

Investcorp (Holdings) Ltd

Financial statements

For the year ended 31 December 2023

Investcorp (Holdings) Ltd

For the year ended 31 December 2023

CONTENTS	PAGES
CORPORATE INFORMATION	1
DIRECTORS' REPORT	2 - 3
CORORATE GOVERNANCE REPORT	4 - 17
STATEMENT OF COMPLIANCE	18
SECRETARY'S CERTIFICATE	19
INDEPENDENT AUDITOR'S REPORT	20 - 21
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	22
STATEMENT OF FINANCIAL POSITION	23
STATEMENT OF CHANGES IN EQUITY	24
STATEMENT OF CASH FLOWS	25
NOTES TO THE FINANCIAL STATEMENTS	26 - 58

Investcorp (Holdings) Ltd
For the year ended 31 December 2023

Corporate information

Directors

Meghanathan Pillay, C.S.K., Independent Director and Chairman	- (Appointed on 27 October 2020)
Nawaz Khan Chady, Non-Executive Director	- (Resigned on 1 January 2023)
Chandradev Appadoo, Non-Executive Director	- (Appointed 13 March 2020)
Nilesh Dabysing, Non-Executive Director	- (Appointed on 13 March 2020)
Imtihaz Mamoojee, Independent Director	- (Appointed on 28 February 2017)
Bhanu Pratabsingh Jaddoo, Executive Director	- (Appointed on 29 September 2020)
Christine Yeung Min John Chuan, Executive Director	- (Appointed on 29 September 2020)
Bernard Jean Poinas, Independent Director	- (Resigned on 1 January 2023)
Desmond Goh Ek Ping, Independent Director	- (Appointed on 27 October 2020)
Shakil Ibrahim Moollan, Independent Director	- (Appointed on 27 October 2020)
Jitendra Nathsingh Bissessur, Non-executive director	- (Appointed on 14 March 2022)

Auditors

Deloitte
 7th - 8th Floor, Standard Chartered Tower
 19-21 Bank Street
 Cybercity
 Ebene
 Mauritius

Bankers

SBM Bank (Mauritius) Ltd
 Afrasia Bank Limited
 Bank of Baroda Limited

Registered office and principal place of business

Lot 22, Bank Street
 Cybercity
 Ebene
 Mauritius

Company secretary

Louis Sebastien Yves Meyepa

Investcorp (Holdings) Ltd Directors' report

The directors are pleased to present their audited report for the year ended 31 December 2023.

Principal activity

The principal activity of the Company is to own properties directly for rental income and capital appreciation.

Business Review

The Company earned Rs 96,700,745 for the year ended 31 December 2023 from the long-term lease of multiple properties owned in Ebene, Port Louis and Grand Bay.

With businesses gradually adjusting to a post Covid-19 environment, new lease agreements have been entered into during the last quarter of the year which will be fully reflected in the next financial year, leading to an increased occupancy level in line with the Company's forecast. Despite a surge in construction costs during the year under review, the Company continues to benefit from lower past construction costs for some of its properties and can still offer competitive rental rates.

Dividends

No dividends were recommended.

Statement of directors' responsibilities in respect of financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Take reasonable steps for prevention and detection of fraud and other irregularities;
- State whether applicable accounting standards have been followed, subject to any material departures and explained in the financial statements; and
- Prepare the financial statements on the going concern basis.

The directors confirm that they have complied with the above requirements in preparing the financial statements. The directors are responsible for:

- Keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with International Financial Reporting Standards and the Mauritius Companies Act 2001; and
- Safeguarding the assets of the Company and hence for taking reasonable steps for the prevention of frauds and other irregularities.

Directors

The name of the directors of the Company are given in the "Corporate Information" on page 1. Directors remunerations are disclosed on page 13.

Interest register

The Company Secretary maintains a Register of Interests in respect of all directors and senior officers. This Register is kept up to date through written submissions made by a senior officer when appropriate, and written declarations submitted by directors and senior officers.

Directors' service contracts

The Executive Directors have service contracts with the Company. Details of the directors' remuneration and service contracts are set out in note 20.

Contracts of significance

There was no contract of significance subsisting during the year to which the Company was a party and in which the directors were materially interested.

Investcorp (Holdings) Ltd**Directors' report (Cont'd)****Donations**

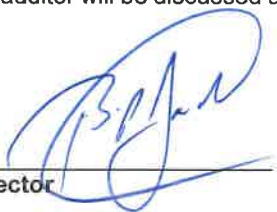
There were no donations made during the financial year.

Corporate Governance

The Company adheres to the principles of good governance as outline in the National Code of Corporate Governance. Refer to the Corporate Governance Report for more details.

Auditors

The auditor, Deloitte has indicated its willingness to act as auditors of the Company. The re-appointment of the auditor will be discussed at the next Annual Meeting. The auditors remuneration is disclosed on page 16.



Director

12 8 MAR 2024
Date: _____



Director

12 8 MAR 2024
Date: _____

CORPORATE GOVERNANCE REPORT

COMPLIANCE STATEMENT

The Board ensures that the Company is in compliance with the rules of the National Code of Corporate Governance (the "Code") as issued by the National Committee on 13 February 2017. The Board has on 12 May 2022 adopted a Corporate Governance Framework which is based on the eight principles of the Code. The Board considers that it has maintained appropriate policies and procedures during the year ended 31 December 2023 to ensure compliance with the Corporate Governance Framework of the Company.

Investcorp (Holdings) Ltd was incorporated as a private limited Company in Mauritius under the Companies Act 2001 on 9 June 2008. The entity is a PIE under the FRA. The Company was converted to a public Company limited by shares on 8 March 2021. The Company successfully raised Rs 1.123 billion through an issue of fully secured notes on 09 November 2021 and same were subsequently listed on the Official Market of the Stock Exchange of Mauritius Limited.

The Company derives rental income from a number of properties it owns primarily situated in Ebene Cybercity which it holds for long term capital appreciation.

