

**THE MAURITIUS SECONDARY INDUSTRIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2025**

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

i

Table on contents

• Corporate Information	ii
• Chairman's letter	iii
• Directors' Profile	iv-v
• Shareholding Structure	v
• Corporate Governance report	vi-xix
○ Principle 1: Governance structure	
○ Principle 2: The Structure of the Board and Committees	
○ Principle 3: Directors' Appointment procedures	
○ Principle 4: Directors' Duties, Remuneration and Performance	
○ Principle 5: Risk Governance and Internal Control	
○ Principle 6: Reporting with Integrity	
○ Principle 7: Audit	
○ Principle 8: Stakeholder relations	
• Statement of Compliance	xx
• Statement of Directors' Responsibilities	xxi
• Statutory Disclosures	xxii
• Secretary's Certificate	xxiii
• Financial Highlights of the Company	1
• Auditor's report	2-2(c)
• Statement of Financial Position	3
• Statement of Profit or Loss and Other Comprehensive Income	4
• Statement of Changes in Equity	5
• Statements of cash flows	6
• Notes to the financial statements	7-31

THE MAURITIUS SECONDARY INDUSTRIES LIMITED**CORPORATE INFORMATION****DIRECTORATE****CHAIRMAN**

M YACOOB RAMTOOLA *FCA*

DIRECTORS

SWALEH RAMJANE *FCIS MCIT*

M S E HAJI ADAM *FCCA*

MASOOD RAMTOOLA

A FOUAD MALLAM HASSAM

SABINA MORABY

SECRETARY

SWALEH RAMJANE *FCIS MCIT*

AUDITOR

ECOVIS (MAURITIUS)

SUITE 207, 2ND FLOOR NG TOWER

CYBERCITY

EBENE

REGISTERED OFFICE

C/O UNITED BUS SERVICE LTD

LES CASSIS PORT LOUIS

REPUBLIC OF MAURITIUS

BANKS

SBM BANK (MAURITIUS) LTD

1 QUEEN ELIZABETH II AVENUE

PORT LOUIS

REPUBLIC OF MAURITIUS

THE MAURITIUS COMMERCIAL BANK LIMITED

10th FLOOR, MCB HEAD OFFICE

9-15 SIR WILLIAM NEWTON STREET

PORT LOUIS

REPUBLIC OF MAURITIUS

THE MAURITIUS SECONDARY INDUSTRIES LIMITED**Chairman's Letter**

On behalf of the Board, I am pleased to submit the annual report of the Mauritius Secondary Industries Ltd for the year ended 30 June 2025.

This year the company has made a profit of Rs 4.5 million which is slightly higher than the previous year.

The activities of the company remain the same the renting of commercial and industrial buildings.

The company has declared a dividend of Rs 1 per share for the year ended 30 June 2025.

I would like to express my special thanks to my fellow Directors for their valuable support and guidance during the year.

I am also thankful to our shareholders for their ongoing support to the company's mission, values and objectives.



Yacoob Ramtoola FCA
Chairman

THE MAURITIUS SECONDARY INDUSTRIES LIMITED**Directors' Profile****Profile of the Board of Directors of The Mauritius Secondary Industries Limited****Mr. Yacoob Ramtoola FCA – Non Executive Director****Skills and experience**

Mr. Yacoob Ramtoola is a fellow of the Institute of Chartered Accountants and has a wide experience in audit and advisory business.

Other current appointments:

Director of United Bus Service Limited, Associated Commercial Co Ltd, Lintrabis Investment Company Limited, UBS Transport Ltd and Orland Ltd.

Mr. Swaleh Ramjane FCIS MCIT – Non Executive Director**Skills and experience**

Mr. Swaleh Ramjane is a fellow of the Chartered Institute of Secretaries and Administrators and a member of the Chartered Institute of Transport, he has a wide experience in transport, commerce and industry.

Other current appointments:

Director of United Bus Service Limited, Associated Commercial Co Ltd, Lintrabis Investment Company Limited, UBS Transport Ltd and Orland Ltd.

Mr. M S E Haji Adam FCCA – Executive Director**Skills and experience**

Mr. M S E Haji Adam is a fellow of the Institute of Chartered and Certified Accountants. He had a career in audit and accountancy before joining the Company in 2001. He is currently the CEO of the Company.

Other current appointments:

Director of United Bus Service Limited, Associated Commercial Co Ltd, Lintrabis Investment Company Limited, UBS Transport Ltd, Orland Ltd & Union Sugar Estates Ltd

Massood A Ramtoola – Non Executive Director**Skills and experience**

Mr. Massood A Ramtoola is an experienced businessman.

Other current appointments:

Director of United Bus Service Limited and Associated Commercial Co Ltd.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED**Directors' Profile (Continued)****Profile of the Board of Directors of The Mauritius Secondary Industries Limited (Continued)****Sabina Moraby – Independent Non Executive Director****Skills and experience**

Mrs Sabina Moraby is an experienced IT professional with more than 30 years of experience, she also has experience in Management and Administrative functions.

Other current appointments:

Director of Associated Commercial Co Ltd, United Bus Service Ltd.

Ahmad Fouad Mallam Hassam – Independent Non Executive Director**Skills and experience**

Mr A F Mallam Hassam is holder of Master of Arts in Administrative Science from the University of Punjab. He has also been awarded Master of Laws in Criminology and Criminal Justice from the University of London. He has a wide experience in the Public Bus Transport Industry.

Other current appointments

Director of Associated Commercial Co Ltd, United Bus Service Ltd.

Shareholding structure

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

Corporate Governance Report

Introduction

THE MAURITIUS SECONDARY INDUSTRIES LIMITED (MSI Ltd or the "Company") is a public company incorporated in 1961. The Board of Directors has the responsibility of managing, leading and having full control over the activities of the Company and is committed to achieving high standards of corporate governance.

The Company is listed on the Development Enterprise Market ("DEM") of the Stock Exchange of Mauritius ("SEM") and is a Company engaged in the rental of commercial and industrial buildings.

We confirm as directors of the Company that throughout the year ended 30 June 2025 to the best of the Board's knowledge, the Company has complied in all material respects with the principles of the Code based on the size and complexity of the Company. The Company has thus customized its processes based on its size and complexity of its business to ensure compliance with each principle of the Code.

Principle 1: Governance Structure

The board serves as the focal point and custodian of corporate governance in the organization. The Directors recognize that good governance can create shareholder value by enhancing long-term equity performance. While the board is unwavering in its adherence with legislation, regulation and codes, the group's commitment to good governance goes beyond a commitment to comply with standards. Each Director is appointed with the understanding of the amount of time and care that they will have to devote to the Board and the organization.

Key Governance documents

Code of ethics

MSI Ltd commits itself to the highest standards in the conduct of its activities on a daily basis. It consists of general principles regarding relations with stakeholders which defines the reference values guiding the Company in carrying out its activities. Among the aforesaid principles, specific mention is made of the following: honesty, impartiality, confidentiality, the creation of value for shareholders, the value of human resources, the transparency and completeness of information, service quality and the protection of the environment.

The code of ethics is available on the Company website.

Board charter

The board is of the view that the responsibilities of the Directors should not be confined in a board charter and has consequently resolved not to adopt a charter.

It is governed by the Company's constitution and the Mauritius Companies Act 2001.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

Corporate Governance Report (continued)

Principle 1: Governance structure (continued)

Organization structure of the Company

Given the simple structure of the Company and the fact that the Company's workforce comprises of only 3 employees, the Company has decided not to present an organisational structure.

Key Governance responsibilities

The Board has taken particular note of the following key governance positions that are critical to the Board's performance against its strategy and achievement.

Key Governance Positions

Chairman of the Board

The Chairman is responsible for the leadership of the board; and in particular he will:

- Ensure effective operation of the board and its committees in conformity with the highest standards of corporate governance
- Ensure communication with shareholders
- Ensure all committees are properly established
- Plan the schedule of meetings and agenda
- Coordinate with the Company secretary and ensure the board receives information on a timely basis
- Call for special meetings whenever needed
- Establish a harmonious and open relationship with the CEO and other Senior staff

Mr. Yacoob Ramtoola is the Chairman of the board and a brief profile is provided at page iv.

Chief Executive Officer

The Board is responsible for the appointment of the Chief Executive Officer the ("CEO"), and the CEO is the most senior member. The authority of the board that is conferred to management through the CEO, so that authority and accountability of management is considered to be the authority and accountability of the CEO in so far as the board is concerned.

The key responsibilities of the CEO is as follows:

- Formulating and successfully implementing Company policy
- Directing strategy towards the profitable growth and operation of the Company
- Developing strategic operating plans that reflect the long term objectives and priorities established by the board
- Maintaining an ongoing dialogue with the Chair of the board.
- Putting in place adequate operational planning and financial control systems
- Closely monitoring the operating and financial results against plans and budgets
- Take remedial action where necessary and inform the board of significant changes
- Maintaining operational performance of the Company
- Assuming full accountability to the board for all the Company's operations
- Building and maintaining an effective executive team

Mr. Muhammad S E Haji Adam is the CEO of MSI Ltd and a brief profile is found on page iv.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

Corporate Governance Report (continued)

Principle 1: Governance structure (continued)

Website

The below information is available on the Company's website:

- Annual report
- Quarterly accounts
- Share price information
- Financial highlights etc
- The Code of ethics
- Statement of major accountabilities

Principle 2: The structure of the board and its committees

The Board of Directors of the Mauritius Secondary Industries Limited represents the shareholders' interests and is collectively responsible for the long-term success of the Company, its reputation and governance. The board is responsible to all its shareholders and to its other stakeholders for leading and controlling the organization and meeting all legal and regulatory requirements and is also accountable for determining that the Company is managed in a way to achieve its objectives.

The board of MSI Ltd is a unitary board and was at 30 June 2025 made up of 6 members.

