabilities	99,089	Financial liabilities at amortised cost	99,089
Notes	Other financial liabilities	1,500,000	Other financial liabilities at amortised cost	1,500,000
Bank overdraft	Other financial liabilities	8	Other financial liabilities at amortised cost	8

THE COMPANY

	IAS 39		IFRS 9	
Financial instruments	**Classification**	**Carrying amount Rs'000**	**Classification**	**Carrying amount Rs'000**
Financial assets at FVOCI	Available for sale	630,343	FVOCI	630,343
Other financial assets	Loans and receivables	32,023		32,023
Trade and other receivables	Loans and receivables	1,741,543	Financial assets at amortised cost	1,741,543
Cash and cash equivalents	Loans and receivables	61,375	Financial assets at amortised cost	61,375
Trade and other payables	Other financial liabilities	85,442	Financial liabilities at amortised cost	85,442
Notes	Other financial liabilities	1,500,000	Other financial liabilities at amortised cost	1,500,000
Bank overdraft	Other financial liabilities	8	Other financial liabilities at amortised cost	8

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial Instruments (continued)

(d) Subsequent measurement of financial instruments

Financial assets

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPTL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows: and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment
The Group make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basis leading risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows that it would not meet this condition.

Impairment of financial assets
IFRS 9 impairment requirements incorporate forward-looking information to recognised expected credit losses – the “expected credit loss (“ECL”) model. This replaces IAS 39’s “incurred loss model”. Instruments within the scope of the new requirement included loans and other debt-type financial assets measured at amortised cost and FVOCI and trade receivables and contract assets recognised under IFRS 15.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecast that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables
The Group apply the simplified approach of recognising lifetime expected credit losses for trade receivables and contract assets that do not contain a significant financing component in accordance with IFRS 15.

These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In estimating Expected Credit Losses, the Group carry out individual assessment of its trade receivables. The Group then specifically provide for clients (invoices) which exhibit increase in credit risk, or for which the economic environment indicates that the receivables might default on portion of the amount outstanding.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial Instruments (continued)

Trade and other receivables (continued)

Because the receivables are assessed individually, historically the Company has had minimal write-offs, from both a historical perspective and using forward-looking information, the Company has elected not to apply any practical expedients in determining the expected credit losses. Expectation is already factored into the impairment assessments.

The Company has assessed the impact of applying the impairment provision of IFRS 9 Expected Credit Loss at 01 July 2018 as opposed to applying IAS 39 incurred loss model and has estimated that no adjustment is required at 01 July 2018 to retained earnings.

Cash and cash equivalents

All bank balances are assessed to have low credit risk at reporting date since they are held with reputable banking institutions.

Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

(e) Derecognition of financial assets and financial liabilities

The Group derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or, in which the Group neither transfer nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognize a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liability assumed) is recognised in profit or loss.

(f) Accounting policies for financial instruments applicable before 01 July 2018

The Group have applied IFRS 9 retrospectively, but have elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Financial assets

Categories of financial assets

The Group classifies its financial assets as available-for-sale financial assets. The classifications depend on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting period.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial Instruments (continued)

(f) Accounting policies for financial instruments applicable before 01 July 2019 (continued)

Recognition and measurement

Initial measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investment are initially measured at fair value plus transactions costs for all financial assets.

Subsequent measurement

Available-for-sale financial assets are subsequently carried at their fair values.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured at cost.

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised in other comprehensive income. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses on financial assets.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair values by considering various valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flows analysis, net assets, capitalised earnings and dividend basis.

Derecognition

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

Impairment of financial assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in equity is removed from equity and recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

2.4 Basis of consolidation

Separate financial statements of the investor

Investments in subsidiaries are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date in which control is transferred to the Group. They are de-consolidated from the date that control ceases.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (continued)

Consolidated financial statements (continued)

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition- related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and theacquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiablenet assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interest

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the equity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial assets. In additions, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Investments in associates

Consolidated and separate financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

Any excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill, which included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of associate's profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (continued)

Investments in associates (continued)

Consolidated and separate financial statements (continued)

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

2.5 Functional and presentation currency

These consolidated and separate financial statements are presented in Mauritian Rupees ("Rs"), which is the Group's and Company's functional and presentation currency. All values are rounded to the nearest thousand (Rs'000), except where otherwise indicated.

Land

The Group holds agricultural land at Mon Tresor, Britannia and Le Bouchon which are mostly under sugar cane cultivation as well as residential land (freehold land) at Belle Rive. Land is stated at cost and is not depreciated. Any gain or loss on disposal of freehold land (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit and loss. When the use of the land changes from owner-occupied to investment property, the land is reclassified accordingly.

2.6 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

If significant parts of an item of plant and equipment have different useful lives, then they are accounted for as separate items (major components) of plant and equipment.

The cost of and expenditure incurred in respect of land preparation and planting of virgin canes is capitalised as bearer plant canes under plant and equipment.

Any gain or loss on disposal of an item of plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the Company.

Depreciation

Depreciation is calculated to write off the cost of items of plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment (continued)

Depreciation (continued)

The depreciation rates for the current and comparative periods are as follows:

	Annual rates (%)
Buildings and leisure park on leasehold land	2% - 4%
Freehold building	2%
Infrastructure and landscaping	10%
Waterpark equipment	10% - 20%
Amusement rides	10%
Plant and machinery	20%
Furniture and fittings	10% - 33 1/3%
Office equipment	20%
Computer equipment	20% - 33 1/3%
Motor vehicles	20%
Electrical equipment	10%
Bearer plant canes*	14%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2.7 Bearer plants canes

Bearer plant cane, a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce.

Bearer plant canes comprise of related costs incurred for the plantation of cane sets. Bearer plant canes are valued at cost less accumulated depreciation.

2.8 Intangible assets

Recognition and measurement

Intangible assets comprise of software licences that are acquired by the Group and the Company and have finite useful lives. These are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight–line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for current and comparative periods are 3 to 5 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2.9 Investment property

Investment property comprises of buildings and portions of land leased out as well as a building built on leasehold land that is held for long-term rental yields.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investment property (continued)

Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Investment property which comprises solely of land is not depreciated. Depreciation on other items of the investment property is calculated using the straight-line method to allocate the depreciable amounts over their estimated useful lives as follows:

Buildings	50 years
Fixtures and fittings	5 – 10 years
Computer equipment	3 years
Computer software	5 years
Office equipment and partitioning	5 – 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit and loss.

Transfers for land to investment property are accounted at carrying amount.

2.10 Development project cost

Costs incurred in respect of site preparation, land costs, aggregate cost of development, borrowing costs capitalised and other direct expenses are recognised as development project costs. The properties are subsequently carried at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties. When the properties will be sold, the carrying amount of the properties is recognised in profit or loss as cost of property sold in the period in which the related revenue is recognised. The amount of any write-down of the properties to net realisable value is recognised as an expense in the period the write-down occurs. The amount of any reversal of any write-down of the properties arising from an increase in net realisable value is recognised as a reduction in the cost of property sold in the period in which the reversal occurs.

2.11 Consumable biological assets

Standing sugar cane crop

Standing canes are measured at their fair value. The fair value of standing canes is the present value of expected net cash flows from the standing canes discounted at the relevant market determined pre-tax rate.

Nursery plant

Nursery plant are measured at their fair value. The fair value of the nursery plant is the present value of expected net cash flows from sale of the nursery plant, discounted at the relevant market determined pre-tax rate.

Changes in fair value of biological assets are recognised in profit or loss.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises of cost of purchase and all other costs incurred in bringing the inventories to their present location and condition. Cost is determined by the weighted average method. Net realisable value is the estimate of selling price in the ordinary course of business less the costs to completion and selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings as current liabilities in the statement of financial position.

2.14 Stated capital

Ordinary shares are classified as equity. Incidental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.15 Notes

The Group’s and Company’s notes are classified as financial liabilities since they contain an obligation to deliver cash upon maturity of these instruments. The notes are initially recognised at fair value and any directly attributable transaction costs are recognised in profit or loss, as incurred. Subsequent to initial recognition, the notes are measured at amortised cost using the effective interest method.