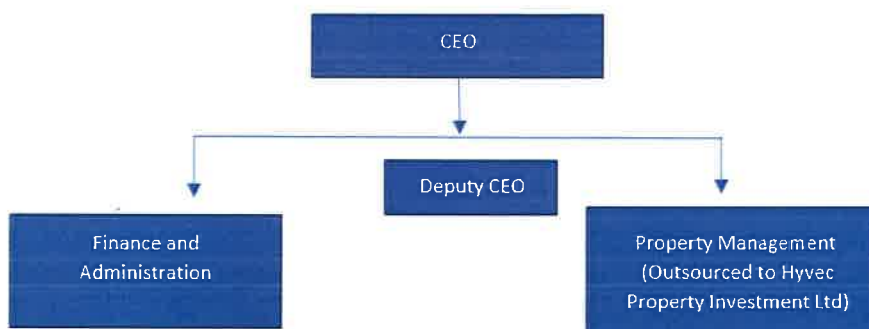
SHAREHOLDERS

Holding Structure

The holding structure of the Company is as follows:

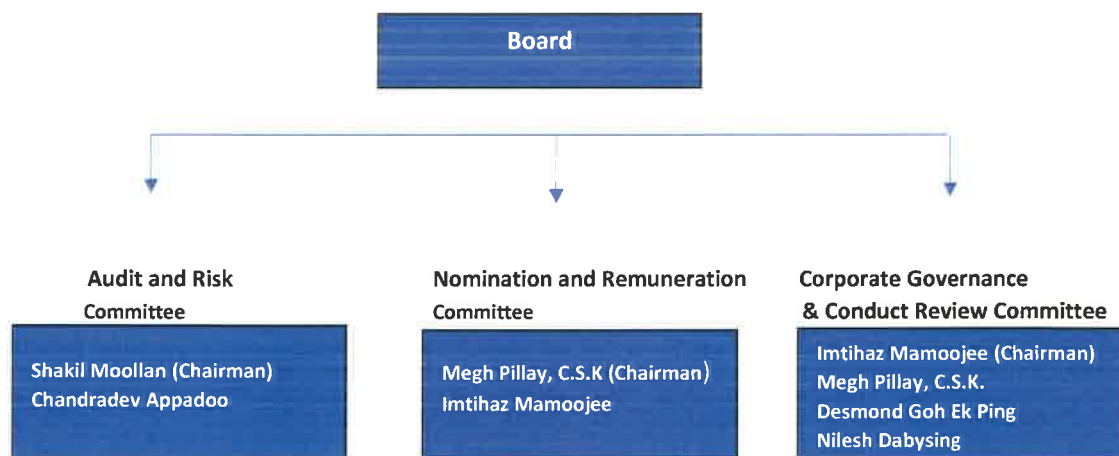


Organisational Chart



SHAREHOLDERS (CONT'D)

Board Chart



Shareholders' Agreement affecting governance of the Company by the Board

The Company has not entered into any Shareholders' Agreement.

Dividend Policy

The Company intends to pay dividends to shareholders when it has surplus cash to do so. The amount of any dividend will be at the complete discretion of the Board and will depend on a number of factors, including expectation of future earnings, capital requirements, financial conditions, future prospects, laws relating to dividends, the Company's constitution and other factors that the board deems relevant.

APPLICATION OF THE CODE OF CORPORATE GOVERNANCE

The eight principles of the Code have been implemented as detailed below:

PRINCIPLE 1: GOVERNANCE STRUCTURE

The Company has adopted a Board Charter, which clearly defines the role, function and objectives of the Board of Directors as well as the various committees in place.

The Company has in place a Constitution which sets out the rules and regulations which it needs to abide along with other local laws and regulations.

The Board acknowledges that it should lead and control the organisation and be collectively responsible for its long-term success, reputation and governance. In so doing, the Board assumes responsibility for meeting all regulatory and legal requirements.

The Company's organisational chart is commensurate with the sophistication and scale of the organisation.

The Board charter and the Company's organisational structure are available on its website investcorp.mu.

The Company has nine directors in appointment.

The Board is satisfied that it has suitably discharged its responsibilities for the year under review, in respect of corporate governance.

The Company is committed to providing shareholders and its stakeholders with timely and relevant information. The Company's website, which can be accessed at investcorp.mu, provides access to information about the Company as well as investor related information.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONT'D)

Role of the Chairperson, Chief Executive Officer, Non-Executive and Independent Directors

The Board is headed by the Chairperson, Mr Meghanathan Pillay, C.S.K., an independent non-executive director. The role and function of the Chairperson is to preside over meetings of directors and to ensure that appropriate time is spent on the key issues facing the Company. The Chairperson ensures that:

- The Board meetings are chaired in an effective manner;
- Minutes of Board and Committee meetings are kept;
- The Committees function properly;
- The performance of the Board members is evaluated every year and they address any issues;
- Internal disputes and conflicts of interest concerning individual Board members and the possible resignation of such members as a result thereof are addressed; and
- The Board has proper contact with the executive members.

The Chairperson ensures that the corporate strategy and the related execution are aligned with operational efficiencies. He is also responsible for ensuring that the Directors receive accurate, timely and clear information and he encourages the active participation of all Board members in discussions and decisions.

The roles of the Chairman and Chief Executive Officer are separate and each one of them has clearly defined responsibilities in order to ensure a proper balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Non-executive and independent directors play a vital role in facilitating the exercise of independent and objective judgement on corporate affairs and to ensure that constructive discussion takes place on key issues. All directors are bound by fiduciary duties and duties of care and skill.

Board Composition

The Board has a unitary structure and comprises of two executive directors, three non-executive directors and four independent non-executive directors. The independence of the non-executive members is determined as per the Code. The roles of the Chairman and the CEO are separate to ensure balance of power and authority. Board appointments are made upon recommendation of the Nomination and Remuneration committee which is responsible for the nominations and appointments. Board appointments are done through a transparent selection process, which ensures the right balance of skills, experience and competencies in order to achieve the objectives of the Company. The Directors do not have a relationship with the majority shareholder of the Company. Given the current size and activity of the Company, the Board is of the view that it is of sufficient size and balanced.