Name	Position
Yacoob Ramtoola	Chairman
Swaleh Ramjane	Non-Executive Director
M Haji Adam	Chief Executive Officer/Director
Masood Ramtoola	Non-Executive Director
Mr A Fouad Mallam Hassam	Independent Director
Sabina Moraby	Independent Non Executive Director

The board agrees that it is of sufficient size to meet the requirement of the business and thus the appointment of a second executive director at this stage is not warranted. The Board considers that the current Board is appropriate for enabling effective decision making.

The Chairperson, Mr. Yacoob Ramtoola by definition of the Code of Corporate Governance does not meet the criteria of being an independent chairperson, however the board is entirely satisfied that he is independent in both character and judgement and he has a wide experience and contributes in strategic issues etc. Further the board can have according to the NCCG its own definition of independence.

The profile of the board members is on pages iv.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

Corporate Governance Report (continued)

Principle 2: The structure of the board and its committees (continued)

Board diversity

The Board has a non-discriminatory policy and endeavors to have representation at its senior governance position. The Board believes that, based on its size and the industry that it is operating in, the current directors possess the appropriate expertise and knowledge to discharge their duties and responsibilities effectively and to meet the Company's business requirements.

Powers of the board

The role and responsibilities of the Board of Directors is as per the Company's constitution in compliance with the requirements of the Mauritius Companies Act 2001 and as per the listing rules of the stock exchange of Mauritius. The board also follows the principle of good governance as recommended by the NCCG.

Board meetings

The board met 6 times for the financial year ended 30 June 2025.

Board attendance

Directors	Board attendance
Yacoob Ramtoola	6/6
Swaleh Ramjane	6/6
M Haji Adam	6/6
Masood Ramtoola	6/6
A Fouad Mallam Hassam	6/6
Sabina Moraby	5/6

Conflicts of interest and related party transactions

Whenever there is an actual or potential conflict of interest, the director concerned is not present at the part of the meeting in which the conflict of interest is discussed and therefore does not debate or vote on the matter.

Related party transactions are disclosed in note 22 of the notes to the accounts and are at arm's length and in the normal course of business.

Committees of the board

Given the nature of the Company and the relatively small size of its board all the corporate governance functions and that of the audit committee have continued to be discharged by the Board of Directors as a unit.

Internal control function

The Directors of the Company are responsible for maintaining a sound system of internal control. They believe that the managerial and supervisory control put in place are sufficient to protect the Company's income and assets. Hence it is the responsibility of the members of the Board to ensure that the Directors of the Company maintain a sound system of internal control in place.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

Corporate Governance Report (continued)

Principle 3: Director appointment procedures

Appointment

The Board is required from time to time depending on the requirements to fill vacancies that arises in the organization, the following need to be considered prior to the appointment of a new Director onto the board:

- Competence
- Character
- Diligence
- Honesty
- Integrity
- Judgment
- Independence
- Previous experience
- Conflict of interest
- Benefits of Diversity, including gender

A transparent procedure is in place before the appointment of a new Director.

On appointment to the Board, Directors receive a complete induction from the Company Secretary; in addition new Directors are invited to meet members of the management team in order to rapidly acquire a comprehensive view of the Company's operations, risks and strategy.

A newly elected Director is also requested to sign an appointment letter that clearly highlights his responsibilities etc.

During the year under review the Company has appointed Mrs Sabina Moraby as Independent Non Executive Director.

Re-election of Directors

The NCCG do provide for Directors to be elected (or re-elected) as the case applies every year at the AGM of shareholders. However the board does not consider the recommendation within the context of the Company. Also the constitution of the Company does not make any provision for such practices.

The Board also believes that given the nature of the business, reasonable time should be allowed for a Director to understand/ be accustomed with the business. However re-election of Directors over the age of 70 years is in compliance with Section 138 (B) of the Mauritius Companies Act 2001.

Professional development

Directors are encouraged to keep themselves up to date with the latest workplace trends, professional practices, and professional development.

Succession planning

The Board of the Mauritius Secondary Industries Ltd recognizes the importance of succession planning to provide for continuity in the smooth functioning of the Company. There are certain positions in the Company that are key to the proper functioning and future growth and it is critical to fill up such positions well in time to avoid any leadership gap. The Company has therefore put in place a policy on succession planning for the board and senior management.

The Mauritius Secondary Industries Limited

Corporate Governance Report (continued)

Principle 3: Director appointment procedures (continued)

The Board shall oversee the succession planning and shall from time to time make recommendations. The objectives of the succession planning are outlined as per below:

- To identify and nominate suitable candidates for the Board's approval to fill the vacancies which arises in the Board of the Company from time to time.
- To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
- To ensure the systematic and long term development of individuals in the senior management level to replace when the need arises due to death, disabilities, retirements and unexpected occurrence.

Applicability of the policy

The policy shall be applicable for succession planning for the following personnel:

- Chairman
- CEO
- Company Secretary
- Any other positions within the Company at the discretion of the Board of Directors

Principle 4: Directors' duties, remuneration and performance

Legal duties

All Directors owe their fiduciary duty to the Company for which they act, all Directors are fully apprised of their responsibilities.

The Directors are required to:

- To act in good faith: at all times a Director must act in good faith for the overall interests of the Company.
- Exercise reasonable care and skill: a Director must act to exercise reasonable level of care as any prudent person would in the circumstances and on the facts known to him. The required level of knowledge expertise and skill may vary between the Directors be they for instance executive and non-executive. They may rely partially on others when acting collectively for their skills and knowledge in reaching a Board decision.
- Exercise their powers as a Director for a proper purpose: the Director should not abuse any of their executive power to ensure their own position. At all times they should act in good faith for the interest of the Company as a whole.
- Conflict of interest and duties: At all times the Director must declare any potential conflict of interest. He must not take on any new position that may endanger his existing relationships without the express permission of the officers of the Company.

Induction

On appointment to the board and its committees, Directors receive a complete induction pack from the Company secretary. In addition, new Directors are invited to meet members of the management team in order to rapidly acquire a comprehensive view of the Company's operations and strategy.

Continuous Development Program

The board encourages its members to keep on enhancing their knowledge and competencies through personal development programs.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

Corporate Governance Report (continued)

Principle 4: Directors' duties, remuneration and performance (continued)

Board evaluation

A board evaluation by way of questionnaire was performed during the year ended 30 June 2024. The Corporate Governance, Nomination and Remuneration Committee took note of the main areas identified for improvement and necessary action has been undertaken to act on the results. The next board evaluation will be performed in the financial year 30 June 2027.

Statement of remuneration philosophy

Executive directors are not remunerated for serving on the Board of the Company. Their remuneration packages as employees of the Company are in accordance with market rates.

The remuneration of the non-executive and independent directors consist of attendance and retainer fees.

Also the Company does not make any difference in the payment of remuneration criteria for the payment of remuneration to those Executive Directors approaching retirement as they still play an active role in the day to day running of the Company.

The Directors' remuneration is disclosed in the statutory disclosures on page xxii.

Directors' Interest and dealing in MSI Ltd shares

The Company operates a close period policy in line with DEM rules. During closed periods, Directors and officers of the Company are prohibited from dealing in MSI shares. Parties who may also have access to sensitive information are also cautioned against the possibility of insider trading during these periods.

The table below outlines the interests of the Directors in MSI Ltd shares.

Directors	Direct shareholding in MSI Ltd	Indirect shareholding in MSI Ltd	Shares purchased during the year
Swaleh Ramjane	171,956	-	7,106
Yacoob Ramtoola	-	30,076	-
M S E Haji Adam	5,578	41,757	-
Massood Ramtoola	14,945	36,435	36
A F Mallam Hassam	-	-	-
Sabina Moraby	3,442	-	-

Remuneration paid to the executive and non-executive directors are detailed below:

The fees paid to directors were as follows:

	2025	2024
Executive Directors	Rs' 000	Rs' 000
M S E Haji Adam	1,035	986
Non-Executive Directors		
Swaleh Ramjane	1,503	1,455
Yacoob Ramtoola	60	55
Massood Ramtoola	60	55
A F Mallam Hassam	30	15
Sabina Moraby	15	-

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

Corporate Governance Report (continued)

Principle 4: Directors' duties, remuneration and performance (continued)

Conflict of interest

Directors must avoid instances that may give rise to conflict of interest or which may be perceived by others as conflicting situations. Full information on any conflict or potential conflict of interest is made known to the Board and recorded accordingly.

Information technology, policy and Information security governance

The Company ensures that all directors have access to information that will enable him or her to make informed decisions to discharge their duties and responsibilities. Information are circulated to the directors in advance for their review and consideration. Insights provided by the Company's auditor and other professionals are discussed at Board meetings, when necessary.

The Company has an information policy in place which includes guidelines on email use policy, internet use policy, systems back-up, etc. The Board believe it is appropriate for a company of its size.

Principle 5: Risk Governance and internal control

The Directors are responsible for maintaining an effective system of internal control and risk management. Whilst these 2 functions are usually delegated to the Audit and Risk Committee, in the case of MSI Ltd, the governance of risk, the nature and risk appetite remain the ultimate responsibility of the Board.

The responsibility of the Board also includes:

- Ensuring that structures and processes are in place for management of risks
- Identifying the principal risks and uncertainties
- Ensuring that management has developed and implemented the relevant framework
- Ensuring that systems and processes are in place for implementing and monitoring internal controls
- Identifying any deficiency in the system of internal control

Risk Management

The Company is exposed with a variety of risks which could affect its performance and financial condition. The Board is responsible for the governance of risk and should ensure that a sound system of risk management and internal controls are maintained to safeguard shareholders' interest and the Company's assets. The below is a series of key risks:

- **Physical risks**

Among the physical risks identified are unavoidable events such as riots, cyclones and other natural calamities. The following have been undertaken to mitigate the risks of such natural calamities; adoption of cyclone and fire procedures, relevant insurance covers have been contracted by the Company. A disaster recovery plan has also been prepared.