2.16 Retirement benefit obligation

Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays a fixed contribution into a separate entity. The Group has no legal or contractive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitled them to the contributions.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define and amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plan is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) is recognised immediately in other comprehensive income in the period in which they occur. Re-measurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailment and settlements are recognised immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Current and deferred income tax

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

Current tax

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

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differenced arising between the tax bases of assets and liabilities and their carrying amounts on the financial statements. However, of the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transactions affected neither accounting nor taxable profit or loss, it is not accounted for.

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

2.18 Corporate social responsibility

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

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

2.19 Provisions

A provision is recognised if, as a result of a past event, when the Group and the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Trade and other payables

Trade and other payables are stated at their fair value and subsequently measured at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Leases

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

(ii) Leased assets

Leases of property, plant and equipment that transfer to the Group and the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group and the Company's statement of financial position.

Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease

(iii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

(iv) Investment property rental income

Land and buildings leased out under operating lease are classified as investment property in the statement of financial position. Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Rental income from other property is recognised as other income.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Revenue

The effect if initially applying IFRS 15 on the Group's revenue from contracts with customers is described in Note 2.2. Due to the transition methods chosen in applying IFRS 15, comparative information has not been restated to reflect the new requirements.

Revenue stream

The Group generates revenue from the sale of immovable properties (including agricultural land), sugar and its byproducts.

Disaggregation of revenue

In the following table, revenue is disaggregated by its nature and timing of revenue recognition for the year ended 30 June 2019 and 30 June 2018:

THE GROUP	**2019**	2018
	Rs'000	Rs'000
Main product / service line		
Sale of immovable properties (land)	**64,415**	183,564
Sugar and by products	**51,726**	51,489
Secretarial services	**265**	90
	116,406	235,143
Timing of revenue recognition		
Products transferred at a point in time	**116,141**	235,053
Services transferred over time	**265**	90
	116,406	235,143

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Revenue (continued)

Disaggregation of revenue (continued)

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payments terms and related revenue recognition policies

THE GROUP AND THE COMPANY

Type of goods/services	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15 (applicable as from 01 July 2018)	Revenue recognition under IAS 18 (applicable before 01 July 2018)
Immovable properties (land)	• Sale of immovable properties is considered to be a single performance obligation which is satisfied at a point in time when ownership of land is transferred to the buyer via the signing of the sale contract. • A schedule of payment is agreed with the buyer and upon full payment by the latter and the signing of the sale contract, the ownership of the land is transferred to the buyer.	• Revenue is recognised upon signing of the sales contract by the buyer.	• Revenue was recognised upon signing of the sales contract by the buyer.
Sugar and its related by products	• Revenue from sale of sugar and molasses is recognised at the point in time when control of the goods is transferred to the milling company.	• Revenue is recognised when control of goods are transferred to the milling company at an amount that reflect the consideration (determined by the Mauritius Sugar Syndicate) to which the Group expects to be entitled in exchange of those goods.	• Revenue was recognised when control of goods are transferred to the milling company at an amount that reflect the consideration (determined by the Mauritius Sugar Syndicate) to which the Group expects to be entitled in exchange of those goods
Secretarial services	• Invoices for secretarial services are issued on a yearly basis and payable within 30 days	• Revenue is recognised over time on the services provided. The determination of amount of revenue to recognise is assessed based on the work performed at the agreed charge out rates.	• Revenue was recognised based on work completed at the reporting date. The determination of amount of revenue to recognise was assessed based on the work performed at the agreed charge out rates.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Contract liabilities

The following table provides information about contract liabilities from contract with customers:

	THE GROUP	
	2019	2018
	Rs'000	Rs'000
Balance as at 01 July,	**103,877**	79,248
Deposits received during the year	**160,461**	225,478
Released during the year to profit or loss	**(64,416)**	(180,310)
Deposits refunded during the year	**(333)**	(8,436)
Deposits cancelled during the year	**-**	(1,100)
Transfers	**-**	(11,003)
Balance as at 30 June,	**199,589**	103,877

The contract liabilities relate to deposits received from customers for the acquisition of immovable properties (land). The amount of Rs64m recognised in contract liabilities at the beginning of the year and has been recognised as revenue for the year ended 30 June 2019.

No information is provided about the remaining performance obligations as at 30 June 2019 that have an original expected duration of one year or less as allowed by IFRS 15.

Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is recognised as an income in profit or loss.

Other income

Other income generated by the Group are recognised on the following basis
- Dividend income – when the shareholders' right to receive payment is established.
- Other income – on an accruals basis unless collectability is in doubt.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of available-for-sale financial assets

The Group follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, they evaluate, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(ii) Consumable biological assets

Consumable biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss. The determination of fair value is based on active market values, where appropriate, or management's assessment of the fair value based on available data and benchmark statistics, using the discounted cash flow technique.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

(iii) Retirement benefit obligation

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligation.

The Group and the Company determine the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash flows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group 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 obligation.

Other key assumptions for pension obligation are based in part on current market conditions. Additional information is disclosed in Note 18.

(iv) Limitations of sensitivity analysis

Sensitivity analysis in respect or market risk demonstrates the effect of a change in key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group’s assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group’s view of possible near-term market changes that cannot be predicted with any certainty.

(v) Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Group using valuation techniques including third party transaction values, multiple earnings, net asset value, cost or dividend, whichever is considered to be appropriate. The Group would exercise judgement and estimates on the quality and quantity of pricing source used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(vi) Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

(vii) Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group would currently obtain from the disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the asset at the end of their expected useful lives.

(viii) Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties the directors reviewed the Group's investment property portfolio and concluded that certain of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sales. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted for certain of the Group's investment properties. As a result, the Group has recognised deferred taxes on changes in fair value of such investment properties.

(ix) Provisions

The Group applies a simplified approach in calculating Expected Credit Loss (ECL). Therefore, the Group does not change in credit risks, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days due to various customer segments that have similar loss patterns (i.e. by customer-type and ratings).

4. LAND

	The Group	
	2019	2018
	Rs'000	Rs'000
At 01 July,	**386,844**	386,844
At 30 June,	**386,844**	386,844

Land has been pledged as security for the notes issued by the Company.

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

5. PROPERTY, PLANT AND EQUIPMENT

The Group	Buildings Leisure Park on Leasehold Land	Infrastructure and Landscaping	Assets under construction	Waterpark Equipment	Amusement Rides	Plant and machinery	Furniture and Fittings	Office Equipment	Computer Equipment	Motor Vehicles	Electrical Equipment	Bearer Plants Canes	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST													
At 01 July 2017	124,811	30,464	-	56,341	20,572	-	16,452	6,582	11,280	9,935	31,823	77,632	385,892
Additions during the year	-	-	639	-	-	-	122	-	338	-	-	740	1,839
At 30 June 2018	124,811	30,464	639	56,341	20,572	-	16,574	6,582	11,618	9,935	31,823	78,372	387,731
Additions during the year	-	-	**265,714**	-	-	**700**	**30**	-	**643**	**320**	-	**408**	**267,815**
At 30 June 2019	**124,811**	**30,464**	**266,353**	**56,341**	**20,572**	**700**	**16,604**	**6,582**	**12,261**	**10,255**	**31,823**	**78,780**	**655,546**
Accumulated Depreciation													
At 01 July 2017	124,811	30,464	-	56,341	20,572	-	15,719	6,082	11,046	8,102	31,823	65,755	370,715
Charge for the year	-	-	-	-	-	-	200	339	180	1,273	-	3,438	5,430
At 30 June 2018	124,811	30,464	-	56,341	20,572	-	15,919	6,421	11,226	9,375	31,823	69,193	376,145
Charge for the year	-	-	-	-	-	**49**	**191**	**160**	**273**	**363**	-	**2,771**	**3,807**
At 30 June 2019	**124,811**	**30,464**	**-**	**56,341**	**20,572**	**49**	**16,110**	**6,581**	**11,499**	**9,738**	**31,823**	**71,964**	**379,952**
NET BOOK VALUE													
At 30 June 2019	**-**	**-**	**266,353**	**-**	**-**	**651**	**494**	**1**	**762**	**517**	**-**	**6,816**	**275,594**
At 30 June 2018	-	-	639	-	-	-	655	161	392	560	-	9,179	11,586