Name & Date of Appointment	Gender	Country of Residence	Category	Directorships in other listed companies
Meghanathan Pillay, C.S.K. 1 June 2017	M	Mauritius	Independent Chairperson	Nil
Jitendra Nathsingh Bissessur 29 March 2022	M	Mauritius	Non-Executive Director	New Mauritius Hotels Ltd
Imtihaz Mamoojee 28 Feb 2017	M	Mauritius	Independent Director	Nil
Shakil Ibrahim Moollan 27 October 2020	M	Mauritius	Independent Director	Medine Ltd
Desmond Goh Ek Ping 27 October 2020	M	Singapore	Independent Director	Nil
Chandradev Appadoo 27 October 2020	M	Mauritius	Non-Executive Director	Nil
Nilesh Dabysing 13 March 2020	M	Mauritius	Non-Executive Director	Nil
Bhanu P. (Raju) Jaddoo 29 September 2020	M	Mauritius	Executive Director	ABC Banking Corporation Ltd
Christine Yeung Min John Chuan 29 September 2020	F	Mauritius	Executive Director	Nil

CORPORATE GOVERNANCE REPORT

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES

Board Composition (Cont'd)

The committees are as follows:

Sub-committee	Members appointed
Audit and Risk Committee	• Mr Shakil Ibrahim Moollan (Chairman) • Mr Chandradev Appadoo
Nomination and Remuneration Committee	• Mr Meghanathan Pillay, C.S.K. (Chairman) • Mr Imtihaz Mamoojee
Corporate Governance and Conduct Review Committee	• Mr Imtihaz Mamoojee (Chairman) • Mr Desmond Goh Ek Ping • Mr Meghanathan Pillay, C.S.K. • Mr Nilesh Dabysing

Directors Profile

The names of all directors and their profile are provided thereafter.

Name	Profile
Mr Meghanathan Pillay, C.S.K.	Mr. Meghanathan Pillay, C.S.K., holds a track record of success in the transformation and management of several major state-owned enterprises. He has been twice Managing Director and CEO of Air Mauritius. Prior to that, he successively served as Chief Executive Officer of the Agricultural Marketing Board for five years and Mauritius Telecom for ten years. He was also CEO of the State Trading Corporation between 2010 and 2015. He holds a Master's degree from the Louisiana State University at Baton Rouge, USA as well as various professional qualifications.
Mr Jitendra Nathsingh Bissessur	Mr Jitendra Nathsingh Bissessur is the Chief Executive Officer of the Mauritius Investment Company Ltd (MIC) since March 2021. He was previously the Director of the Economic Research and Analysis and Statistics Department of the Bank of Mauritius (2018-2020) and worked as an Economist in the African Department of the International Monetary Fund (IMF) (2013-2014). He has been the Secretary of the Bank's Monetary Policy Committee (2014-2021). He has over 30 years of experience in the central banking field and is skilled in macroeconomic policy analysis and forecasting and statistical analysis. He holds a BA (Hons) in Mathematical Statistics from the University of Delhi, India, and a MSc in Applied Economics with specialization in banking and finance from the University of Mauritius.
Mr Imtihaz Mamoojee	Mr. Imtihaz Mamoojee is a Barrister since November 1994, specializing in civil, insurance, arbitration, commercial, corporate and banking law. He has wide experience in French civil law and common law. He currently heads Imtihaz Mamoojee Chambers. He was a past Vice-Chairman of the Motor Vehicle Insurance Arbitration Committee (MVIAC) under the aegis of the Ministry of Public Infrastructure. He holds a Bachelor's of Laws Degree from the University of Mauritius and has served on various Company boards.
Mr Shakil Ibrahim Moollan	Mr. Shakil Ibrahim Moollan has 20 years of experience as Partner in international accounting and audit firms and is also the Founder of Moollan & Moollan (Chartered Certified Accountants) in 2012. Founder of several business units forming the Moollan & Moollan Group, it provides turn key solutions to businesses for their financial administration.

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)**Directors Profile (Cont'd)**

The names of all directors and their profile are provided thereafter.

Name	Profile
Mr Desmond Goh Ek Ping	Mr. Desmond Goh Ek Ping is a seasoned businessman and innovation engineer. He has a strong technical background and has served on many Company boards in South East Asia including, Famex international (Singapore), Asia Pacific International Schools (Cambodia), Venture Autoparts Group (Thailand) and Famex Automation Pte Ltd (Singapore). He recently conceptualized, designed and produced the world's first unmanned Automated Tray Return System as well as the latest cashless and fully robotic Food Centre.
Mr Chandradev Appadoo	Mr Chandradev Appadoo has over 35 years of experience at the State Bank of Mauritius Ltd, mostly at senior line level across retail and corporate banking, operations management, risk management, compliance with core competencies in Finance and Company secretary. He served as an executive director on the Board of the bank from 2011 to 2017. He has served on various Company boards.
Mr Nilesh Dabysing	Mr. Nilesh Dabysing joined the HYVEC Group in January 2020 as Chief Executive Officer of the Property Division. He holds a Bachelor in Commerce [BCOM] with specialization in Sales and Marketing and an MBA. Nilesh started his career with the Mon Loisir Group, now IBL, in 2003 as Business Development Executive, and was mandated the task to develop the business in Africa. In 2007, he joined Rogers as Commercial Manager-Property Department which later became the Property Division of Rogers Group and was branded as Foresite Property and Operations in 2011. Through a merger in 2014, Nilesh joined EnAtt Ltd, a subsidiary of ENL as Asset Manager and was promoted to Head of Property Development in 2016.
Mr Bhanu P. (Raju) Jaddoo	Mr. Bhanu P. (Raju) Jaddoo is a Corporate Finance and Investment Advisory professional with a focus on investment management and governance. He is a Fellow of the Institute of Chartered Accountants in England & Wales and an Associate member of the Institute since 1989. Mr. Jaddoo was the Secretary General of the Mauritius Chamber of Commerce and Industry (MCCI) from 2013 to 2018. From 2005 to 2010, Mr. Jaddoo was the Managing Director of the Board of Investment (now Economic Development Board). Prior to 2005, Mr. Jaddoo spent 15 years as a Partner, responsible for Financial Consulting at De Chazal Du Mee Chartered Accountants (now BDO Chartered Accountants).
Mrs Yeung Min Christine John-Chuan	Mrs Yeung Min Christine John-Chuan joined State Bank of Mauritius Ltd (SBM) since its inception in 1973 till July 2007. As a Team Leader with SBM, she led a cluster of branches in Retail Banking and eventually a portfolio of large customers in Corporate Banking. In August 2007, she joined Barclays Bank Mauritius Ltd (now ABSA Mauritius Ltd) and spent 12 years as Senior Corporate Manager in the corporate & International Banking Division where she was responsible for managing and sustaining a portfolio of large corporate customers, both in private and public sectors. She graduated from the University of Surrey, U.K. and holds a Master in Business Administration.