For the prevention of on-site accidents, the Company implements adherence to all occupational and health and safety regulations and in addition the Company hires the services of a full time health and safety officer to ensure that all health and safety regulations are observed.

The Mauritius Secondary Industries Limited

Corporate Governance Report (continued)

Principle 5: Risk Governance and internal control (continued)

Risk Management (continued)

- **Physical risks (continued)**

The risks of theft, fraud etc. is mitigated through the implementation of control procedures and CCTV cameras are in place.

- **Financial risk**

Financial risk management is further explained in note 21 to the Financial Statements and includes a discussion on the following risks:

- (i) Foreign currency risk
- (ii) Interest rate risk
- (iii) Liquidity management risk
- (iv) Equity price risk

The Board of Directors regularly monitors the liquidity risk management to ensure that the Company has sufficient cash and the availability of funding through credit facilities through financial institutions so that it can meet its commitments in respect of obligations towards different stakeholders.

- **Operational risk**

These risks are monitored through the establishment of planning and control systems to ensure that the risks of loss from inadequate or failed processes, people and from external events are mitigated.

The Company monitors and evaluates the processes regularly to ensure their proper effectiveness. Managers are required at every level to fulfill their respective duties to ensure that the controls are kept effective over time.

- **Compliance risk**

This risk is defined as the risk that the Company does not comply with laws, regulations, and policies as set by the Government.

The operations of the Company is fully compliant with all the rules, regulations and policies as laid down by the Authorities and furthermore the Company regularly reviews its position towards any new regulation as set by the Authorities to ensure strict compliance.

- **Information Technology risk**

This refers to the risk of loss of data, information or eventually the IT systems of the Company being hacked. In order to mitigate this risk the Company has invested in back-up systems and the necessary software and hardware to ensure that no such losses actually occur.

- **Reputational Risk**

This risk arises as a result of the Company being unable to meet its professional obligation towards its stakeholders due to unintentional or negligent action.

In order to mitigate this risk the Company communicates regularly with its stakeholders and constantly strives to build strong business relationships with its stakeholders.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

Corporate Governance Report (continued)

Principle 5: Risk Governance and internal control (continued)

Risk Management (continued)

- **Human Resources Risk**

The management of human resource risk is an ongoing activity that involves careful planning and constant fluidity to enable the Company to tackle any potential change in the human resources sector. On the basis of the controls that are in place, we believe that the likelihood of a potential human resource risk is negligible.

The Company has also established a succession planning and in due course a designated deputy CEO will be nominated.

- **Business Continuity Risk**

Business continuity risk is the task of identifying, developing, acquiring, documenting and testing procedures and resources that will ensure continuity of the Company's key operation in the event of an accident, disaster and emerging threat. It involves risk mitigation planning, i.e.; reducing possibility of the occurrence of adverse events and business recovery planning in the aftermath of a disaster.

In order to reduce the risk involved, the Company has made provision for automatic fire hydrants and the Company complies with the fire safety rules. The Company also subscribes to adequate insurance covers. Proper back up of all the computer systems are performed and kept in different locations so that in the aftermath of a disaster normal operations can resume in a short span of time.

Internal control

The Company did not during the year under review have an internal audit function as this was not considered essential given the nature of the Company's business, and the central control, organization and approval structure in place within the Company with clear defined levels of authority and division of responsibilities. The Company has clear and robust internal control procedures for the approval of all transactions, no matter what the size.

Principle 6: Reporting with integrity

The Directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations. Company law further requires the Directors to prepare financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritius Companies Act 2001 for each financial year.

The Directors are also responsible for keeping adequate accounting records, explaining the Company's transactions and disclosing with reasonable accuracy at any given point in time the financial position of the Company. They also have the duty to safeguard the assets of the Company and to prevent and detect frauds.

Environment, health and safety

The Company strives to maintain a safe working environment that is free from hazards and risk of injury to all employees.

The Company complies with the Occupational Safety and health Act 2005 and other legislations.

The Company hires the services of a health and safety officer on a full time basis to ensure that all health and safety regulations are observed.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

Corporate Governance Report (continued)

Principle 6: Reporting with integrity (continued)

Environment, health and safety (continued)

A health and safety committee has been set up and meets regularly to discuss about problems and grievances that may arise.

The Company aims to:

- Promote an environment that recognizes environment achievement as one of the main core values.
- Create a sense of awareness among employees to be more pro-active rather than reactive in all activities with regards to the environment.

Environment and sustainability initiatives

The Company is committed to sustainable development and strives to ensure that its operations are conducted in a way that minimizes the impact on the environment and the society at large.

The following are the initiatives taken by the Company:

- Inculcation of environmental awareness to all staff
- Controlling of air conditioners
- Switching off lights when not needed
- Reduction of photocopying

Principle 7: Audit

Audit committee

The external auditors meet with the members of the audit committee without the presence of the executives/management to discuss the financial statements and other audit matters.

The following matters are normally discussed during the meeting with the auditors:

- Scope of the audit work
- Audit findings
- Views on the control environment including fraud risk management
- Free access to the accounting records of the Company

Evaluation of the auditors

The members of the audit committee do evaluate the performance of the external auditor taking into account the quality of the audit, their findings and recommendations.

Audit fees and other services

The fees paid to the external auditors for the year 2024 and 2025 are as follows:

	2025	2024
Statutory audit	Rs 77,175	Rs 73,500
Other services	Rs 17,325	Rs 16,500

The non audit services are rendered by a different team that holds the necessary expertise and is independent of the audit team and supervised by different managers and partners.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

Corporate Governance Report (continued)

Principle 8: Relations with other shareholders and other key stakeholders

The Company has defined its stakeholder as any group/person that has an interest in the success or failure of the Company's business. The stakeholders can have a significant impact on decisions regarding operations and finances of the organization. The Company's main stakeholders are as per below:

- Shareholders
- Suppliers/creditors
- Employees
- Clients
- Community
- Regulators

Share Capital structure

The Company has a stated capital of MUR 8,000,000 consisting of 800,000 shares of Rs10 each.

The Company's key stakeholders/communication with shareholders

The Company continuously engages with its stakeholders through an open and transparent communication. It also aims to keep them updated on a regular basis on all matters affecting the Company through announcements and disclosures in the annual report and at the annual meeting of shareholders.

MSI Ltd produces quarterly, half yearly and annual accounts as per statutory requirements and it publishes the accounts immediately after their approval by the Board of Directors.

The Company's Annual General Meeting provides an opportunity for shareholders to meet discuss with the Board relating to the Company and its performance.

Shareholders

All shareholders have the same voting rights.

The major shareholders of MSI Ltd at 30 June 2025 are as follows:

Shareholders	No of shares	% shareholding
Swaleh Ramjane	171,956	21.49
H.A.R Investments Ltd	112,549	14.07
Shamina Haji Adam	41,757	5.22

Distribution of shareholding at 30 June 2025

Defined brackets	No of shareholders	No of shares owned	% Holding
1-500	1,181	98,465	12.31
501-1,000	71	47,622	5.95
1001-5,000	49	103,956	12.95
5,001-10,000	9	61,289	7.66
10,001-50,000	9	204,523	25.57
50,001-100,000	0	-	-
Over 100,000	2	284,505	35.56
Total	1,321	800,000	100

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

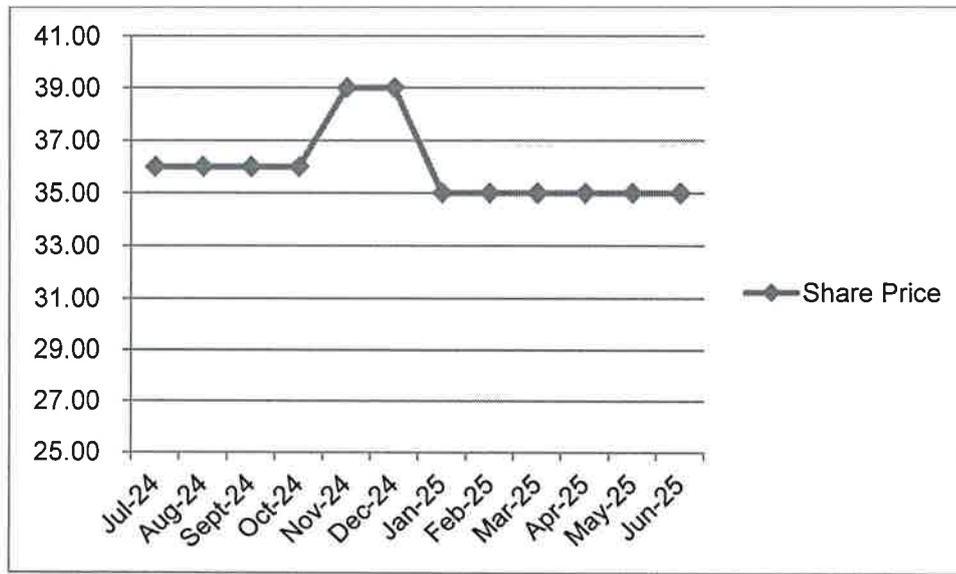
Corporate Governance Report (continued)

Principle 8: Relations with other shareholders and other key stakeholders (continued)

Share price information

The shares of the Company are quoted on the Development Enterprise Market of the stock exchange of Mauritius.

The share price of the Company over the year has been as follows:



Dividends

The Board has agreed over a dividend policy to the effect that a reasonable amount of the recurrent profits after tax is paid as dividends.

Dividends are normally declared in June and are paid in July subject to the performance of the Company, availability of funds and future capital commitments or as otherwise decided by the Board. Directors ensure that the Company satisfies the solvency test for each declaration of dividend.

During the year the Company has declared a dividend of **Rs 1.00** per share payable in June 2025 (2024: Rs 1.00).

Suppliers/creditors

The Company ensures that it is given value for money services and as far as possible it engages with local suppliers.