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY	Furniture and Fittings Rs'000	Office Equipment Rs'000	Computer Equipment Rs'000	Motor Vehicles Rs'000	Total Rs'000
Cost					
At 01 July 2017	6,501	491	5,372	3,049	15,413
Additions during the year	122	-	338	-	460
At 30 June 2018	6,623	491	5,710	3,049	15,873
Additions during the year	30	-	376	-	406
At 30 June 2019	**6,653**	**491**	**6,086**	**3,049**	**16,279**
Accumulated Depreciation					
At 01 July 2017	5,755	432	5,155	2,309	13,651
Charge for the year	199	37	177	350	763
At 30 June 2018	5,954	469	5,332	2,659	14,414
Charge for the year	204	22	213	155	594
At 30 June 2019	**6,158**	**491**	**5,545**	**2,814**	**15,008**
Net Book Value					
At 30 June 2019	**495**	**-**	**541**	**235**	**1,271**
At 30 June 2018	669	22	378	390	1,459

6. INTANGIBLE ASSETS

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
Cost		
At 01 July,	**1,157**	1,020
Additions	**96**	137
At 30 June,	**1,253**	1,157
Accumulated Amortisation		
At 01 July,	**1,022**	978
Charge for the year	**51**	44
At 30 June,	**1,073**	1,022
Net Book Value		
At 30 June,	**180**	135

7. INVESTMENT PROPERTY

	THE GROUP	
	2019	2018
	Rs'000	Rs'000
Cost		
At 01 July,	**927,068**	923,652
Additions	**1,700**	3,416
At 30 June,	**928,768**	927,068
Accumulated Depreciation		
At 01 July,	**110,413**	84,864
Charge for the year	**24,339**	25,549
At 30 June,	**134,752**	110,413
Net Book Value		
At 30 June,	**794,016**	816,655

Investment Property has been pledged as security for notes issued by the Company.

8. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2019	2018
	Rs'000	Rs'000
At 01 July & 30 June,	**167,476**	167,476

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries as follows

Name of entity	Business activity	Year end	Class of shares	Country of incorporation and operation	Stated capital (Rs'000)	% Direct holding	% Indirect holding	Proportion of ownership held by non-controlling interests
SIT Leisure Limited	Constructing, operating or managing leisure park or other recreational activities	30 June	Ordinary	Mauritius	200,000	100%	-	-
SIT Property Development Ltd	Land promoters and land developers	30 June	Ordinary	Mauritius	13	51%	-	49%
SIT Land Holdings Ltd	Agricultural, property and investment	30 June	Founder share	Mauritius	25	-	-	100%
SIT Corporate and Secretarial Services Ltd	Provision of corporate, secretarial, registrar and transfer agency	30 June	Ordinary	Mauritius	500	100%	-	-
SIT Property Development Consultancy Ltd (*)	Architectural, engineering and technical consultancy	30 June	Ordinary	Mauritius	100	-	100%	-
Executive Café Ltd (*)	General retailer	30 June	Ordinary	Mauritius	100	-	100%	-
SIT Ebene Property Development Ltd (*)	Business, professional and management consultancy service	30 June	Ordinary	Mauritius	10	-	100%	-
SIT Syndicate Services Ltd (*)	Landscape care and maintenance service activities	30 June	Ordinary	Mauritius	1,000	100%	-	-
SIT Landscape Contracting Services Ltd (*)	Landscaping services	30 June	Ordinary	Mauritius	100	100%	-	-
Le Waterpark Leisure Ltd (*)	Activities of amusement park	30 June	Ordinary	Mauritius	100	100%	-	-
NG Tower II Ltd	Rental of office space	30 June	Ordinary	Mauritius	0.2	100%	-	-
NG Tower III Ltd	Rental of office space	30 June	Ordinary	Mauritius	0.2	100%	-	-
NG Tower IV Ltd	Rental of office space	30 June	Ordinary	Mauritius	0.2	100%	-	-
NG Tower V Ltd	Rental of office space	30 June	Ordinary	Mauritius	0.2	100%	-	-

(*) These subsidiaries are dormant entities and have therefore not been consolidated in these consolidated and separate financial statements.

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Subsidiaries with material non-controlling interests

	Loss allocated to non-controlling interests	Accumulated non-controlling interest as at 30 June
	Rs'000	Rs'000
SIT Land Holdings Ltd		
2019	**(95,228)**	**588,928**
2018	(22,173)	684,156

(a) Summarised financial information on subsidiaries with material non-controlling interest

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income prior to intra-group eliminations:

	SIT Land Holdings Ltd	
	2019	2018
	Rs'000	Rs'000
Non-current assets	**468,522**	507,920
Current assets	**350,972**	351,384
Non-current liabilities	**26,884**	25,589
Current liabilities	**335,415**	305,841
Revenue	**53,631**	54,743
Loss for the year	**(57,204)**	(29,817)
Other comprehensive income	**(474)**	(49)
Total loss and other comprehensive income	**(57,678)**	(29,866)
(ii) Summarised cash flows information:		
Operating activities	**12,327**	4,680
Investing activities	**269**	2,514
Financing activities	**(13,001)**	(13,001)
Net decrease in cash and cash equivalents	**(405)**	(5,807)

(d) The Company owns one founder share in SIT Land Holdings Ltd which ranks equally with twenty-five thousand ordinary shares as regards rights to dividends and other distribution and return of capital upon winding up. The Company has the power to appoint and remove a majority of directors of SIT Land Holdings Ltd. The relevant activities are determined by the board of directors of SIT Land Holdings Ltd. Therefore, the directors of the Company concluded that it has de facto control over SIT Land Holdings Ltd.

9. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July,	**2,179,012**	2,216,005	**927,015**	1,231,538
Additions	**-**	-	**-**	-
Share of (loss) / profit	**(38,024)-**	16,557		
Changes in fair value	**-**	-	**(397,592)**	(304,523)
Dividend	**-**	(53,550)		
At 30 June,	**2,140,988**	2,179,012	**529,423**	927,015

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

9. INVESTMENT IN ASSOCIATES (CONTINUED)

Details of the associates are as follows:

Name of associate	Nature of activities	Year end	Country of Incorporation	Proportion of ownership interest
Omnicane Holdings Limited	Investment holding	31 December	Mauritius	35%
Eole Plaine Des Roches Ltée	Investment in green energy project	31 December	Mauritius	49%
Synnove Solar (Mauritius) One Ltd	Manufacture and distribution of electricity	31 December	Mauritius	49%
Synnove Energy Ltd	Manufacture and distribution of electricity	31 December	Mauritius	29%
Mauritius Land-Based Oceanic Park Ltd	Oceanic park	31 December	Mauritius	39%

i. Omnicane Holding Limited, an investment company, is the holding company of Omnicane Limited. The fair value of Omnicane Holding Limited has been determined by reference to the Market price of Omnicane Limited, which is listed on the Stock Exchange of Mauritius. The financial year end of Omnicane Holdings Limited is 31 December. For the purposes of applying the equity method of accounting at group level, the financial statements of Omnicane Holdings Limited for the year ended 31 December 2018 have been used.
ii. Eole Plaine des Roches Ltée is a private company and its main activity is to invest in green energy project. It has completed the construction of a wind farm at Bras D'eau. A second phase of the wind farm is in the pipeline. The investment in Eole Plaine des Roches has been fair valued using the net asset value method as there is currently no industry comparables.
iii. Synnove Solar (Mauritius) One Ltd is a private company and its main activity is the manufacturing and distribution of electricity.
iv. Investment in Synnove Energy Ltd has been fully impaired during the financial year.
v. Investment in Mauritius Land Based Oceanic Park Ltd has been fully impaired in prior years.
vi. All the associates are private companies and there are no quoted prices available.

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

9. INVESTMENT IN ASSOCIATES (CONTINUED)

Summarised financial information of material associates

Omnicane Holdings Limited (Unaudited)	**Audited Year ended 31-Dec-18**	Unaudited Period ended 30-Jun-18
	Rs'000	Rs'000
Current assets	**21,227**	96,392
Non-current assets	**986,662**	986,342
Current liabilities	**18,278**	94,721
Revenue	**-**	73,854
(Loss) / Profit for the year	**(2,582)**	47,785
Dividend received	**-**	53,550

The summarised financial information above represents amounts shown in the associates financial statements prepared in accordance with IFRS, adjusted for equity accounting purposes such as fair value adjustments made at the time of acquisition and adjustments for differences in accounting policies.