Board Meetings

The Board meetings are held once each quarter and at any additional time as the Company requires. Decisionstaken between meetings are confirmed by way of resolutions in writing, agreed and signed by all directors thenentitled to receive notice.

The Board meetings are conducted in accordance with the Company's Constitution and the Mauritius Companies Act 2001 and are convened by giving appropriate notice to the directors. Detailed agenda, as determined by the Chairman, together with other supporting documents are circularised in advance to the directors to enable them to participate meaningfully in the decision-making process and make informed deliberations at Board meetings. In order to address specific urgent business needs, meetings are at times called at shorter notice. Furthermore, the directors have the right to request independent professional advice at the Company's expense.

CORPORATE GOVERNANCE REPORT

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

Board Meetings (Cont'd)

Where unanimity cannot be reached and the law, the Company's constitution or its charter do not prescribe a larger majority, all resolutions of the Board are adopted by a majority of the votes cast. In the event of a tie, the Chairperson of the Board has the deciding vote. At a meeting, the Board may only pass resolutions if the majority of the Board members are present or represented.

A director of the Company who has declared his/her interest shall not vote on any matter relating to a transaction or proposed transaction in which he/she is interested and shall not be counted in the quorum present for the purpose of that decision.

A list of directors' interests is maintained by the Company Secretary and is available to shareholders upon request to the Company Secretary. The directors confirm that the list is correct/updated at each quarterly Board meeting.

During the year under review, the Board met four times. Decisions were also taken by way of resolutions in writing, agreed and signed by all directors then entitled to receive notice of the meeting.

The minutes of the proceedings of each Board meeting are recorded by the Company Secretary and are entered in the Minutes Book of the Company. The minutes of each Board meeting are submitted for confirmation at the next meeting and these are then signed by the Chairman.

Board Committees

The Audit and Risk Committee, Nomination and Remuneration Committee and the Corporate Governance and Conduct Review Committee have been set up to assist the Board in the effective performance of its duties. All the committees are governed by their respective charters which have been approved by the board of directors and the charters are posted on the website of the Company. As the focal point, the Board is ultimately responsible and accountable for the performance and affairs of the Company. Committees are a mechanism for assisting the Board and its directors in discharging their duties through a more comprehensive evaluation of specific issues. Delegating authority to Board committees or management does not in any way absolve the Board of its duties and responsibilities.

Audit and Risk Committee

The Audit and Risk Committee is a committee of the Board of Directors of the Company established to assist the Board in discharging its responsibilities as follows:

- The Committee shall review the quality and integrity of the financial statements of the Company, including its annual and interim reports and any formal announcement relating to the Company's financial performance;
- The Committee shall report to the Board on significant financial reporting issues and judgements which these financial statements contain having regard to matters communicated to the Committee by the auditor;
- The Committee shall review and challenge where necessary:
 - Any changes to significant accounting or significant adjustments resulting from the audit;
 - compliance with accounting standards, local and international, compliance with stock exchange and legal requirements;
 - methods used to account for significant or unusual transactions where different approaches are possible;
 - whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements taking into account the views of the external auditor;
 - the basis on which the Company has been determined a going concern;
 - capital adequacy and internal controls;
 - compliance with the financial conditions of any loan covenants.
- The Committee shall be responsible for monitoring and evaluating the operational, financial and strategic risk of the Company.

The Committee shall meet at least four times a year. The Committee's responsibilities and duties are governed by the Audit and Risk Committee charter that was approved by the Board and which will be reviewed at least each year. The Committee provides feedback to the Board following all meetings.

CORPORATE GOVERNANCE REPORT

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

Nomination and Remuneration Committee

The Nomination and Remuneration Committee, is a committee of the Board of Directors of the Company established to assist the Board in discharging its responsibilities as follows:

- The Committee shall identify and screen candidates for appointment as Directors, Chief Executive and other senior executives from among qualified, fit and proper persons who are not disqualified from holding office;
- The Committee shall ensure that all procedures for selection and appointment of key Company officers are in compliance with the Company's statutes, the Mauritius Companies Act 2001 and all other legislations and regulations applying to the Company's business;
- The Committee shall prepare the induction of new Board Members to provide them with an overview of the activities of the Company, its major business strategies, its risk areas, an organisation chart and to spell out their own role, duties and responsibilities and what is generally expected from them.
- The Committee shall ensure that the Board and Management are constantly updated about their relevant statutory, regulatory and legal duties;
- The Committee shall periodically review the structure, size and composition of the Board of Directors and Board Committees, to achieve a balance of mixed skills, knowledge, experience, interest to function as a unit with independence of mind and free from any conflict of interest in the pursuit of the Company's objectives;
- The Committee shall ensure that suitable plans are prepared for the orderly succession at the Board and Senior Management levels to maintain the right balance of knowledge, skills and experience in the Company to safeguard its business sustainability;
- The Committee shall formulate a clear and transparent policy to enable the Board to determine the appropriate level of remuneration of Directors and Board Committee Members, Chief Executive, Deputy Chief Executive, taking into consideration time, skills and expertise required and deployed in the conduct of their duties and the estimated value generated thereby;
- Ensure that contractual terms on termination, and payments made, are fair to the individual and the Company;
- The Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Committee shall meet twice yearly or on a lesser frequency and on an ad-hoc basis whenever required to meet the exigencies of the Company's business. The Committee's responsibilities and duties are governed by the Nomination and Remuneration Charter that was approved by the Board and which will be reviewed at least each year.

Corporate Governance and Conduct Review Committee

The Corporate Governance and Conduct Review Committee has been set up by the Company to assist the Board in the adoption and implementation of sound corporate governance practices with the objective of facilitating efficient, entrepreneurial but prudent management in the pursuit of the Company's vision. The Committee's main responsibilities are as follows:

- To determine, develop and recommend to the Board the Company's general policy on Corporate Governance in accordance with the Code of Corporate of Mauritius;
- To ensure that the reporting requirements on Corporate Governance, on an ongoing basis, are in accordance with the principles of the Code;
- To ensure that an adequate process is in place for the Board;
- To monitor the ethical conduct of the Company, its executives and senior officials;
- To review and recommend the implementation of structures and procedures to facilitate the Board's independence from management;
- To give recommendations on any potential conflict of interest or questionable situation of a material nature;
- To develop Charters for any new Committees established by the Board and review the Charters of each existing Committee and recommend any amendments or elimination to the Charters or Committees;
- To review all related party transactions and situations involving Board members and refer where appropriate to the Board or the shareholders general meeting.