Employees

The Company considers its employees as their most value assets/ their brand ambassadors and it is actively involved in giving them training with a view of improving their knowledge/personal development so that they deliver the best service on a daily basis.

Clients

The Company is in constant communication with its tenants and works towards providing a building which is safe and complies with relevant legislations and regulations.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

Corporate Governance Report (continued)

Principle 8: Relations with other shareholders and other key stakeholders (continued)

Community

The Company engages with the community through various CSR commitments such as socio economic development, education and training, child and healthcare. These are met through the UBS Charitable Trust and Movement Social de Plaine Lauzun with the following objectives:

- To reduce poverty.
- To promote self-help projects.
- To provide formal and non-formal education courses.
- To organize cultural, social and economic activities.

Schedule of events

Some key milestones are as follows:

- Approval of accounts and publication of audited abridged financial statements – September
- Annual meeting – December
- Declaration of dividend- May/June
- Dividend payment- July
- Publication of quarterly accounts
 - 1st quarter ending 30 September – Mid November
 - 2nd quarter ending 31st December – Mid February
 - 3rd quarter ending 31st March – Mid May

Annual general meeting of shareholders

The annual general meeting of THE MAURITIUS SECONDARY INDUSTRIES LIMITED is scheduled in December 2025. Shareholders shall be provided with notice of meeting and they will be given the opportunity to communicate/express their views and engage with members of the board. Shareholders shall also be provided with notice of meeting and proxy forms.

Donations

Charitable donations and political contributions

	2025 Rs	2024 Rs
Charitable donations	-	-

In line with current legislation the Company has made contribution of **Rs 29,058** (2024;Rs 24,069) to the approved CSR organization. No contribution has been made to any political parties in 2025 and 2024.

STATEMENT OF COMPLIANCE
(Section 75 (3) of the Financial Reporting Act)

Name of Public Interest Entity (PIE): The Mauritius Secondary Industries Limited

Reporting period: 30 June 2025

We, the Directors of The Mauritius Secondary Industries Limited, confirm that to the best of our knowledge, the Company has complied with all its obligations and requirements under the Code of Corporate Governance, except for the areas explained in the Corporate Governance Report.

Date: **30 SEP 2025**



Yacoob Ramtoola
Chairman



M S E Haji Adam
Director and CEO

Statement of Director's Responsibilities

The Directors are responsible for preparing the corporate governance report and financial statements in accordance with applicable laws and regulations.

The Directors acknowledge their responsibilities for:

- Keeping adequate accounting records and maintenance of effective internal control systems;
- The preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the cash flows for that period and which comply with International Financial Reporting Standards (IFRS);
- The use of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

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

The Directors report that:

- Adequate accounting records and an effective system of internal controls and risk management have been maintained.
- Appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently.
- International Financial Reporting Standards have been adhered to. Any departure has been disclosed, explained and quantified.
- The Code of Corporate Governance has been adhered to in all material aspects and reasons provided for areas of non-compliance.

On behalf of the Board



Yacoob Ramtoola
Chairman



M S E Haji Adam
Director and CEO

30 SEP 2025

**STATUTORY DISCLOSURES
YEAR ENDED 30 JUNE 2025**

1. The directors have pleasure to submit herewith their Annual Report together with the audit financial statements for the year ended 30 June 2025.

2. Principal Activities

- The principal activity of MSI Ltd is the renting of industrial and commercial buildings.
- The statement of profit and loss and other comprehensive income for the year ended 30 June 2025 is set on page 4.

3. Directors' Remuneration and Benefits

Remuneration and benefits received by the Directors from the Company are disclosed below:

	2025	2024
	Rs	Rs
Executive Directors	1,035,000	986,902
Non-Executive Directors	1,668,000	1,580,258

The remuneration of each Director has been disclosed on page xii

4. Directors Service Contracts

There were no service contracts between the Company and any of its Directors during the year (2024: Rs nil).

5. Contract of Significance

There were no contracts of significance subsisting during or at year end in which a Director of the Company was interested either directly or indirectly.

6. External auditor's fees

	2025	2024
	Rs	Rs
External Audit Services	77,175	73,500
Tax compliance services	17,325	16,500

On behalf of the Board



Yacoob Ramtoola
Chairman

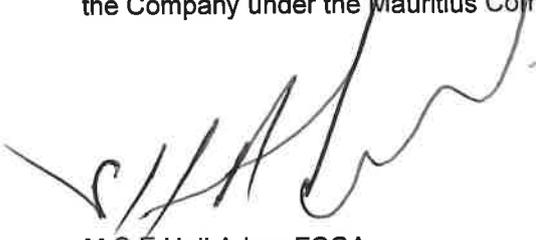
30 SEP 2025



M S E Haji Adam
Director and CEO

SECRETARY'S CERTIFICATE

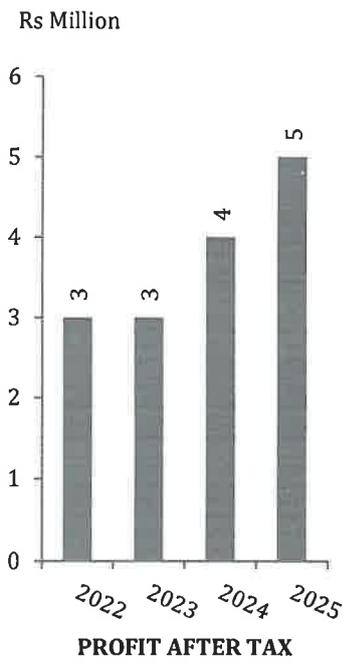
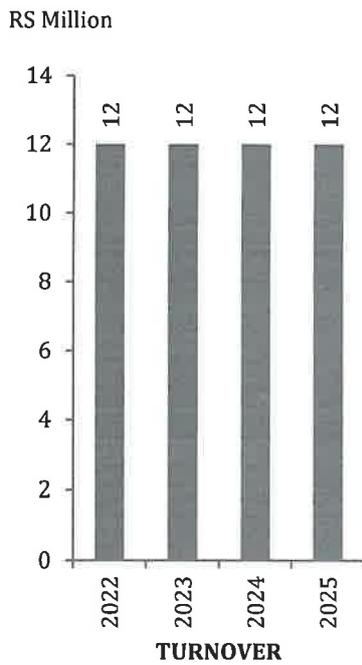
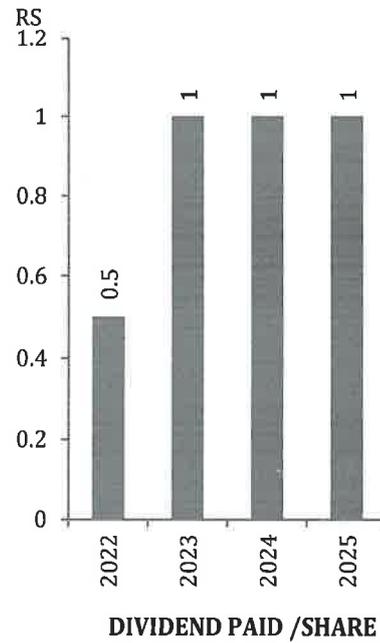
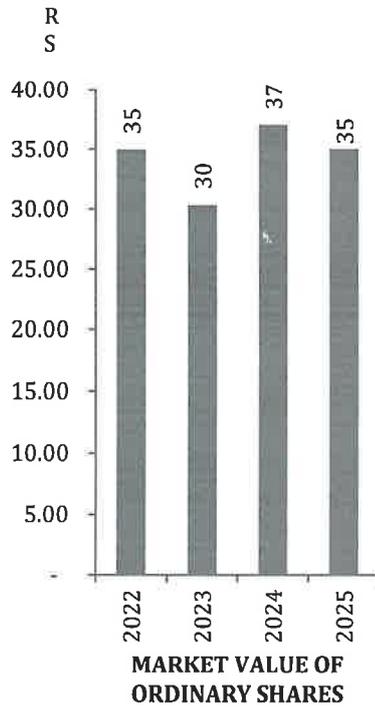
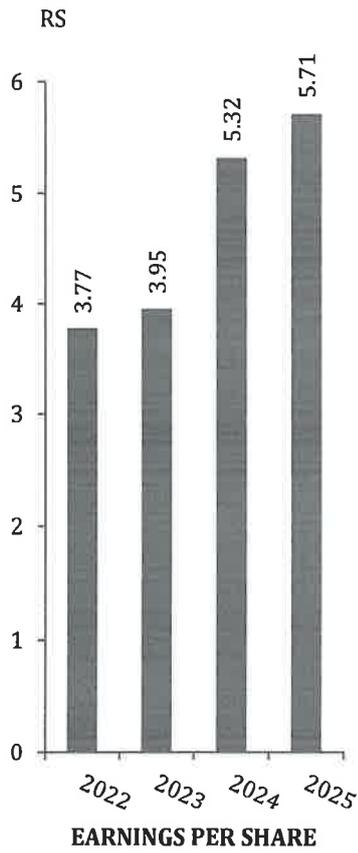
In my capacity as Company secretary, I hereby confirm that, to the best of my knowledge and belief the Company has filed with Registrar of Companies, as at 30 June 2025 all such returns as are required of the Company under the Mauritius Companies Act 2001.