Eole Plaines Des Roches Ltée (Unaudited)	**Period ended 30-Jun-19**	Period ended 30-Jun-18
	Rs'000	Rs'000
Current assets	**137,639**	38,775
Non-current assets	**601,693**	729,228
Current liabilities	**-**	584,512
Non-current liabilities	**537,891**	-
Revenue	**39,371**	78,982
Loss for the year	**(6,846)**	(16,222)

***Synnove Solar (Mauritius) One Ltd (Unaudited)**	**2019**	2018
	Rs'000	Rs'000
Current assets	**-**	-
Non-current assets	**-**	-
Current liabilities	**-**	-
Non-current liabilities	**-**	-
Revenue	**-**	-
(Loss)/profit for the year	**-**	-

***Synnove Energy Ltd (Unaudited)**	**2019**	2018
	Rs'000	Rs'000
Current assets	**-**	-
Non-current assets	**-**	-
Current liabilities	**-**	-
Non-current liabilities	**-**	-
Revenue	**-**	-
(Loss)/profit for the year	**-**	-

*The latest available set of financial statements of the associates are for the year ended 31 December 2018.

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group and The Company	
	2019	2018
	Rs'000	Rs'000
At 01 July,	**630,343**	697,650
Share buy back	**-**	(20,293)
Changes in fair value of securities	**(50,382)**	(47,014)
	579,961	630,343

The companies in which Sugar Investment Trust holds at least 5% interest are set out below

	Class of shares held	% Holdings
Omnicane Milling Holdings (Mon Trésor) Limited *(*)*	Ordinary	20%
Omnicane Milling Holdings (Britannia-Highlands) Limited *(*)*	Ordinary	20%
Deep River Beau Champ Milling Company Ltd	Ordinary	20%
Alteo Milling Company Ltd	Ordinary	24%
The Medine Sugar Milling Company Ltd *(*)*	Ordinary	20%
Mon Desert Alma Sugar Milling Company Ltd *(*)*	Ordinary	20%
Terra Milling Company Ltd	Ordinary	20%
Compagnie Sucrière de Riche-En-Eau Ltée *(*)*	Ordinary	20%
The Savannah Sugar Milling Company Ltd *(*)*	Ordinary	20%
Union St Aubin Milling Company Ltd *(*)*	Ordinary	20%
Consolidated Energy Ltd	Ordinary	10%
Terragen Ltd	Ordinary	14%
Alteo Energy Ltd	Ordinary	20%
Omnicane Thermal Energy Operations (La Baraque) Limited	Ordinary	15%
Omnicane Thermal Energy Operations (St Aubin) Limited	Ordinary	15%
Sugarworld Limited	Ordinary	5%

The directors do not consider the investee companies with a 20% shareholding to be associated companies as the Group and the Company does not exercise significant influence over them.

(*) The investments in these investee companies have been fully impaired in prior years.

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

Measurement of fair value

(i) Fair value hierarchy

The fair value measurements for investments in financial assets have been categorised as Level 3 fair value based on the inputs to the valuation techniques used.

(ii) Valuation techniques and significant unobservable inputs

			2019	**2018**		**2019**	**2018**
Description	**Valuation technique**	**Significant unobservable inputs**	**Fair value**	**Fair value**	**Change in Basis point**	**Sensitivity of the input to fair value**	**Sensitivity of the input to fair value**
			Rs'000	Rs'000		**Rs'000**	Rs'000
Terra Milling Company Ltd	NAV	NAV	**85,787**	97,222	+/-5%	**4,289**	4,861
Deep River Beau Champ Milling Company Ltd	NAV	NAV	**48,947**	48,947	+/-5%	**2,447**	2,447
Alteo Milling Company Ltd	NAV	NAV	**61,024**	81,025	+/-5%	**3,051**	4,051
Maubank Ltd	NAV	NAV	**125**	3,065	+/-5%	**6**	153
SugarWorld Ltd	NAV	NAV	**4,092**	3,641	+/-5%	**205**	182
Consolidated Energy Ltd	Dividend Discount Model ("DDM")	Risk free rate 4.25% Risk premium 2%	**5,843**	5,843	+/-1%	**58**	58
Terragen Ltd	Dividend Discount Model ("DDM")	Risk free rate 4.25% Risk premium 2%	**71,296**	86,676	+/-1%	**713**	867
Alteo Energy Ltd	Dividend Discount Model ("DDM")	Risk free rate 4.25% Risk premium 2%	**40,931**	40,931	+/-1%	**409**	409
Omnicane Thermal Energy Operations (St Aubin) Limited	Dividend Discount Model ("DDM")	Risk free rate 4.25% Risk premium 2%	**185,920**	185,084	+/-1%	**1,859**	1,851
Omnicane Thermal Energy Operations (La Baraque) Limited	Dividend Discount Model ("DDM")	Risk free rate 4.25% Risk premium 2%	**75,996**	77,909	+/-1%	**760**	779
			579,961	630,343			

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

11. DEVELOPMENT PROJECT COSTS

	The Group	
	2019	2018
	Rs'000	Rs'000
At 01 July,	**29,179**	26,669
Additions	**-**	2,510
At 30 June,	**29,179**	29,179

Development project costs represent cost of land, construction cost and other related costs incurred for the morcellement in Deux Bras. Land has been pledged as security for the notes issued by the Company.

12. CONSUMABLE BIOLOGICAL ASSETS

	The Group	
	2019	2018
	Rs'000	Rs'000
At 01 July,	**13,565**	20,976
Changes in fair value	**1,625**	(7,411)
At 30 June,	**15,190**	13,565
Analysed as:		
Standing sugar cane crop	**12,111**	8,360
Nursery plants	**3,079**	5,205
	15,190	13,565

The Company is exposed to fluctuations in the prices of sugar and its related by-products. This risk affects both the crop proceeds and the fair value of consumable biological assets. The risk is not hedged.

	Standing Sugar Cane Crop	**Nursery Plants**	**Total**
	Rs'000	**Rs'000**	**Rs'000**
At 01 July 2018	**8,360**	**5,205**	**13,565**
Increase/(decrease) in fair value			
Due to harvest / sales	**(8,360)**	**(709)**	**(9,069)**
Due to biological transformation	**12,111**	**(1,417)**	**10,694**
At 30 June 2019	**12,111**	**3,079**	**15,190**
At 01 July 2017	14,775	6,201	20,976
Increase/(decrease) in fair value			
Due to harvest / sales	(14,775)	(588)	(15,363)
Due to biological transformation	8,360	(408)	7,952
At 30 June 2018	8,360	5,205	13,565

	2019	2018
Number of hectares of sugar cane plantations at year end	**708**	735
Tonnage of sugar cane harvested during the year	**36,678**	45,041

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

12. CONSUMABLE BIOLOGICAL ASSETS (CONTINUED)

(a) Measurement of fair values

(i) Fair value hierarchy

Type	Valuation technique	Significant unobservable inputs	Inter relationship between key unobservable inputs and fair value measurement
Standing canes	*Cost technique and discounted cash flows:* The Group considers both techniques, and reconciles and weighs the estimates under each technique based on its assessment of the judgement that market participants would apply. The cost technique considers the costs of creating a comparable plantation, taking into account the costs of cultivation and preparation, buying and planting young crops. Discounted cash flows consider the present value of the net cash flows expected to be generated by the plantation at maturity. The expected net cash flows are discounted using risk-adjusted discount rates	• Estimated costs of cultivation and preparation – 1.5% increase over actual costs incurred (2018: 3% increase over actual costs incurred) • Estimated future sugar prices per tonne **Rs 8,700** (2018: Rs 11,312) • Estimated production of sugar **3,000**tonnes (2018: 3,276 tonnes) • Risk adjusted discount rate **6.5%** (2018: 6.5% per annum)	The estimated fair value would increase/(decrease) if: • The estimated costs of cultivation and preparation were higher/(lower); • The estimated sugar prices per tonne were higher/ (lower); or • The estimated production of sugar was higher/ (lower); • The risk-adjusted discount rates were lower/(higher).
Nursery plants	*Market comparison technique:* The fair value is based on the market price of nursery plants of similar age, quality and market values.	Not applicable	Not applicable

(b) Risk management strategy related to agricultural activities

The Group's sugar plantations and nursery plants are exposed to the risk of damage from climatic changes, diseases, fire and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including pest and disease controls. The Group is also insured against natural disasters.

13. INVENTORIES

	The Group	
	2019	2018
	Rs'000	Rs'000
Fertilizers and chemicals	**4,240**	2,776

All inventories are stated at the lower of cost and net realisable value.

14. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables	**96,094**	106,493	**64,256**	79,550
Other receivables	**65,927**	58,901	**-**	-
Prepayments	**2,619**	1,099	**127**	364
Deposits	**14,176**	11,750	**11,750**	11,750
Amounts due from related parties				
SIT Property Development Ltd	**-**	-	**1,274,014**	1,307,309
SIT Land Holdings Ltd	**-**	-	**312,838**	286,064
NG Tower IV Ltd	**-**	-	**6,715**	11,631
NG Tower V Ltd	**-**	-	**-**	-
SIT Syndicate Services Ltd	**-**	705	**-**	705
SIT Corporate and Secretarial Services Ltd	**-**	-	**1,252**	1,003
Eole Plaines Des Roches Ltée	**45,023**	43,167	**45,023**	43,167
	223,839	222,115	**1,715,975**	1,741,543

The amounts due from SIT Property Development Ltd and SIT Land Holdings Ltd are unsecured, repayable on demand and carry interest at a rate of 8.5% per annum.

The amounts due from NG Tower IV Ltd, NG Tower V Ltd, SIT Syndicate Services Ltd, and SIT Corporate and Secretarial Services Ltd are unsecured, repayable on demand and interest free.

The Company has subordinated its rights to claim or accept repayment of amounts due from SIT Property Development Ltd in favour of the other creditors until the assets of the latter exceed its liabilities. The directors believe that the carrying amount of trade and other receivables approximate their fair values.

15. ASSETS HELD FOR SALE

	The Group	
	2019	2018
	Rs'000	Rs'000
At 01 July,	**1,192,952**	1,360,350
Additions	**33,088**	4,518
Expenditure incurred during the year	**-**	-
Disposed during the year	**(1,209)**	(1,017)
Reversal of cost capitalised	**-**	(79,438)
Released to cost of sales	**(38,950)**	(91,461)
At 30 June,	**1,185,881**	1,192,952

Assets held for sale represent unsold plots of land as at 30 June 2019 in respect of agricultural morcellements at Ile D'Ambre, Deux Bras and Union Park, as well as residential property developments at Cote D'Or & Rose Belle. These plots are intended to be sold in a short period of time.

16. STATED CAPITAL

	The Group and The Company		
	Stated capital	Share premium	Total
	2019 & 2018	2019 & 2018	2019 & 2018
	Rs'000	Rs'000	Rs'000
Issued and fully paid			
389,851,812 ordinary shares if Re. 1.00 each	**389,852**	**13,931**	**403,783**

Rights attached to Ordinary shares

The ordinary shares shall rank "pari passu" in all respects namely that at all general meetings of the Company, every ordinary share shall on a poll confer one vote to its holder.

17. NOTES

	The Group and The Company	
	2019	2018
	Rs'000	Rs'000
15,000 notes at par value of Rs 100,000 each	**1,500,000**	1,500,000

During the year, the Company undertook a debt restructuring programme which excluded participation of some existing lenders of the Group. The notes issued by the Company are secured by the Group's property.

The notes are denominated in notes of Rs 100,000 each and are issue in tranches as follows:

	The Group and The Company		
Tranche	**Maturity date**	**Amount (Rs'000)**	**Coupon rates (%)**
1	April 2020	300,000	5.25%
2	April 2022	600,000	6.15%
3	April 2024	600,000	6.50%
Total		1,500,000	

	The Group and The Company	
	2019	2018
	Rs'000	Rs'000
Analysed as follows:		
Current	**300,000**	-
Non-current	**1,200,000**	1,500,000
	1,500,000	1,500,000

The proceeds of the notes issue of Rs 1,500,000,000 were used to clear all the debt of the Group and each tranche is tagged with a specific project of the Group. The maturity date of each tranche will match the successful completion of the specific project.

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

18. RETIREMENT BENEFIT OBLIGATIONS

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amounts recognised in the statement of financial position				
Defined pension benefits (Note (a) (i))	**2,968**	2,640	**2,968**	2,640
Other post-retirement benefits (Note (b)(i))	**28,523**	28,548	**-**	-
	31,491	31,188	**2,968**	2,640
Amounts charged to profit or loss				
Defined pension benefits (Note (a) (ii))	**280**	384	**280**	384
Other post-retirement benefits (Note (b)(ii))	**2,512**	2,640	**-**	-
	2,792	3,024	**280**	384
Amounts charged to other comprehensive income				
Defined pension benefits (Note (a)(iii))	**(130)**	904	**(130)**	904
Other post-retirement benefits (Note (b)(iii))	**1,233**	49	**-**	-
	1,103	953	**(130)**	904

(a) Defined pension benefits

The defined pension benefits comprise of a funded retirement benefit plan and an unfunded obligation in respect of retirement gratuities.

The funded retirement benefit plan is a defined benefit arrangement with benefits based on final salary. The asset of the funded plan is held independently and administered by Swan Life Ltd

(i) The amounts recognised in the statement of financial position were as follows:

	The Group and The Company	
	2019	2018
	Rs'000	Rs'000
Present value of funded obligation	**4,582**	4,132
Fair value of plan assets	**(1,614)**	(1,492)
Liability on the statement of financial position at end of year	**2,968**	2,640

(ii) The amounts recognised in the statement of profit or loss:

	The Group and The Company	
	2019	2018
	Rs'000	Rs'000
Current service cost	**111**	157
Cost of insuring risk benefits	**5**	26
Interest cost	**164**	201
Total included in staff costs	**280**	384

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

18. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(a) Defined pension benefits (continued)

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

	The Group and The Company	
	2019	2018
	Rs'000	Rs'000
Re-measurement on the net benefit liability		
Losses on pension scheme assets	**51**	(43)
Experience (losses) gains on the liabilities	**(424)**	791
Changes in assumptions underlying the present value of the scheme	**503**	156
	130	904

(iv) The movement in liability recognised in the statement of financial position is as follows:

	The Group and The Company	
	2019	2018
	Rs'000	Rs'000
At 01 July,	**2,640**	3,507
Charged to other comprehensive income	**130**	(904)
Charged to profit or loss	**280**	384
Employer contributions	**(82)**	(347)
At 30 June.	**2,968**	2,640

(v) The movements in the present value of the defined benefit obligations are as follows:

	The Group and The Company	
	2019	2018
	Rs'000	Rs'000
Present value of obligation at 01 July,	**4,133**	4,644
Current service cost	**111**	157
Interest cost	**260**	279
Actuarial gains/(losses)	**78**	(947)
Present value of obligations at 30 June,	**4,582**	4,133

(vi) The movements in the far value of the plan assets are as follows:

	The Group and The Company	
	2019	2018
	Rs'000	Rs'000
Fair value of plan assets at 01 July,	**1,492**	1,137
Interest income	**96**	78
Cost of insuring risk benefits	**(5)**	(26)
Employer's contribution	**82**	347
Actuarial loss	**(52)**	(44)
Fair value of plan assets at 30 June,	**1,613**	1,492

18. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(a) Defined pension benefits (continued)

(vii) The main actuarial assumptions used for accounting purposes:

	The Group and The Company	
	2019	2018
	%	%
Discount rate	**5.20**	6.30
Expected return on plan assets	**5.20**	6.30
Future long-term salary increase	**4.00**	4.00
Future guaranteed pension increase	**0.00**	0.00

(viii) The Company expects to make a contribution of **Rs 0.1 million** to the defined benefit plan during the next financial year.

(ix) Sensitivity analysis on defined benefit obligation at the end of the reporting period:

	Increase	**Decrease**
	Rs	**Rs**
Discount rate (1% movement)	460,257	522,130
Future long-term salary assumption (1% movement)	173,266	317,770

An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on the defined benefit obligations at the end of the reporting period.

The sensitivity above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated

(x) The defined benefit plan exposes the Group and the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

(xi) The funding requirements are based in the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(xii) The weighted average duration of the defined benefit obligation is 11 years at the end of the reporting period.

18. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Other retirement benefits

Other retirement benefits comprise of gratuity on retirement payable under the Employment Rights Act 2008.

i. The amounts recognised in statements of financial position is as follows:

	The Group	
	2019	2018
	Rs'000	Rs'000
Present value of unfunded obligation	**28,523**	28,548

ii. The amounts recognised in the statement of profit or loss is as follows:

	The Group	
	2019	2018
	Rs'000	Rs'000
Current service cost	**999**	1,015
Interest cost	**192**	112
Net interest on net benefit liability	**1,321**	1,513
Total included in staff costs	**2,512**	2,640

iii. The movement in liability recognised in statement of financial position is as follows:

	The Group	
	2019	2018
	Rs'000	Rs'000
At 01 July,	**28,548**	25,174
Charged to profit or loss	**2,512**	3,384
Charged to other comprehensive income	**(1,234)**	49
Contribution paid	**(1,303)**	(59)
At 30 June,	**28,523**	28,548

iv. For accounting purposes, the principal actuarial assumptions are:

	The Group	
	2019	2018
	%	%
Discount rate	**5.3**	5.3
Future salary increases	**3.1**	3.1

(c) Retirement benefit obligations have been based on the reports submitted by AON Hewitt Ltd and Swan Life Ltd.

19. DEFERRED TAX LIABILITIES

Deferred tax is provided in respect of all timing differences at the rate of 15% (2018:15%). The movement in deferred tax account is as follows:

	The Group	
	2019	2018
	Rs'000	Rs'000
At 01 July,	**(1,129)**	(4,605)
Movement during the year (Note 27(b))	**12,927**	3,476
At 30 June.	**11,798**	(1,129)

Deferred tax assets in the statement of financial position and deferred income tax charge/ (credit) in the statement of profit or loss and other comprehensive income are attributable to the following items:

	The Group			
	Accelerated tax depreciation	**Tax losses**	**Retirement benefit obligations**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At 30 June 2018	(1,129)	-	-	(1,129)
Movement during the year	**12,927**	-	-	**12,927**
At 30 June 2019	**11,798**	-	-	**11,798**

Deferred Tax Assets not recognised

Group

The Group has unused tax losses of **Rs 86 million** (2018: Rs 63 million) to carry forward against future taxable profit, which have not been recognised due to the unpredictability of future taxable profit.

Company

The Company has unused tax losses of **Rs Nil** (2018: Rs. Nil) to carry forward against future taxable profit. No deferred tax has not been recognised on accelerated tax depreciation, accumulated tax losses and retirement benefit obligation for the Company because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

20. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**25,215**	15,040	**2,210**	1,462
Other payables	**89,851**	68,786	**52,844**	38,121
Accrued expenses	**-**	15,263	**-**	15,660
Amount due to related parties:				
SIT	**-**	-		-
NG Tower II Ltd	**-**	-	**6,726**	3,079
NG Tower III Ltd	**-**	-	**29,294**	24,847
NG Tower V Ltd	**-**	-	**8,446**	2,273
	115,066	99,089	**99,520**	85,442

The amounts due to NG Tower II Ltd, NG Tower III Ltd and NG Tower V Ltd are unsecured, repayable on demand and interest free.

21. BORROWINGS

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank overdraft (Note 30(b))	**6,459**	8	**6,459**	8
Bank loans (Note (a) below)	**182,632**	-	**182,632**	-
	189,091	8	**189,091**	8

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Analysed as follows:				
Current	**6,459**	8	**6,459**	8
Non-current	**182,632**	-	**182,632**	-
	189,091	8	**189,091**	8

During the year, the company contracted a bank loan of Rs 250m with MauBank. The loan has been issued in tranches upon progress of work and at 30 June 2019, Rs 182m was disbursed. The loan bears interest of 5% period of and is repayable after 7 years from 10 August 2018 inclusive of a moratorium period of 2 years.

The bank loan has been secured as follows:

- 1st rank fixed charge on buildings and amenities erected on lease land to the extent of 71.04 arpents located at Belle Mare leased from State of Mauritius to SIT Leisure Ltd.
- 1st rank floating charge on all assets of SIT Leisure Ltd.
- 1st rank floating charge on all assets of SIT.

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

22. REVENUE

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Dividend income	**44,028**	69,535	**44,028**	123,086
Proceeds from sugar & its related-by products	**51,726**	51,489	-	-
Sale of land	**64,415**	183,564	-	-
Rental income	**60,207**	62,911	-	-
Secretarial	**266**	90	-	-
	220,642	367,589	**44,028**	123,086

23. COST OF SALES

	The Group	
	2019	2018
	Rs'000	Rs'000
Cost of land sold	**40,164**	92,478
Personnel expenses	**28,613**	41,803
Changes in fair value of consumable biological assets (Note 13)	**(1,625)**	7,411
Cultivation costs	**7,306**	11,045
Subcontractor costs	**17,723**	20,762
Depreciation of property, plant and equipment	**18,038**	18,084
Depreciation of bearer plant canes	**2,771**	3,438
Nursery expenses	**62**	260
Lease of Land	**2,461**	2,431
Land transfer tax	**-**	115
Others	**8,395**	4,542
	123,908	202,369

24. OTHER INCOME

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Management fees	**-**	-	**10,890**	27,585
Reversal of provision	**-**	35,715	**-**	-
Income from investment property	**19,705**	18,975	**-**	-
Income from sale of parking spaces	**-**	17,888	**-**	-
Sundry revenues	**8**	9,530	**6**	609
Miscellaneous income	**5,029**	-	**-**	-
	24,742	82,108	**10,896**	28,194

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

25. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Audit fees	**889**	1,095	**265**	430
Depreciation on plant and equipment	**7,322**	9,436	**594**	763
Amortisation of intangible assets	**68**	61	**51**	45
Motor vehicle expenses	**1,255**	1,877	**396**	563
Annual report expenses	**3,674**	3,735	**3,070**	3,486
Director fees	**4,145**	3,612	**1,403**	1,629
Press and advertising expenses	**750**	1,349	**345**	497
Legal and professional fees	**3,616**	5,327	**2,560**	2,102
Staff and related costs	**46,706**	33,021	**35,494**	25,394
Other expenses	**40,385**	32,947	**11,549**	9,453
Sundry expenses	**1,855**	3,957	**1,555**	3,872
General expenses	**2,177**	1,749	**-**	-
	112,842	98,166	**57,282**	48,234

26. NET FINANCE (COSTS)/INCOME

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest income:				
SIT Property Development Ltd	**-**	-	**106,524**	108,520
SIT Land Holdings Ltd	**-**	-	**25,331**	22,994
Foreign exchange gain	**933**	935	**933**	935
Other	**1,895**	1,980	**1,856**	1,856
Finance income	**2,828**	2,915	**134,644**	134,305
Interest expense:				
Bank overdrafts	**(8)**	(4)	**(1)**	(3)
Bank loans	**(2,058)**	-	**(2,058)**	-
Notes	**(91,567)**	(92,497)	**(91,566)**	(92,497)
Finance costs	**(93,633)**	(92,501)	**(93,625)**	(92,500)
Net finance (costs) / income	**(90,805)**	(89,586)	**41,019**	41,805

27. TAXATION

Income tax is calculated at a rate of **15%** (2018: 15%) on the profit for the year as adjusted for income tax purposes.

(a) Statement of financial position

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July,	**10,263**	6,298	**12,208**	-
Charge for the year	**3,563**	13,120	**2,885**	12,208
(Over)/Under provision in prior year	**-**	(9)	**-**	-
Corporate Social Responsibility refund	**718**	2,041	**-**	-
Tax deducted at source	**(609)**	-	**-**	-
Tax paid during the year	**(17,030)**	(11,187)	**(15,988)**	-
At 30 June,	**(3,095)**	10,263	**(895)**	12,208

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

27. TAXATION (CONTINUED)

(b) Statement of profit of loss and other comprehensive income

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current tax on adjusted profit for the year 15% (2018:15%)	**3,683**	15,160	**2,885**	12,208
Deferred tax movement during the year (Note 20)	**(12,927)**	(3,476)	**-**	-
Tax (credit) / charge for the year	**(9,244)**	11,684	**2,885**	12,208

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

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before taxation	**(120,195)**	76,133	**38,661**	144,851
Tax calculated at 15% (2018:15%)	**(18,029)**	11,420	**5,799**	21,728
Income not subject to tax	**(20,585)**	(24,844)	**(14,683)**	(18,463)
Excess of depreciation over capital allowance	**(23)**	-	**-**	-
Share of loss of associate	**5,704**	-	**-**	-
Expenses not deductible for tax purposes	**13,525**	19,369	**10,129**	9,026
Tax losses utilised	**(293)**	(111)	**-**	(83)
Tax losses not utilised	**-**	1,232	**-**	-
Tax losses carried forward	**21,623**	6,053	**-**	-
Corporate Social Responsibility	**1,761**	2,041	**1,640**	-
Deferred tax charge	**(12,927)**	(3,476)	**-**	-
Tax (credit) / charge for the year	**(9,244)**	11,684	**2,885**	12,208