CORPORATE GOVERNANCE REPORT

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

Board Attendance at meetings

The Board meets as and when required to discuss routine and other significant matters to ensure that the directors maintain overall control and supervision of the Company's affairs.

The following table gives the record of attendance at Board meetings and Committee meetings of the Company for the year under review:

	Board Meeting	Audit and Risk Committee	Corporate Governance and Conduct Review Committee	Nomination and Remuneration Committee
Mr Meghanathan Pillay, C.S.K.	✓✓✓✓	-	✓	✓
Mr Imtihaz Mamoojee	✓✓✓✓	-	✓	✓
Mr Shakil Ibrahim Mollan	✓✓✓	✓✓✓✓	-	-
Mr Desmond Goh Ek Ping	✓✓✓	-	✓	-
Mr Jitendra Nathsingh Bissessur	✓✓✓	-	-	-
Mr Chandradev Appadoo	✓✓✓✓	✓✓✓✓	-	-
Mr Nilesh Dabysing	✓✓✓✓	-	✓	-
Mr Bhanu P. (Raju) Jaddoo	✓✓✓✓	✓✓✓✓	-	-
Mrs Christine Yeung Min John Chuan	✓✓✓	✓✓✓	-	-

Contracts of Significance

During the year under review, there was no contract of significance to which the Company was a party and in which a director of the Company was materially interested either directly or indirectly, except as disclosed otherwise.

Directors' interest in the share capital of the Company as at 31 December 2023

Dealing in the Company's securities by directors is regulated and monitored as required by the SEM Listing Rules. The directors follow the principles of the model code on securities transactions by directors as detailed in Appendix 6 of the SEM Listing Rules.

Directors shall act in the best interest of the Company and its business, taking into consideration the interests of the stakeholders. The directors shall consider addressing any conflicts of interest issues between the Company and members of the Board. Any conflict of interest or potential conflict of interest shall be reported to the Chairperson of the Board and all relevant information shall be provided. A register of directors' interests is maintained by the Company Secretary. The interests' register is available to shareholders upon written request to the Company Secretary.

No directors have any shares in the Company except Mr Nawaz Khan Chady who indirectly owns 100% of the shares.

Company Secretary

Mr Yves Meyepa is a suitably qualified, experienced and competent Company Secretary that is appropriately empowered to fulfil duties and provide assistance to the Board.

The Company Secretary is responsible for ensuring that procedures and regulations are complied with and that directors are conversant with their duties and responsibilities. The Company Secretary provides the Board as a whole and directors individually with detailed guidance on the discharging of their responsibilities in the best interest of the Company.

The Board has considered the competence, qualifications and experience of the Company Secretary, and deemed it fit to continue in the role as Company Secretary for the Company.

The Company Secretary also acts as Secretary to the different board committees. The Company Secretary is subject to annual evaluation by the Board.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

Director Appointment Procedures

The Board, through the Corporate Governance Committee, follows a rigorous, formal and transparent procedure to select and appoint new directors. The Corporate Governance Committee leads the process according to the Company's Constitution and makes recommendations to the Board.

Shareholders are ultimately responsible for electing or removing Board members upon recommendation of the Corporate Governance Committee. The directors have been appointed by the Board and submitted themselves for re-appointment at the Annual Meeting. Board members are selected to achieve a mix of skills and knowledge appropriate to the Company's business.

Succession Planning and Rotation

The directors identified that suitable succession plans should be put in place in order to ensure progressive refreshing of the board. The Board is of the view that given the nature of the business, it is not imperative to have individuals with specific skills. Therefore, it should not be an issue to find new members to replace existing ones, if required.

Board Orientation and Induction

The Company has put in place procedures to ensure that newly appointed directors receive an induction upon joining the Board to familiarise them with the Company's operations, senior management and its business environment and to induct them in their fiduciary duties and responsibilities.

The Chairperson arranges for a meeting with any new director to brief on the Company's activities and governance requirements and expectations. All new directors participate in an induction and orientation process. The Corporate Governance Committee assumes the responsibilities for succession planning and shall make recommendation to the Board accordingly.

Professional Development and Training

Directors are encouraged to keep themselves up to date with the latest workplace trends and professional development. The Board conducts self-development reviews to identify areas where the Board members require further training or education.

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

The directors of the Company are aware of their duties under the Mauritius Companies Act 2001 and the Constitution of the Company and exercise sufficient care, diligence and skills for the good conduct of the business. The Board meets regularly (frequency depending on nature of business and operations) to discuss and approve the Company's operational, regulatory and compliance matters. The directors are provided appropriate notice and materials to help them in their decision-making.

Directors' interests

Directors inform the Company as soon as they become aware that they have an interest in a transaction. The Company Secretary keeps a register of directors' interests and ensures that the register is updated regularly. The interest register is available to the shareholders of the Company upon request to the Company Secretary.

Directors' Remuneration

Non-Executive directors	Directors Remuneration (MUR)
Mr Meghanathan Pillay, C.S.K.	500,000
Mr Imtihaz Mamoojee	200,000
Mr Shakil Ibrahim Moollan	200,000
Mr Desmond Goh Ek Ping	150,000
Mr Jitendra N. Bissessur	150,000
Mr Chandradev Appadoo	Nil
Mr Nilesh Dabysing	Nil

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)**Directors' Remuneration (Cont'd)**

The salaries of the executive directors during the year are as follows:

Executive directors	Salary (MUR)
Mr Bhanu P. (Raju) Jaddoo	2,978,200
Mrs Christine Yeung Min John-Chuan	1,631,200

The directors have not received remuneration in the form of share options or bonuses associated with the Company's performance.

Remuneration Philosophy

In relation to Remuneration, the Corporate Governance Committee shall:

- Within the terms of the agreed Remuneration Policy and in consultation with the Chairperson and or/the CEO, determine specific remuneration packages of the Board and senior management.
- Ensure the objective of the Remuneration Policy shall be to attract, retain and motivate executive management of the quality required to run the Group successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The Remuneration Policy should have regard to the risk appetite of the Group and alignment to the Group's long term strategic goals.
- Review the on-going appropriateness and relevance of the Remuneration Policy.
- Oversee any major changes in employee benefits structures throughout the Group.
- Agree the policy for authorising claims for expenses from the directors.