M S E Haji Adam FCCA
Secretary

30 SEP 2025

FINANCIAL HIGHLIGHTS OF THE COMPANY



INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF THE MAURITIUS SECONDARY INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of THE MAURITIUS SECONDARY INDUSTRIES LIMITED (the "Company") which comprise the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements on pages 3 to 31 gives a true and fair view of the financial position of the Company as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the 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.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE MAURITIUS SECONDARY INDUSTRIES LIMITED

Report on the Audit of the Financial Statements
Key audit matters

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

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Company has applied IFRS 16 – Leases which requires the recognition of right-of-use assets of Rs. 922,128 (2024: Rs. 1,844,260 and lease liabilities amounting Rs. 1,184,260 (2024: Rs. 2,314,752) as at 30 June 2025.</p> <p>This was considered to be a matter of most significance to the current year's audit and identified as a key audit matter. This is due to the audit effort expended in assessing the judgements that were required of management in applying the requirements of the standard which has a material effect on the financial position and performance of the Company.</p> <p>The application of IFRS 16 required management to assess the contract to which the Company is party to identify whether it is, or it contains, a lease. Further, management was also required to make significant judgements in the initial accounting for, and subsequently measurement of, these leases, including:</p> <ul style="list-style-type: none"> • determining the duration of the lease, by: <ul style="list-style-type: none"> - establishing the beneficial occupation date of the asset by assessing when initial access was granted; - establishing the lease term including any renewal options that are reasonably certain to be elected; and - the evaluation of subsequent contract modifications; • determining the incremental borrowing rate to be applied to historic leases. <p>The disclosures required per IFRS 16- Leases are set out in the audited financial statements in Note 6 – Right of use assets and Note 12 – Lease liabilities.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • assessed the appropriateness of the Company's accounting policies for the measurement of non-financial assets in line with the requirements of International Financial Reporting Standards (IFRS); • evaluated management's policies, processes and controls put in place to identify, capture and account for active leases across the Company by obtaining an understanding of the system through discussion with management and assessing it in light of the requirements of the accounting standard; • evaluated the completeness of the leases identified by management by comparing the right-of-use asset population within the lease management system; • assessed the historical discount rates determined by management with reference to entity-specific borrowing rates and external market data; • evaluated the appropriateness of the lease periods used in the valuation by agreeing lease terms and options to lease agreements, and assessed the expected lease period determined by management; • recalculated the lease liabilities, right-of-use assets, finance costs and depreciation based on the underlying contractual terms; and • evaluated key accounting policy decisions and the completeness and accuracy of disclosure made by management with reference to the requirements of IFRS 16.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE MAURITIUS SECONDARY INDUSTRIES LIMITED

Report on the Audit of the Financial Statements (Continued)*Responsibilities of Directors and Those Charged with Governance for the Financial Statements*

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and that comply 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 financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

INDEPENDENT AUDITOR'S REPORT*TO THE SHAREHOLDERS OF THE MAURITIUS SECONDARY INDUSTRIES LIMITED***Report on the Audit of the Financial Statements (Continued)***Other information*

The Directors are responsible for the other information. The other information comprises of corporate information, chairman's letter, directors' profile, shareholding structure, statement of directors' responsibilities, statutory disclosures, secretary's certificate and financial highlights of the Company.

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.

Report on Other Legal and Regulatory Requirements*Mauritius Companies Act 2001*

We have no relationship with or interests in the Company other than in our capacities as auditor and tax advisor of the Company.

We have obtained all the information and explanations we have required.

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

Financial Reporting Act 2004

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

Other matters

Our report is made solely to the shareholders of the Company, 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. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinion we have formed.

**ECOVIS (MAURITIUS)****Date: 30 September 2025****Vivek Gujadhur, FCCA**
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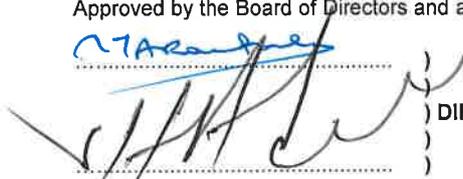
THE MAURITIUS SECONDARY INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	<u>Notes</u>	<u>2025</u> Rs	<u>2024</u> Rs
ASSETS			
Non-current assets			
Property, plant and equipment	5	31,450,155	32,114,835
Right of use asset	6	922,128	1,844,260
Investment property	7	2,980,684	2,976,176
Financial assets	8	46,519,539	44,026,140
Total non-current assets		81,872,506	80,961,411
Current assets			
Trade and other receivables	9	1,444,528	1,516,522
Amount due from related parties	10	10,000,000	10,000,000
Current tax assets	14	528,235	545,711
Cash and bank balances		2,175,077	741,554
Total current assets		14,147,840	12,803,787
Total assets		96,020,346	93,765,198
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	15	8,000,000	8,000,000
Retained earnings		47,744,843	44,043,791
Fair value reserve		35,683,813	35,429,785
Total equity		91,428,656	87,473,576
Non-current liabilities			
Lease liability	12	-	1,184,568
Retirement benefit obligations	20	177,367	166,267
Deferred tax liabilities	14	866,886	794,268
Total non-current liabilities		1,044,253	2,145,103
Current liabilities			
Lease liability	12	1,184,568	1,130,184
Bank overdraft	11	1,307,325	1,300,479
Other payables	13	1,055,544	1,715,856
Total current liabilities		3,547,437	4,146,519
Total liabilities		4,591,690	6,291,622
Total equity and liabilities		96,020,346	93,765,198

30 SEP 2025

Approved by the Board of Directors and authorised for issue on.....

) DIRECTORS

)

The notes on pages 7 to 31 form an integral part of these financial statements.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	<u>Notes</u>	<u>2025</u> Rs	<u>2024</u> Rs
Rental income	23	11,793,912	11,793,912
Operating expenses		<u>(8,140,205)</u>	<u>(7,828,460)</u>
Operating profit		3,653,707	3,965,452
Other income	18	1,931,444	1,129,881
Interest income	22	200,004	126,201
Interest expense	12	<u>(84,816)</u>	<u>(136,703)</u>
Profit before tax		5,700,339	5,084,831
Tax expense	14	<u>(1,129,847)</u>	<u>(830,931)</u>
Profit for the year		4,570,492	4,253,900
Other comprehensive income for the year:			
Items that will be reclassified subsequently to profit or loss:			
<i>Fair value gain on investments in equity instruments designated at fair</i>	8	<u>184,588</u>	<u>2,045,619</u>
Total comprehensive income for the year		<u><u>4,755,080</u></u>	<u><u>6,299,519</u></u>
Earnings per share		<u><u>5.71</u></u>	<u><u>5.32</u></u>

The notes on pages 7 to 31 form an integral part of these financial statements.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

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

	<u>Notes</u>	<u>Stated capital Rs</u>	<u>Retained earnings Rs</u>	<u>Fair value reserve Rs</u>	<u>Total equity Rs</u>
At 30 June 2023		8,000,000	40,589,891	33,384,166	81,974,057
Comprehensive income:					
Profit for the year		-	4,253,900	-	4,253,900
Other comprehensive income for the year		-	-	2,045,619	2,045,619
Total comprehensive income for the year		-	4,253,900	2,045,619	6,299,519
Transactions with owners:					
Dividends	16	-	(800,000)	-	(800,000)
At 30 June 2024		8,000,000	44,043,791	35,429,785	87,473,576
Comprehensive income:					
Profit for the year		-	4,570,492	-	4,570,492
Transfer from retained earnings to revaluation reserve		-	(69,440)	69,440	-
Other comprehensive income for the year		-	-	184,588	184,588
Total comprehensive income for the year		-	4,501,052	254,028	4,755,080
Dividends	16	-	(800,000)	-	(800,000)
At 30 June 2025		<u>8,000,000</u>	<u>47,744,843</u>	<u>35,683,813</u>	<u>91,428,656</u>

Fair value reserve represents the cumulative gains and losses arising on the revaluation of investments in equity investments designated at fair value through other comprehensive income, net of cumulative gain/loss will be reclassified to retained earnings upon disposal.

The notes on pages 7 to 31 form an integral part of these financial statements.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	<u>Notes</u>	<u>2025</u> Rs	<u>2024</u> Rs
Cash flows from operating activities			
Profit before tax		5,700,339	5,084,831
Adjustments for:			
Dividend income	18	(1,931,444)	(1,129,881)
Interest on lease liability	12	84,816	136,703
Interest income	22	(200,004)	(126,201)
Depreciation on property, plant and equipment	5	805,053	785,375
Depreciation on investment property	7	177,492	162,055
Depreciation on right of use asset	6	922,132	922,130
Gratuity payment	20	-	-
Retirement benefit obligations	20	11,100	11,100
		<u>5,569,484</u>	<u>5,846,112</u>
Operating profit before working capital changes		5,569,484	5,846,112
Decrease/(Increase) in trade and other receivables		71,994	(1,265,233)
(Decrease)/increase in trade and other payables		(660,312)	967,473
		<u>(588,318)</u>	<u>(297,760)</u>
Cash generated from operations		4,981,166	5,548,352
Interest received	22	200,004	126,201
Net tax paid	14(iii)	(1,109,193)	(1,368,371)
Net cash generated from operating activities		4,071,977	4,306,182
Cash flows from investing activities			
Payment for property, plant and equipment	5	(140,373)	(136,148)
Payment to acquire investment property	7	(182,000)	(314,200)
Acquisition of financial assets	8	(2,279,971)	(160,122)
Disposal of financial assets	8	40,600	-
Repayment of lease liabilities	12	(1,215,000)	(1,215,000)
Proceeds from disposal of asset		-	-
Dividend received	18	1,931,444	1,129,881
Net cash used in investing activities		<u>(1,845,300)</u>	<u>(695,589)</u>
Cash flows from financing activities			
Loan issued to related parties	10	-	(10,000,000)
Dividend paid	16	(800,000)	(1,600,000)
Net cash used in financing activities		<u>(800,000)</u>	<u>(11,600,000)</u>
Net increase/(decrease) in cash and cash equivalents		1,426,677	(7,989,407)
Cash and cash equivalents at 1 July		<u>(558,925)</u>	<u>7,430,482</u>
Cash and cash equivalents at 30 June		<u><u>867,752</u></u>	<u><u>(558,925)</u></u>
Represented by:			
Cash and bank balances		2,175,077	741,554
Bank overdraft		(1,307,325)	(1,300,479)
		<u><u>867,752</u></u>	<u><u>(558,925)</u></u>

The notes on pages 7 to 31 form an integral part of these financial statements.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

1. INCORPORATION AND ACTIVITIES

The MAURITIUS SECONDARY INDUSTRIES LIMITED (the "Company") is a public Company incorporated in Mauritius and listed on the Development Enterprise Market (DEM) of the Stock Exchange of Mauritius. The principal activities of the Company are the retreading of motor vehicle tyres and renting of commercial building. The retreading of tyres activity has been ceased as from July 2014. Its registered office and principal place of business is situated at Royal Road, Les Cassis, Port Louis.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

The Company has adopted the following new and amended IFRS.