28. EARNINGS PER SHARE

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Basic earnings per share (Rs)	**(0.28)**	0.17	**0.09**	0.34
(Loss) / profit attributable to equity holders of the Company	**(110,951)**	64,449	**35,776**	132,643
Number of ordinary shares in issue	**389,851,812**	389,851,812	**389,851,812**	389,851,812

29. DIVIDENDS

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Final dividend of Re.0.04 (2018: Re. 0.04) per share	**28,595**	28,595	**15,594**	15,594

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

30. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Cash flows generated from operations

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
(Loss) / profit before taxation	**(120,195)**	76,133	**38,661**	144,851
Adjustments for:				763
Depreciation on property, plant and equipment (Note 5)	**3,807**	5,430	**594**	-
Depreciation on investment property (Note 7)	**24,339**	25,549	**-**	45
Amortisation of intangible assets (Note 6)	**51**	44	**51**	-
Profit on sale of land	**(707)**	(2,237)	**-**	-
Expenditure incurred during the year	**(196)**	(164)	**-**	-
Assets held for sale released to cost of sales	**38,950**	91,461	**-**	-
Reversal of cost capitalised under assets held for sale	**-**	79,438		-
Interest income	**(2,828)**	(2,915)	**(134,644)**	(134,305)
Interest expense	**93,633**	92,501	**93,625**	92,500
Retirement benefit obligations	**1,406**	1,547	**198**	(1,771)
Share of result of associates	**38,024**	(16,557)	**-**	-
	76,284	350,230	**(1,515)**	102,083
Changes in working capital				
- Inventories	**(1,464)**	(926)	**-**	-
- Trade and other receivables	**(1,724)**	(117,334)	**25,568**	(138,482)
- Trade and other payables	**15,977**	(13,661)	**14,078**	5,526
- Contract liabilities	**95,712**	-	**-**	-
- Provisions	**-**	(100,390)	**-**	-
- Consumable biological assets	**(1,625)**	7,411	**-**	-
Cash generated from/ (used in) operations	**183,160**	125,330	**38,131**	(30,873)

(b). Cash and cash equivalents

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank and cash balances	**103,187**	168,168	**15,151**	61,375
Bank overdraft	**(6,459)**	(8)	**(6,459)**	(8)
	96,728	168,160	**8,692**	61,367

SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

31. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks including:

- Market risk;
- Credit risk; and
- Liquidity risk

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Risk management framework

The Group's and the Company's board of directors have overall responsibility for the establishment and oversight of the Group's and Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's and the Company's risk management policies.

The Group's and the Company's risk management policies are established to identify and analyse the risks faced by the Group and the Company to set appropriate risk limits, controls and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's and the Company's activities. The Group and the Company, through its training and management standards and procedures, aim to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's and the Company's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by the Group and the Company

(b) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group operating cash flows are exposed to interest rate risk as it sometimes borrows at variable rates. For the current financial year, the Group is not exposed to interest rate risk as all the bank loans and bank overdraft have been settled. The current accounts with the related parties carry fixed interest rate.

At 30 June, if interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been lower/higher as shown below, mainly as a result of higher/lower interest expense on floating rate borrowings.

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Effect higher/lower post tax profit	**129**	-	**129**	-

Foreign exchange risk

The Group and the Company has minimal exposure to currency risk as they deal mostly with Mauritian Rupee.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meets its contractual obligations, arising principally from the Group's and the Company's financial assets listed in the table below. The carrying amount of financial assets represents the maximum credit exposure.

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets at FVOCI	**579,961**	630,343	**579,961**	630,343
Other financial asset	**-**	-	**314,397**	32,023
Trade and other receivables	**221,220**	221,016	**1,715,848**	1,741,179
Cash and cash equivalents	**103,187**	168,160	**15,151**	61,375
	904,368	1,019,519	**2,625,357**	2,464,920

Financial assets exclude prepayments amounting to **Rs 2,619,000** (2018: Rs. 1,098,000) and **Rs 127,000** (2018: Rs. 364,000) for the Group and the Company respectively.

Financial assets at fair value through profit or loss

As at 30 June 2019, the Group and the Company managed a portfolio of investments amounting to **Rs 579 million** (2018: Rs 630 million). In accordance with its investment diversification strategy to ensure medium to long term growth, sustainability, profitability, capital appreciation and consistent income stream. Accordingly, the Group and the Company have identified several new and promising economic sectors bearing the potential for investment such as the renewable energy sector. The Group and the Company limit their exposure to credit risk by investing in high-quality securities to ensure that cash is readily available for use whenever required.

Trade and other receivables

The Group's and the Company's exposure to credit risk is mainly influenced by the individual characteristics of each debtor. Trade and other receivables comprise principally of trade receivables, loan receivable from investee companies and amount due from related parties. In respect of the loans receivable from investee companies and the amount due from related parties, management does not foresee any risk of default based on historical dealings. Trade receivables are monitored regularly and follow up is made for the outstanding balance.

At 30 June 2019, the ageing of trade receivables that were not impaired was as follows:

	2019	2018
	Rs'000	Rs'000
Past due 1-30 days	**35,635**	35,933
Past due 31-60 days	**1,696**	6,663
Past due 61-90 days	**1,270**	53,852
Past due more than 120 days	**57,493**	10,045
	96,094	106,493

Trade receivables as at 30 June 2019 are neither past due nor impaired. Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. As such, the Group and the Company have no significant concentration of credit risk.

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (continued)

Cash and cash equivalents

The Group and the Company have cash and cash equivalents of **Rs 103 million** and **Rs 15 million** respectively at 30 June 2019 (2018: Rs 168 million and Rs 61 million respectively). The cash and cash equivalents are held with bank and financial institution counterparties.

Guarantees

At 30 June 2019, the Company has issued a financial guarantee to its investee with regards to a bank loan undertaken by the latter.

(d) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting its financial obligations. The Group's and the Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's and the Company's reputation. Management monitors rolling forecasts of the Group's and the Company's liquidity reserve on the basis of the expected cash flows.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

The Group	Less than 1 year Rs'000	Between 1 and 2 years Rs'000	Between 2 and 5 years Rs'000	Over 5 years Rs'000	Total Rs'000
Year ended 30 June 2019					
Contract liabilities	**199,589**	**-**	**-**	**-**	**199,589**
Trade and other payables	**115,066**	**-**	**-**	**-**	**115,066**
Borrowings	**189,091**	**-**	**-**	**-**	**189,091**
Notes	**300,000**	**600,000**	**600,000**	**-**	**1,500,000**
	803,746	**600,000**	**600,000**	**-**	**2,003,746**
Year ended 30 June 2018					
Contract liabilities	103,877	-	-	-	103,877
Trade and other payables	99,089	-	-	-	99,089
Notes	-	900,000	600,000	-	1,500,000
	202,967	900,000	600,000	-	1,702,966
The Company					
Year ended 30 June 2019					
Trade and other payables	**99,520**	**-**	**-**	**-**	**99,520**
Borrowings	**189,091**	**-**	**-**	**-**	**189,091**
Notes	**300,000**	**600,000**	**600,000**	**-**	**1,500,000**
	588,611	**600,000**	**600,000**	**-**	**1,788,611**
Year ended 30 June 2018					
Trade and other payables	85,442	-	-	-	85,442
Notes	-	900,000	600,000	-	1,500,000
	85,442	900,000	600,000	-	1,585,442

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Accounting classification and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
The Group					
Year ended 30 June 2019					
Assets measured at fair value					
Financial assets at fair value through other comprehensive income	**579,961**	**-**	**379,986**	**199,975**	**579,961**
Assets not measured at fair value					
Trade and other receivables	**223,839**	**-**	**-**	**-**	**223,839**
Cash and cash equivalents	**103,187**	**-**	**-**	**-**	**103,187**
Liabilities not measured at fair value					
Contract liabilities	**199,589**	**-**	**-**	**-**	**199,589**
Trade and other payables	**115,066**	**-**	**-**	**-**	**115,066**
Notes	**1,500,000**	**-**	**-**	**-**	**1,500,000**
Borrowings	**189,091**	**-**	**-**	**-**	**189,091**