Employee Share Option Plan

The Company does not have an employee share option scheme.

Related Party Transactions

The related party transactions have been set out in note 20 of these financial statements.

Board Evaluation and Development

The Corporate Governance Committee is conducting its first evaluation exercise of the Board to be presented at the board meeting scheduled for approval of financial statements for the year ended 31 December 2022. The review and evaluation include an assessment of the Board's composition and independence, performance and effectiveness, as well as the maintenance and implementation of the Board's governance and relationship with Management. The Nomination and Remuneration Committee has been delegated the task of conducting such appraisal and necessary measures will be taken based on the feedback and results of the evaluation.

The directors forming part of the Board of the Company, especially those who are members of Board Committees, have been appointed in the light of their wide range of skills and competence acquired through several years of working experience and professional background.

Directors' Ethics and Code of Conduct

The Board of Directors is mindful of the interest of other stakeholders such as suppliers, clients and the public at large when running its operations and is committed to high standards of integrity and ethical conduct in dealing with them.

Furthermore, the Company and its employees must, at all times, comply with all applicable laws and regulations. The Company will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery. The Company does not permit any activity that fails to stand the closest possible public scrutiny.

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)**Directors' Ethics and Code of Conduct (Cont'd)**

All business conduct should be above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing the Company's operations. Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their superior, who, if necessary, should seek the advice of someone at the highest level of the Company's hierarchy.

The Company is committed to the highest standards of integrity and ethical conduct when dealing with all its stakeholders. This commitment, which is actively endorsed by the Board, is based on a fundamental belief that business should be conducted honestly, fairly and legally. Given the size and activity of the Company, it does not have a significant footprint with regards to environmental, health and safety and social issues. No reporting is therefore required.

Information Policy

The Board is ultimately responsible for information technology and security ("ITS") governance. The Board relies on the IT and Security framework of the different service providers.

The Company Secretary ensures that the correct information flows within the Board and provides accurate, timely and clear information to the Board as and when required. The Directors ensure strict confidentiality with respect to information obtained while exercising their duties. All records of the Company are kept at its registered office and has proper information technology policies in place.

The Directors ensure strict confidentiality with respect to information obtained and shared while exercising their duties.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

Risk management is the discipline by which risks are identified, assessed and prioritised. It is essential to understand the multiple dimensions of risks in order to manage them effectively, with the aim of increasing shareholder value.

The directors are responsible for maintaining an effective system of internal control and risk management framework. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company.

The directors make an assessment of the Company's ability to continue as a going concern and same is disclosed in the financial statements every year.

Risk management is an integral part of the Company's strategic management and is the mechanism through which risks associated with the Company's activities are addressed. The key objectives of the risk management system include:

- the identification, assessment and mitigation of risks on a timely basis;
- the provision of timely information on risk situations and appropriate risk responses;
- the identification of potential opportunities which would result in increasing firm value; and
- the installation of a culture of risk management throughout the Company.

Internal Audit

The Board considers that the Company needs to have a robust internal audit function to provide assurance through continuous, independent, and internally organized detailed checks and assessment, that the Company's risk management, governance and internal control processes are operating effectively. The Company maintains specific policies and procedures that address the areas of:

1. Control environment;
2. Risk assessment;
3. Control activities;
4. Information and communication; and
5. Monitoring, documentation & change control of the internal control procedure manual as more fully described in the Company's Internal Control Framework.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)**Internal Control and Risk Management**

The Company recognises that proper risk management and internal control help organisations understand the risks they are exposed to, put controls in place to counter threats, and effectively pursue their objectives. They are therefore an important aspect of an organisation's governance, management and operations.

The Board has delegated to the Audit and Risk Committee (AC) its overall responsibility to translate its vision on risks management. In relation to Internal Control, the Audit and Risk Committee:

1. Reviews the adequacy of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems;
2. Reviews the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns about possible wrongdoing in financial reporting or other matters;
3. Reviews the Company's procedures and controls for detecting fraud and the prevention of bribery;
4. Reviews significant transactions not directly related to the Company's normal business as the Committee might deem appropriate;
5. Reviews and investigates cases of employee conflicts of interest, misconduct, fraud, bribery or any other unethical activity by employees or the Company;
6. Safeguards Company's assets against unauthorised use or disposal.

The Company has engaged in the above mentioned internal controls during the financial year ended 31 December 2023.

The financial risks to which the Company is exposed to are disclosed in note 18 of the financial statements.

Risks are monitored via the risk management framework in terms of which management identifies risks, documents them in the risk matrix and assesses the probability of their occurrence as well as the potential impact of the risk on the organisation. Each identified risk is then managed and, where possible, mitigated. Due to the dynamic nature of the economic environment in which the Company operates, risks and the impact thereof, change constantly. Accordingly, risk management is a dynamic and ongoing discipline which is continuously adapted to its environment. The risk management framework is presented to the risk committee on an annual basis.

Risk Category	Risk Description	Risk Mitigation
Macro economic risk	The valuation of the Company may be affected by a downturn in the level of domestic economic activity and interest rate risk.	The Company's mix of large institutional and international tenants helps it to withstand short term market volatilities. The fixed interest rate nature of payments made to its bond holders provides the Company with a comfortable interest cover in times of rising interest rates.
Credit/default risk	Business uncertainty could cause tenants to go out of business or fail to make timely lease payments as they fall due, thereby giving rise to a credit or default risk.	Collection of rentals are managed by strict advance rental collection policies effected via bank channels. The rentals are also long term leases with a number of reputable domestic and international blue chip clients.
Competition risk	Both rental income and property values may also be affected by other factors specific to the real estate market, such as competition from other property owners.	The strategic location, quality and amenities provided within the portfolio of properties are a key differentiator. As most of the buildings were constructed by a sister Company, the economies of scale and other direct cost benefits can be passed on to prospective tenants in terms of competitive rentals.
Tenant concentration risk	Over exposure to key tenants could result in financial loss, should these tenants experience financial difficulties.	Key tenants are large financial institutions and international companies with a high credit worthiness.
Location risk	The majority of the properties owned by the Group are located in Ebène Cybercity.	Ebène has already developed as a financial hub for business with all the major banks, insurance, accounting and law firms firmly established within walking distance. The extension of the road network in and out of the Cybercity and the connection to the metro express will further increase its attractiveness.