Changes in accounting policies

New standards, interpretations and amendments adopted from 1 July 2024

1 January 2024	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases
	Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements
	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
	IFRS S1** General Requirements for Disclosure of Sustainability-related Financial Information
	IFRS S2** Climate-related Disclosures

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases

Amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.

The amendments confirm the following.

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONT'D)

Changes in accounting policies (Cont'd)

New standards, interpretations and amendments adopted from 1 January 2024 (Cont'd)

Under IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments.

These amendments had no effect on the financial statements of the Company.

Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 *Presentation of Financial Statements*

Under the amendments to IAS 1 *Presentation of Financial Statements* the classification of certain liabilities as current or non-current may change (e.g. convertible debt). In addition, companies may need to provide new disclosures for liabilities subject to covenants.

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an *unconditional right* to defer settlement for at least 12 months after the reporting date. The International Accounting Standards Board (IASB) has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance.

Similar to existing requirements in IAS 1, the classification of liabilities is unaffected by management's intentions or expectations about whether the Company will exercise its right to defer settlement or will choose to settle early.

The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with early application permitted.

These amendments had no effect on the financial statements of the Company.

Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* – *Supplier Finance Arrangements*

The IASB's amendments apply to supplier finance arrangements that have all of the following characteristics.

- A finance provider pays amounts a Company (the buyer) owes its suppliers.
- A Company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.
- The Company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

The amendments do not apply to arrangements for financing receivables or inventory.

The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

These amendments had no effect on the financial statements of the Company.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONT'D)

Changes in accounting policies (Cont'd)

New standards, interpretations and amendments adopted from 1 July 2024 (Cont'd)

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information**

IFRS S2 Climate-related Disclosures**

The ISSB's first two standards are designed to be applied together, supporting companies to identify and report information that investors need for informed decision making – in other words, information that is expected to affect the assessments that investors make about companies' future cash flows.

To achieve this, the general standard provides a framework for companies to report on all relevant sustainability-related topics across the areas of governance, strategy, risk management, and metrics and

The standards are effective from 1 January 2024, but it will be for individual jurisdictions to decide whether and when to adopt.

These amendments had no effect on the financial statements of the Company.

New and revised Standards in issue but not yet effective for the reporting period

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

Effective date	New standards or amendments
1 January 2025	Lack of Exchangeability – Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i>
1 January 2026	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures Annual Improvements to IFRS Accounting Standards – Amendments to: <ul style="list-style-type: none"> • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash flows
1 January 2027	IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>
	IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>
To be determined	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures ***

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONT'D)

Changes in accounting policies (Cont'd)

New and revised Standards in issue but not yet effective for the reporting period (Cont'd)

** The implementation and the effective dates of IFRS Sustainability Disclosure Standards are subject to local regulation.

*** The effective date for these amendments was deferred indefinitely. Early adoption continues to be permitted.

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Company.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted by the Company are as follows:

(a) Basis of preparation

The financial statements are prepared under the historical cost basis except for financial instruments that are measured at revalued amount or fair values at the end of each reporting date and in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: Inputs are quoted prices

Level 2: Inputs are inputs, other

Level 3: Inputs are unobservable

(b) Revenue recognition

Revenue represents rental income from the letting of building and is recognised on an accrual basis as invoice is raised. Refer to Note 23 for disclosure note.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

(d) Depreciation

Depreciation is provided on a straight line basis over the expected useful lives of assets. In the year of purchase, depreciation is calculated on a proportionate basis. The annual depreciation rates used for the purpose are as follows:

Freehold building	- 2%
Furniture and equipment	- 10%
Plant and machinery	- 10%
Motor vehicles	- 20%

No depreciation is charged on freehold land.

(e) Investment property

Investment property is property held to earn rentals or for capital appreciation and is carried at cost less accumulated depreciation and impairment losses.

The annual depreciation rate for investment property is 5% on a straight line basis.

(f) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) Taxation (Cont'd)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to current tax assets and liabilities and they relate to income taxes levied by the same tax authority and the Company intend to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity respectively.

(g) Retirement benefits obligations

Employee Right Act

The present value of retirement benefits in respect of Workers Rights Act 2019 gratuities is recognised in the statement of financial position as a non-current liability and is computed as stipulated in the Act.

State Plan

Contributions to the National Pension Scheme are charged to profit or loss in the year in which they fall due.

(h) Financial instruments

Financial assets and financial liabilities are recognised in the Company' statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way of purchase or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sales are purchased or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of financial assets.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (cont'd)

Financial assets (cont'd)

Classification of financial assets

Debt instrument that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/ designation at initial recognition of a financial asset:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity
- The Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest method

For financial assets other than purchased or originated credit impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit loss through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit adjusted effective interests rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

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

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (Cont'd)

Financial assets (cont'd)

(i) Amortised cost and effective interest method (cont'd)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in fair value reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (Cont'd)

Impairment of financial assets (cont'd)

(i) *Significant increase in credit risk*

In assessing whether the credit risk on a financial instruments has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's operate as well as consideration of various sources of actual and forecast economic information that relate to the Company's core operations.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- 1) The financial instrument has a low risk of default,
- 2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- 3) Adverse changes in economic and business condition in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) *Definition of default*

The Company considers the following as a constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors in full.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) Significant financial difficulty of the issuer or the borrower;
- (b) A breach of contract, such as a default or past due event;
- (c) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not
- (d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) The disappearance of an active market for that financial asset because of financial difficulties.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (Cont'd)**Impairment of financial assets (cont'd)***(iv) Write off policy*

The Company write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial assets measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity**Classification as debt or equity**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gains or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (Cont'd)

Financial liabilities measured subsequently at amortised cost

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(i) Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at that date. Exchange differences arising from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The financial statements are presented in Mauritian rupees ("Rs."), which is the Company's functional

(j) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable the Company will be required to settle the obligations, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the end of each reporting period. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

(k) Impairment of non-financial assets

At each end of the reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025****3. MATERIAL ACCOUNTING POLICIES (CONT'D)****(l) Related parties**

Related parties are individuals and companies where the individual or Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or is a member of the key management personnel of the reporting entity. An entity is related to a reporting entity if both of them are members of the same group or one of them is either an associate or joint venture of the other entity. Related party can also arise if the entity is a post-employment benefit plan for the employee of the reporting entity.

(m) Lease Payments- Right-of-Use Assets

After the adoption of IFRS 16 from 1 January 2020, when the Company acts as a lessee, the Company assessed as contract is, or contains, a lessee, i.e the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, the Company recognises a right-of-use asset and a lease liability for the rights and obligation created by all leases, except for leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with those short-term leases and leases for which the underlying asset is of low value, as an expense on a straight-line basis over the lease term.

Except for the recognition exemption, if applicable, right-of-use assets and lease liabilities are recognised for all contracts that are, or contain, leases of identified assets at the commencement date of leases. Right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Lease liabilities are initially measured at the present value of unpaid lease payments using interest rate implicit to the lease or, if undeterminable, lessee's incremental borrowing rates and subsequently adjusted on the leases modifications.

Depreciation is calculated using the straight-line method to write off the depreciable amount of each right-of-use asset to profit or loss unless it is included in the carrying amount of another asset. Depreciation shall be allocated over the shorter of lease term or the estimated useful life of the right-of-use assets.

(n) Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025****4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY CONT'D)**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

There are no critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Fair value of unquoted equity investments

The Company hold unquoted equity investments that are not quoted on active markets and which are required to be fair valued at each reporting date. The fair value of unquoted equity investments is based on the Net Assets Value of the investee based on their latest available audited financial statement as at reporting date.

Retirement benefit obligations

Retirement benefit obligations are determined by the directors on the basis as detailed in note 19. Changes in assumptions about these factors could affect the provision to be made in the financial statements.

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.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land Rs	Freehold building Rs	Furniture and equipment Rs	Plant and machinery Rs	Motor vehicles Rs	Total Rs
<u>COST</u>						
At 1 July 2023	28,068,593	5,649,128	18,925,507	5,068,804	1,043,150	58,755,182
Additions	-	-	136,148	-	-	136,148
At 30 June 2024	28,068,593	5,649,128	19,061,655	5,068,804	1,043,150	58,891,330
Additions	-	-	140,373	-	-	140,373
At 30 June 2025	28,068,593	5,649,128	19,202,028	5,068,804	1,043,150	59,031,703
<u>ACCUMULATED DEPRECIATION</u>						
At 1 July 2023	-	2,315,499	17,563,667	5,068,804	1,043,150	25,991,120
Charge for the year	-	112,983	672,392	-	-	785,375
At 30 June 2024	-	2,428,482	18,236,059	5,068,804	1,043,150	26,776,495
Charge for the year	-	112,983	692,070	-	-	805,053
At 30 June 2025	-	2,541,465	18,928,129	5,068,804	1,043,150	27,581,548
<u>NET BOOK VALUE</u>						
At 30 June 2025	28,068,593	3,107,663	273,899	-	-	31,450,155
At 30 June 2024	28,068,593	3,220,646	825,596	-	-	32,114,835

The Company's property, plant and equipment have been pledged as security for bank facilities.