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
The Group - Restated					
Year ended 30 June 2018					
Assets measured at fair value					
Available-for-sale investment	630,343	-	396,443	233,900	630,343
Assets not measured at fair value					
Trade and other receivables	221,016	-	-	-	221,016
Cash and cash equivalents	168,160	-	-	-	168,160
Liabilities not measured at fair value					
Trade and other payables	202,966	-	-	-	202,966
Notes	1,500,000	-	-	-	1,500,000

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Accounting classification and fair values (continued)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
The Company					
Year ended 30 June 2019					
Assets measured at fair value					
Financial assets at fair value through other comprehensive income	**579,961**	**-**	**379,986**	**199,975**	**579,961**
Assets not measured at fair value					
Other financial assets	**314,397**				**314,397**
Trade and other receivables	**1,715,975**	**-**	**-**	**-**	**1,715,975**
Cash and cash equivalents	**15,151**	**-**	**-**	**-**	**15,151**
Liabilities not measured at fair value					
Trade and other payables	**99,520**	**-**	**-**	**-**	**99,520**
Notes	**1,500,000**	**-**	**-**	**-**	**1,500,000**
Borrowings	**189,091**	**-**	**-**	**-**	**189,091**
The Company					
Year ended 30 June 2018					
Assets measured at fair value					
Available-for-sale investment	630,343	-	396,443	233,900	630,343
Assets not measured at fair value					
Other financial assets	32,023				32,023
Trade and other receivables	1,741,543	-	-	-	1,741,543
Cash and cash equivalents	61,367	-	-	-	61,367
Liabilities not measured at fair value					
Trade and other payables	85,442	-	-	-	85,442
Notes	1,500,000	-	-	-	1,500,000
Provisions	-	-	-	-	-

(f) Capital risk management

The Group's and the Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group and the Company set the amount of capital in proportion to risk. The Group and the Company manage the capital structure and make adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return on capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistently with others in the industry, the Group and the Company monitor capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt to capital. Net debt is calculated as total debts less cash and cash equivalents. Capital comprises all components of equity (that is share capital, retained earnings and fair value reserve).

The Group's and the Company's overall strategy remain unchanged.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Capital risk management (continued)

The debt-to-adjusted capital ratios as at 30 June 2019 and at 30 June 2018 were as follows:

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Long term debt	**1,500,000**	1,500,000	**1,500,000**	1,500,000
Less: Cash and cash equivalents (Note 30(b))	**(103,187)**	(168,160)	**(15,151)**	(61,367)
Net debt	**1,396,813**	1,331,840	**1,484,849**	1,438,633
Total equity	**3,719,115**	3,907,940	**1,533,150**	1,961,071
Debt-to-adjusted capital ratio	**38%**	34%	**97%**	73%

32. Contingencies

(i) Bank guarantee

At 30 June 2019, the company's subsidiary, SIT PROPERTY DEVELOPMENT LTD ("SPDL"), had bank guarantees amounting to Rs 39,024,083 in favour of Ministry of Housing and Lands to execute infrastructural works at Cote D'Or of an extent of 39,417.73*m*2 into 67 plots for residential purposes from which it is anticipated that no material liabilities will arise.

(ii) Legal cases

As at 30 June 2019, the Group and the Company have several litigations with a total claim of **Rs 22 million** (2018: Rs 38 Million). Provisions have been made in the accounts where necessary and the directors have made an assessment and consider that there is strong ground to resist the remaining claims based on the advice received from the Group's and the Company's lawyers.

33. OPERATING LEASE ARRANGEMENTS

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Minimum lease payments under operating Leases recognised as an expense this year	**6,113**	6,083	**3,652**	3,652

At the end of the reporting period, the Group and the Company have outstanding commitments under operating leases which fall due as follows:

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Within 1 year	**6,113**	6,083	**3,652**	3,652
After 1 year and before 5 years	**14,019**	20,132	**10,956**	14,608
After 5 years	**-**	-	**-**	-
	20,132	26,215	**14,608**	18,260

33. OPERATING LEASE ARRANGEMENTS (CONTINUED)

The Group and the Company have entered into the following operating lease arrangements:

- rental of part of the ground floor of NG Tower building for an initial period of 10 years starting from the 1st February 2012 and ending on the 31st January 2022.

- lease of land at Belle Mare for a period of 20 years starting on 1st July 2000 and expiring on 30th June 2020 with the option to renew for four other periods of 10 years. The Group does not have an option to purchase the leased land at the expiry of the lease period; and

- lease of a portion of land at Ebene Cybercity, valid for an initial period of 30 years as from 30th October 2006 and may be renewed for two further periods of 30 years. The Group does not have the option to purchase the leased land at the expiry of the lease period.

	The Group	
Group as lessor	**2019**	2018
	Rs'000	Rs'000
Operating lease income from short Term lease	**60,495**	62,910

Operating leases relate to the investment property owned by the Group and the annual rentals represent payment by lessees for occupation of premises. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The future minimum lease repayments receivable under non-cancellable operating leases are as follows:

	The Group	
	2019	2018
	Rs'000	Rs'000
Within 1 year	**43,005**	52,169
After 1 year and before 5 years	**27,819**	53,821
After 5 years	**-**	-
	70,824	105,990

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

34. RELATED PARTY TRANSACTIONS

	Interest income / (expense)	Rental expenses	Management fees payables	Amount due to	Amount due from
The Group					
Year ended 30 June 2019					
Associated company					
Eole Plaines Des Roches Ltée	**1,856**	**-**	**-**	**-**	**45,023**
THE COMPANY					
Year ended 30 June 2019					
Subsidiaries					
SIT Property Development Ltd	**106,524**	**-**	**9,890**	**-**	**1,274,014**
SIT Land Holdings	**25,331**	**-**	**1,000**	**-**	**312,838**
NG Tower II	**-**	**3,652**	**-**	**6,726**	**-**
NG Tower III	**-**	**-**	**-**	**29,294**	**-**
NG Tower IV	**-**	**-**	**-**	**-**	**6,715**
NG Tower V	**-**	**-**	**-**	**8,446**	**-**
SIT Corporate and Secretarial Services Ltd	**-**	**-**	**-**	**-**	**1,252**
SIT Leisure Ltd (Note (a))	**-**	**-**	**-**	**-**	**314,397**

The amount due from SIT Leisure Limited is unsecured, repayable on demand and interest free.

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

34. RELATED PARTY TRANSACTIONS (CONTINUED)

The Group	Interest income / (expense)	Rental expenses	Management fees payables	Amount due to	Amount due from
Year ended 30 June 2018					
Associated company					
Eole Plaines Des Roches Ltée	1,856	-	-	-	43,167
Year ended 30 June 2017					
Associated company					
Eole Plaines Des Roches Ltée	-	-	-	-	41,311
The Company					
Year ended 30 June 2018					
Subsidiaries					
SIT Property Development Ltd	-	-	26,585	-	1,307,309
SIT Land Holdings Ltd	-	-	1,000	-	286,064
NG Tower II Ltd	-	-	-	3,079	-
NG Tower III Ltd	-	-	-	24,847	-
NG Tower IV Ltd	-	-	-	-	11,631
NG Tower V Ltd	-	3,652	-	2,273	-
SIT Corporate and Secretarial Services Ltd	-	-	-	-	1,003
SIT Leisure Ltd	-	-	-	-	32,023
SIT Syndicate Services Ltd	-	-	-	-	705
Associated company					
Eole Plaines Des Roches Ltée	1,856	-	-	-	43,167

34. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Amount due from SIT PROPERTY DEVELOPMENT LTD and SIT LAND HOLDINGS LTD are unsecured, repayable on demand and carry interest at a rate of 8.5% per annum.

(b) The amount due from NG Tower II Ltd, NG Tower III Ltd, NG Tower IV Ltd, NG Tower V Ltd and SIT Corporate and Secretarial Services Ltd are unsecured, repayable on demand and interest free.

(c) The receivable amount from Eole Plaine des Roches Ltee is unsecured, repayable on demand and carry interest at a rate of 5%.

Compensation of key management personnel

The remuneration of directors and key management personnel as at 30 June was as follows:

	The Group		The Company	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short term benefits	**16,528**	13,109	**1,231**	1,116
	16,528	13,109	**1,231**	1,116

35. SUBSEQUENT EVENT

There have been no material post reporting events which would require any disclosure or adjustments in respect to the financial statements as 30 June 2019.

SUGAR INVESTMENT TRUST

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