CORPORATE GOVERNANCE REPORT

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

Internal Control and Risk Management (Cont'd)

The Board has established and maintains an effective compliance monitoring plan, policies, procedures and controls, as may be appropriate and effective to review its obligations under the Laws, the Rules and Regulations, having full regard to the risk complexity and diversity of its clients and services. The Board has effective responsibility for compliance with the Rules, the Law and any other rules made under the Law.

Whistleblowing Procedure

The Board considers that the Company needs to have a Whistleblowing policy. The Company is committed to promoting good business conduct and fostering a culture of transparency, accountability and integrity. IHL requires all of its directors, officers, employees and business partners to observe the highest standards of business and personal ethics in the conduct of their duties and responsibilities. The Company encourages all employees to raise concerns about any poor or unacceptable practice or to report instances of bribery or corruption or any event of misconduct and IHL will facilitate and provide all due assistance to Whistleblowers as may be required.

PRINCIPLE 6: REPORTING WITH INTEGRITY

The directors are responsible for preparing the audited financial statements of the Company that fairly present the state of affairs and financial position of the Company on a yearly basis in accordance with applicable law and regulations.

The Board is responsible for the fair preparation and presentation of the financial statements and ensures that the Company's accounts are prepared in accordance with the requirement of the International Financial Reporting Standards (IFRS) and all relevant legislation.

PRINCIPLE 7: EXTERNAL AUDIT

Deloitte was reappointed as auditors of the Company based on the Audit and Risk Committee's assessment of their independence and experience in the audit of companies in the same line of business and their resources necessary to undertake audits of such companies. The Audit and Risk Committee has discussed the accounting principles with the auditors and fulfils its oversight function in accordance with its Charter as approved by the Board.

The Audit and Risk committee has approved the external auditors' terms of engagement, scope of work, the annual audit and the applicable levels of materiality. Based on written reports submitted, the committee reviewed, with the external auditors, the findings of their work and confirmed that all significant matters had been satisfactorily addressed/resolved.

Auditors' Remuneration

The fees payable (exclusive of VAT) to the auditors of the Company for audit services are as follows:

Audit fees	2023 Mur	2022 Mur
At 31 December	950,000	900,000

No non-audit services were provided by Deloitte.

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board of Directors places great importance on clear disclosure, open and transparent channel of communication with all its stakeholders.

Through the Company's website namely investcorp.mu, relevant information including policies and documents are provided to all stakeholders on the activities of the Company.

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

The Board of Directors places great importance on clear disclosure, open and transparent channel of communication with all its stakeholders.

Through the Company's website namely investcorp.mu, relevant information including policies and documents are provided to all stakeholders on the activities of the Company.

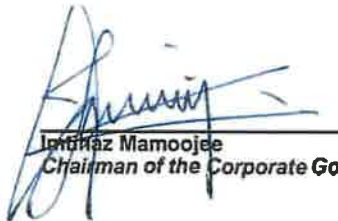
The Annual Report, including the Notice of the Annual Meeting of shareholders, is sent to each shareholder of the Company and the Notice of the Annual meeting is published on the Company's website in accordance with prevailing SEM Rules and Regulations.

The Company also makes regular filings with the Registrar of Companies and Financial Services Commission in Mauritius to ensure that the Company is up to date with its filings.

The net asset value per share of the Company as at 31 December 2023 was Mur11.94. The Company regularly engages with its main and only shareholder.

Time Table of Important Events

Month	Events
31 March 2024	Publication of abridged audited financial statements for the year ended 31 December 2023
30 June 2024	Annual Meeting
31 December 2024	Financial year end



Imthiaz Mamoojee
Chairman of the Corporate Governance and Conduct Review Committee

STATEMENT OF COMPLIANCE**Company: Investcorp (Holdings) Ltd****Reporting Period: Financial year ended 31 December 2023**

We, the undersigned being the directors of Investcorp (Holdings) Ltd, the "Company" and Public Interest Entity ("PIE"), confirm that, to the best of our knowledge, the Company has complied with all of its obligations and requirements under the National Code of Corporate Governance (2016).



Bhanu P. (Raju) Jaddoo
Chief Executive Officer



Christine Y.M. John Chuan
Deputy Chief Executive Officer



Louis Sebastien Yves Meyepa
Company Secretary

28 MAR 2024

Date:

Investcorp (Holdings) Ltd**Secretary's certificate***For the year ended 31 December 2023*

In accordance with section 166 (d) of the Mauritius Companies Act 2001, I certify that, to the best of my knowledge and belief, the Company has filed with the Registrar of Companies for the year ended 31 December 2023, all such returns as are required of the Company under the Mauritius Companies Act 2001.


.....
Louis Sebastien Yves Meyepa
Company Secretary

28 MAR 2024

Date:

Independent auditor's report to the Shareholder of Investcorp (Holdings) Ltd

20

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Investcorp (Holdings) Ltd** (the "Company") set out on pages 22 to 58 which comprise the of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001 and 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 are independent of the Company in accordance with the International Ethics Standard Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties The Company's carrying value of investment properties amounted to Rs 1,988,430,000. The Company's revaluation adjustments in respect with investment properties recorded in profit or loss for the year was Rs 30,550,000. The disclosures are provided in Notes 10 to the financial statements. The investment properties of the Company comprise of freehold land and buildings and leasehold land. The income capitalisation model have been used to determine the fair value of the investment properties. Significant judgement is required by management in determining the fair value of the investment properties. Accordingly, the valuation of the investment properties is considered to be a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgment associated with determining the fair value. The inputs with the most significant impact on these valuations include comparable market data, capitalisation rates, rental income and depreciated replacement costs.	We assessed the competence, capabilities and objectivity of the management's independent valuers. In addition, we discussed the scope of their work with management and determine that there were no matters that affected their objectivity or imposed scope limitations upon them. We verified that the approaches used were consistent with IFRS and industry norms. With the support of our valuation specialists, we evaluated management's judgements, in particular: • The valuation methodology used by management; • The accuracy of the underlying data used in the valuation; and • The reasonableness of significant assumptions including comparable market data, capitalisation rates and rental income. We compared these inputs to market data and entity-specific historical information to confirm the appropriateness of these judgements. Furthermore, we tested the data inputs underpinning the valuation against appropriate supporting documentation to assess the accuracy, reliability and completeness thereof. We have also assessed whether the disclosures are in accordance with the requirements of IFRS 13.