6. RIGHT OF USE ASSETS

	Rs
<u>COST</u>	
At 1 July 2023	9,221,300
Additions	-
At 30 June 2024	9,221,300
Additions	-
At 30 June 2025	9,221,300
<u>ACCUMULATED DEPRECIATION</u>	
At 1 July 2023	6,454,910
Charge for the year	922,130
At 30 June 2024	7,377,040
Charge for the year	922,132
At 30 June 2025	8,299,172
<u>NET BOOK VALUE</u>	
At 30 June 2025	922,128
At 30 June 2024	1,844,260

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

7. INVESTMENT PROPERTY

	<u>2025</u> Rs	<u>2024</u> Rs
<u>COST</u>		
At 1 July	27,249,762	26,935,562
Additions	182,000	314,200
At 30 June	<u>27,431,762</u>	<u>27,249,762</u>
<u>DEPRECIATION</u>		
At 1 July	24,273,586	24,111,531
Charge for the year	177,492	162,055
At 30 June	<u>24,451,078</u>	<u>24,273,586</u>
<u>NET BOOK VALUE</u>		
At 30 June	<u>2,980,684</u>	<u>2,976,176</u>

The fair value of the investment property at the reporting date was **Rs 98.5M** (2024: Rs 98.5M) and was determined by the directors based on recent investment property construction cost, land acquisitions and fair value of properties.

The rental contract is non-cancellable. Rental income earned amount to **Rs 11,793,912** (2024: Rs 11,793,912). Direct operating expenses generating rental income amount to **Rs 7,417,272** (2024: Rs 7,356,465).

Details of the Company's investment property and information about the fair value hierarchy as at 30 June 2025 and 2023 are as follows:

	<u>Level 2</u>	
	<u>2025</u> Rs	<u>2024</u> Rs
Investment property	<u>98,579,415</u>	<u>98,579,415</u>

8. FINANCIAL ASSETS

Investments in equity instruments designated as at FVTOCI

	----- Listed -----		<u>Unquoted</u> Rs	<u>Total</u> Rs
	<u>SEM</u> Rs	<u>DEM</u> Rs		
At 01 July 2023	7,048,125	28,598,923	6,173,351	41,820,399
Additions	-	160,122	-	160,122
Fair value movement	1,501,875	149,792	393,952	2,045,619
At 30 June 2024	<u>8,550,000</u>	<u>28,908,837</u>	<u>6,567,303</u>	<u>44,026,140</u>
At 01 July 2024	8,550,000	28,908,837	6,567,303	44,026,140
Additions	-	2,279,971	-	2,279,971
Disposal	-	(40,600)	-	(40,600)
Fair value movement	1,130,625	(1,292,413)	415,816	254,028
At 30 June 2025	<u>9,680,625</u>	<u>29,855,795</u>	<u>6,983,119</u>	<u>46,519,539</u>

Quoted investment

The quoted investments have been valued on the basis of prices quoted on the Stock Exchange of Mauritius at reporting date.

Unquoted investment

The Company holds unquoted equity investments in Lintrabis Investment Company Limited, a Company incorporated in Mauritius, which is an investment holding Company. With the application of IFRS 9, the unquoted equity investments have been classified as fair value through other comprehensive income. The fair value of the unquoted equity investments has been based on net asset value of the investee as at 30 June 2025, using its audited financial statements.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

9. TRADE AND OTHER RECEIVABLES

	<u>2025</u> Rs	<u>2024</u> Rs
Rent receivables	74,127	88,399
Prepayments	1,266,429	1,273,192
TDS	103,972	154,931
	<u>1,444,528</u>	<u>1,516,522</u>

Before accepting any new client an assessment is made of the potential customer's credit quality. No interest is charged on trade receivables.

The average credit period on renting of commercial building is **60 days** (2024: 60 days). No interest is charged on the trade receivables. Loss allowance for trade receivables is measured at an amount equal to lifetime ECL by reference to past debtor's default experience. There is no past due rent receivables balance at reporting date as the amount has been fully settled subsequently and there is no ECL impact.

10. AMOUNT DUE FROM RELATED PARTIES

	<u>2025</u> Rs	<u>2024</u> Rs
ORLAND LTD (Note 22)	6,000,000	6,000,000
UBS Transport Ltd (Note 22)	4,000,000	4,000,000
	<u>10,000,000</u>	<u>10,000,000</u>

The amount due from related parties are unsecured, recoverable on demand and bears an interest of 1.25-2.5%. The related parties are entities under common control and have a demonstrated ability and commitment to settle their obligations. Accordingly, no impairment provision has been recognised against these balances.

11. BANK OVERDRAFT

The bank overdraft bears interest of 7.50% p.a (2024: 7.50% p.a.) and is secured by a floating charge over the fixed assets of the Company.

12. LEASE LIABILITIES

	<u>2025</u> Rs	<u>2024</u> Rs
Current portion of lease liabilities	1,184,568	1,130,184
Non-current portion of lease liabilities	-	1,184,568
	<u>1,184,568</u>	<u>2,314,752</u>

The maturity analysis of the lease liability as at reporting date was as follows:

At 30 June 2025	Within 1 year	After 1 year but less than 10 years	Total
	Rs	Rs	Rs
Gross lease liability	1,215,000	-	1,215,000
Less future interest costs	(30,432)	-	(30,432)
	<u>1,184,568</u>	<u>-</u>	<u>1,184,568</u>

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

12. LEASE LIABILITIES (CONT'D)

At 30 June 2024	Within 1 year <u>Rs</u>	After 1 year but less than 10 years <u>Rs</u>	Total <u>Rs</u>
Gross lease liability	1,215,000	1,215,000	2,430,000
Less future interest costs	(84,816)	(30,432)	(115,248)
	<u>1,130,184</u>	<u>1,184,568</u>	<u>2,314,752</u>

The movement in lease liability during the year was as follows:

	<u>2025</u> <u>Rs</u>	<u>2024</u> <u>Rs</u>
At 1 July	2,314,752	3,393,049
Interest charge	84,816	136,703
Lease payments during the year	<u>(1,215,000)</u>	<u>(1,215,000)</u>
At 30 June	<u>1,184,568</u>	<u>2,314,752</u>

The interest rate used for discounting the lease liability is 4.71% which is based on the estimates of incremental borrowing costs.

The assets on lease relate to state land which is being utilised by the Company to carry out its business operation.

The rental agreement is between the Company and Government of Mauritius and is effective for a period of 10 years.

13. OTHER PAYABLES

	<u>2025</u> <u>Rs</u>	<u>2024</u> <u>Rs</u>
Accruals	910,402	1,561,030
VAT	<u>145,142</u>	<u>154,826</u>
	<u>1,055,544</u>	<u>1,715,856</u>

14. TAXATION

(i) Income tax

Income tax is calculated at the rate of 15% (2024: 15%) on the profit for the year as adjusted for tax purposes and it also includes CSR charge which is calculated at the rate of 2% (2024: 2%) on the chargeable income of the preceding year.

	<u>2025</u> <u>Rs</u>	<u>2024</u> <u>Rs</u>
Provision for the year	931,607	876,254
Underprovision of tax assets in prior years	9,391	-
Deferred tax charge	72,618	(69,391)
Corporate Social Responsibility	<u>116,231</u>	<u>24,068</u>
Tax expense	<u>1,129,847</u>	<u>830,931</u>

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

14. TAXATION (CONT'D)

(ii) Current tax assets

	<u>2025</u> Rs	<u>2024</u> Rs
At 1 July	(545,711)	(77,662)
Overprovision of tax assets in prior years	9,391	-
Refunded during the year	536,320	-
Provision for the year	931,607	876,254
Corporate Social Responsibility	116,231	24,069
Corporate Social Responsibility paid	(94,437)	(78,225)
Tax Deducted at Source	(827,840)	(748,590)
Advance Payment System (APS) paid	<u>(653,796)</u>	<u>(541,557)</u>
At 30 June	<u>(528,235)</u>	<u>(545,711)</u>

(iii) Tax reconciliation

	<u>2,025</u> Rs	<u>2024</u> Rs
Profit before tax	<u>5,700,339</u>	<u>5,084,831</u>
Tax at the rate of 15% (2024: 15%)	855,051	762,725
Tax effect of:		
- Non-taxable income / other deductions	(341,946)	(169,483)
- Expenses not deductible for tax purposes	418,502	283,011
- Corporate Social Responsibility	116,231	24,069
- Deferred tax charge	72,618	(69,391)
- Underprovision of tax assets in prior years	9,391	-
- Tax losses carried forward	-	-
Tax expense	<u>1,129,847</u>	<u>830,931</u>

(iv) Deferred tax liabilities

The Company calculates deferred tax at 17% (the actual corporate tax rate prevailing in Mauritius which is at 15% plus 2% Corporate Social Responsibility (CSR) Contribution).

	<u>2025</u> Rs	<u>2024</u> Rs
At 1 July	794,268	863,659
Charge for the year	<u>72,618</u>	<u>(69,391)</u>
At 30 June	<u>866,886</u>	<u>794,268</u>

Deferred tax liabilities is analysed as follows:

	<u>2025</u> Rs	<u>2024</u> Rs
Accelerated capital allowances	897,038	822,533
Retirement benefit obligations	<u>(30,152)</u>	<u>(28,265)</u>
	<u>866,886</u>	<u>794,268</u>

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

15. STATED CAPITAL

	<u>2025</u> Rs	<u>2024</u> Rs
<u>Issued and fully paid up</u>		
800,000 ordinary shares of Rs10 each	<u>8,000,000</u>	<u>8,000,000</u>

The ordinary shares are not redeemable, carries voting rights, entitlement to dividends or distributions and on winding up to any surplus on assets of the Company.

16. DIVIDENDS

	<u>2025</u> Rs	<u>2024</u> Rs
Dividends have been declared on 30 June 2025 at Rs. 1 per share (2024: Rs 1 per share).	<u>800,000</u>	<u>800,000</u>

17. OPERATING PROFIT

This is arrived at after charging:

	<u>2025</u> Rs	<u>2024</u> Rs
Staff costs	4,221,748	3,665,116
Depreciation on furniture and equipment	692,070	672,392
Depreciation on investment property	177,492	162,055
Depreciation of freehold building	112,983	112,983
Director's emoluments	262,000	212,000
Auditor's remuneration	<u>77,175</u>	<u>73,500</u>

18. OTHER INCOME

	<u>2025</u> Rs	<u>2024</u> Rs
Dividend income	1,931,444	1,129,881
Profit on disposal of asset	-	-
	<u>1,931,444</u>	<u>1,129,881</u>

19. EARNINGS PER SHARE

Earnings per share is based on profit for the year of Rs 4,570,493 (2024 Profit : Rs 4,253,900) and on the number of ordinary shares of 800,000 for the year (2024: 800,000).

20. RETIREMENT BENEFIT OBLIGATIONS

	<u>2025</u> Rs	<u>2024</u> Rs
<u>Amounts recognised in the statement of financial position:</u>		
Present value of unfunded obligation	<u>177,367</u>	<u>166,267</u>
<u>Amounts recognised in profit or loss:</u>		
At 30 June	<u>11,100</u>	<u>11,100</u>

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

20. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Movement in the liability recognised in the statement of financial position:

At 1 July	166,267	155,167
Total recognised as above	11,100	11,100
Payment of gratuity	-	-
At 30 June	<u>177,367</u>	<u>166,267</u>

The above figures are based on the gratuity calculation as per Employment Rights Act 2008. The principal assumptions used for accounting purposes were:

	<u>2025</u>	<u>2024</u>
	%	%
30 June		
Future salary increase	<u>1.00</u>	<u>1.00</u>

21. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Company. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company. The results of the directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends that are declared. The Company does not have any external borrowings and hence was not geared at the reporting date.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of financial instruments

30 June 2025	Financial assets Rs	Financial liabilities Rs
<i>At amortised cost:</i>		
Trade and other receivables	74,127	
Amount due from related parties	10,000,000	-
Cash and bank balances	2,175,077	-
Bank overdraft	-	1,307,325
Other payables	-	910,402
Lease liability	-	1,184,568
Designated as at FVTOCI		
Financial assets	<u>46,519,539</u>	-
	<u>58,768,743</u>	<u>3,402,295</u>

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

21. FINANCIAL INSTRUMENTS

30 June 2024	Financial assets Rs	Financial liabilities Rs
<i>At amortised cost:</i>		
Trade and other receivables	88,399	-
Amount due from related parties	10,000,000	-
Cash and bank balances	741,554	-
Bank overdraft	-	1,300,479
Other payables	-	1,561,030
Lease liability	-	2,314,752
Designated as at FVTOCI		
Financial assets	<u>44,026,140</u>	<u>-</u>
	<u>54,856,093</u>	<u>5,176,261</u>

(i) Financial assets exclude the following:

	<u>2025</u> Rs	<u>2024</u> Rs
Prepayment	1,266,429	1,273,192
TDS	<u>103,972</u>	<u>154,931</u>
	<u>1,370,401</u>	<u>1,428,123</u>

(ii) Financial liabilities exclude the following:

<u>Financial liabilities</u>	<u>2025</u> Rs	<u>2024</u> Rs
VAT payable	<u>145,142</u>	<u>154,826</u>

Foreign currency risk

As at 30 June 2025 and 2024, there were no financial assets and liabilities denominated in foreign currencies and thus the Company is not exposed to currency risk.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company does not have significant concentration of credit risk.

The Company's exposure and credit ratings of its counterparties are monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. In relation to securities transaction is managed effectively by the Directors. The credit risk on cash and cash equivalents is limited because the counterparties are reputable financial institutions.

The Company's exposure to credit risk are continuously monitored. The maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date, as summarised below:

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

21. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (Cont'd)

	<u>2025</u>	<u>2024</u>
	Rs	Rs
<u>Financial assets</u>		
Trade and other receivables	74,127	88,399
Cash and cash balances	2,175,077	741,554
Amount due from related parties	<u>10,000,000</u>	<u>10,000,000</u>
	<u>12,249,204</u>	<u>10,829,953</u>

Market risk

Market risk is the risk that the fair value or future cashflows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices, foreign exchange rates and credit spreads. This will affect the Company'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 on risk.

Foreign currency risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in exchange rates.

At 30 June 2025, all the Company's financial assets and financial liabilities were denominated in Rs. Hence, the Company was not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company does not have any interest-bearing financial instruments except for loan receivable from related parties which bears a fixed interest rate and therefore the Company does not have any exposure to interest-rate risk.

Equity price risk

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 5% higher/lower:

- Profit for the year ended 30 June 2025 and 30 June 2024 would have been unaffected as the quoted equity investments are classified as FVTOCI; and
- Other comprehensive income would increase/decrease by **Rs 184,588** (2024: Rs 1,872,942) for the Company as a result of the changes in fair value of the investments in equity instruments.

The methods and assumptions used in preparing the sensitivity analysis above have not changed significantly from prior year.

The Company's sensitivity to equity prices have changed significantly due to fair value loss recognised during the year on quoted equity investments.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

21. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The maturity profile of the financial instruments is summarised as follows:

<u>2025</u>	Less than <u>1 year</u> Rs	Between 1 <u>to 5 years</u> Rs	<u>Total</u> Rs
Financial liabilities			
Bank overdraft	1,307,325	-	1,307,325
Other payables	910,402	-	910,402
Dividend payable	-	-	-
Lease liability	1,184,568	-	1,184,568
	<u>3,402,295</u>	<u>-</u>	<u>3,402,295</u>
<u>2024</u>	Less than <u>1 year</u> Rs	Between 1 <u>to 5 years</u> Rs	<u>Total</u> Rs
Financial liabilities			
Bank overdraft	1,300,479	-	1,300,479
Other payables	1,561,030	-	1,561,030
Dividend payable	-	-	-
Lease liability	1,130,184	1,184,568	2,314,752
	<u>3,991,693</u>	<u>1,184,568</u>	<u>5,176,261</u>

Fair value measurement

Except for financial assets which are measured at fair value at end of each reporting period, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

This note provides information about how the Company determines fair values of financial assets.

Fair value of the Company's financial assets that are measured at fair value on a recurring basis

The following table gives information about how the fair values of financial asset is determined.

<u>Financial asset</u>	<u>Fair value hierarchy</u>	<u>Valuation technique(s) and key input(s)</u>	<u>Fair value at</u>	
			<u>2025</u> Rs	<u>2024</u> Rs
Listed investments	Level 1	Quoted bid prices on market	<u>39,536,420</u>	<u>37,458,837</u>
Unlisted investments	Level 3	Net Assets Value	<u>6,983,119</u>	<u>6,567,303</u>

Quantitative information of significant unobservable inputs - Level 3

<u>Date of valuation</u>	<u>Valuation Technique</u>	<u>Significant unobservable input</u>	<u>Fair value Rs</u>	<u>Sensitivity Used</u>
<i>Lintrabis Investment Company Limited</i> 30 June 2025	Audited and adjusted Net Asset Value	N/A	6,983,119	N/A
30 June 2024	Asset Value	N/A	6,567,303	N/A

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

22. FINANCIAL INSTRUMENTS (CONT'D)

RELATED PARTY TRANSACTIONS

	<u>2025</u> Rs	<u>2024</u> Rs
(a) <u>Outstanding balances</u>		
Receivables from Company under common management (Note 9 &10)		
ORLAND LTD (Note 10)	6,000,000	6,000,000
UBS Transport Ltd (Note 10)	4,000,000	4,000,000
	<u>10,000,000</u>	<u>10,000,000</u>
(b) <u>Transactions with companies under common management during the year</u>		
Rental income	<u>1,800,000</u>	<u>1,800,000</u>
Repayment from related parties	<u>200,004</u>	<u>100,000</u>
Loan issued to related parties	<u>(10,000,000)</u>	<u>(10,000,000)</u>
Management fees	<u>420,000</u>	<u>(420,000)</u>
<i>Interest income:</i>		
ORLAND LTD	154,712	117,047
UBS Transport Ltd	45,292	9,154
	<u>200,004</u>	<u>126,201</u>
(c) <u>Compensation of key management personnel (directors)</u>		
Short term benefits	<u>2,703,000</u>	<u>2,567,160</u>

The amount receivable from the related parties are unsecured, recoverable on demand and bears an interest of 1.25-2.5%.

23. REVENUE

	<u>2025</u> Rs	<u>2024</u> Rs
Rental Income	<u>11,793,912</u>	<u>11,793,912</u>
Timing of revenue recognition:	<u>2025</u> Rs	<u>2024</u> Rs
- At a point in time	-	-
- Over time	<u>11,793,912</u>	<u>11,793,912</u>

Performance obligations and revenue recognition policies

The following table provides information about the revenue recognition policies

<i>Type of service</i>	<i>Nature and timing of performance obligation,</i>	<i>Revenue recognition policy</i>
Rental Income	Rental is charged for the usage of investment property	Revenue is recognised on a monthly basis

Investment properties are leased to tenants under operating leases with rental payable monthly. The lease agreement covers a period of 1 year and are subject to renewal on an annual basis.

THE MAURITIUS SECONDARY INDUSTRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

23. REVENUE (CONT'D)

At the end of the reporting period the Company had contracted with tenants for the following future minimum lease payments:

	<u>2025</u> Rs	<u>2024</u> Rs
Not later than 1 year	<u>11,793,912</u>	<u>11,793,912</u>

24. SEGMENTAL REPORTING

The Company is only engaged in property rental activity locally. As such, no segmental reporting has been disclosed.

25. CAPITAL COMMITMENTS

There were no capital commitments as at 30 June 2025 (2024: nil). The Company has not considered any corporate or financial guarantee to any of its affiliates.

26. EVENTS AFTER REPORTING DATE

The Board of directors of the Company are not aware of any events occurring between the reporting date and the date of approval of the financial statements that may require any adjustment or disclosure in the financial statements.