Other information

The directors are responsible for the other information. The other information comprises of Corporate Information, Directors' Report, Corporate Governance Report, Statement of Compliance, and the Secretary's Certificate, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and Financial Reporting Act 2004 and they are also responsible 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.

**Independent auditor's report to the Shareholder of
Investcorp (Holdings) Ltd (Cont'd)**

21

Responsibilities of directors for the financial statements (cont'd)

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.

The directors 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 judgement and maintain professional skepticism 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 management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Financial Reporting Act 2004

Corporate Governance Report

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.

Use of this report

This report is made solely to the Company's shareholder, 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 shareholder those matters we are required to state to the shareholder in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not acceptor assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.



Deloitte
Chartered Accountants
28 March 2024


LLK Ah Hee, FCCA
Licensed by FRC

Investcorp (Holdings) Ltd**Statements of profit or loss and other comprehensive income**
For the year ended 31 December 2023

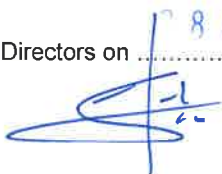
	Notes	<u>2023</u> Rs	<u>2022</u> Rs
Rental income		88,044,333	75,783,375
Revenue from contract with customers	5	<u>8,656,412</u>	<u>12,933,081</u>
		96,700,745	88,716,456
Administrative expenses	6	(25,700,813)	(22,733,114)
Net Fair value gain on revaluation of investment properties	10	30,550,000	24,598,939
Finance costs	7	<u>(57,890,564)</u>	<u>(58,057,492)</u>
Profit before tax		43,659,368	32,524,789
Income tax	8	<u>-</u>	<u>-</u>
Profit for the year		43,659,368	32,524,789
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>43,659,368</u>	<u>32,524,789</u>
Basic/diluted earnings per share	22	<u>0.58</u>	<u>2.43</u>

The notes set out on pages 26 to 58 form an integral part of these financial statements.

Investcorp (Holdings) Ltd**Statements of financial position**
As at 31 December 2023

	Notes	<u>2023</u> Rs	<u>2022</u> Rs
Assets			
Non-current assets			
Equipment	9	16,009,354	139,214
Investment properties	10	1,988,430,000	1,957,880,000
		<u>2,004,439,354</u>	<u>1,958,019,214</u>
Current assets			
Trade and other receivables	11	24,227,206	24,087,156
Amounts due from related parties	20	3,183,140	6,573,025
Cash and bank balances	16	40,267,018	46,905,169
		<u>67,677,364</u>	<u>77,565,350</u>
Total assets		<u>2,072,116,718</u>	<u>2,035,584,564</u>
Equity and liabilities			
Capital and reserves			
Stated capital	12	755,294,000	755,294,000
Amalgamation reserves	13	5,314,693	5,314,693
Retained earnings	13	140,906,537	97,247,169
Total equity		<u>901,515,230</u>	<u>857,855,862</u>
Non-current liabilities			
Lease liabilities	15	25,922,436	26,097,912
Secured notes	17	1,123,000,000	1,123,000,000
		<u>1,148,922,436</u>	<u>1,149,097,912</u>
Current liabilities			
Trade and other payables	14	20,108,621	18,573,173
Amounts due to related parties	20	-	8,396,147
Lease liabilities	15	1,570,431	1,661,470
		<u>21,679,052</u>	<u>28,630,790</u>
Total liabilities		<u>1,170,601,488</u>	<u>1,177,728,702</u>
Total equity and liabilities		<u>2,072,116,718</u>	<u>2,035,584,564</u>

Approved by the Board of Directors on 8 MAR 2024 and signed on its behalf by:



 DIRECTORS

The notes set out on pages 26 to 58 form an integral part of these financial statements.

Investcorp (Holdings) Ltd
Statement of changes in equity
For the year ended 31 December 2023

	<u>Stated capital</u> Rs	<u>Retained earnings</u> Rs	<u>Amalgamation reserves</u> Rs	<u>Share application monies</u> Rs	<u>Total equity</u> Rs
Balance at 1 January 2022	100,000,000	64,722,380	5,314,693	655,293,857	825,330,930
Profit and total comprehensive income for the year	-	32,524,789	-	-	32,524,789
Transfer from share application monies (Note 12)	655,293,857	-	-	(655,293,857)	-
Issue of shares (Note 12)	143	-	-	-	143
Balance at 31 December 2022	755,294,000	97,247,169	5,314,693	-	857,855,862
Profit and total comprehensive income for the year	-	43,659,368	-	-	43,659,368
Balance at 31 December 2023	755,294,000	140,906,537	5,314,693	-	901,515,230

The notes set out on pages 26 to 58 form an integral part of these financial statements.

Investcorp (Holdings) Ltd**Statement of cash flows***For the year ended 31 December 2023*

	Notes	<u>2023</u> <u>Rs</u>	<u>2022</u> <u>Rs</u>
Profit before tax		43,659,368	32,524,789
<i>Adjustments for:</i>			
Depreciation	9	329,860	76,521
Net fair value gain on revaluation of investment properties		(30,550,000)	(24,598,939)
Finance costs		57,890,564	58,057,492
Operating cash flows before movements in working capital		71,329,792	66,059,863
(Increase)/decrease in trade and other receivables		(140,052)	53,998,849
Increase/(decrease) in trade and other payables		1,535,448	(7,712,215)
Cash generated from operations		72,725,188	112,346,497
Investing activities			
Purchase of equipment	9	-	(32,950)
Purchase of furniture and fittings	9	(16,200,000)	-
Net cash used in investing activities		(16,200,000)	(32,950)
Financing activities			
Interest paid on secured notes		(56,150,000)	(54,765,480)
Repayment of borrowings		-	-
Lease repayment		(2,007,078)	(2,199,015)
Net amount advanced by related parties		3,389,886	-
Repayments of amounts due to related parties		(8,396,147)	(52,077,684)
Proceeds on issue of shares		-	143
Net cash used in financing activities		(63,163,339)	(109,042,036)
Net increase in cash and cash equivalents		(6,638,151)	3,271,511
Cash and cash equivalents at beginning of year		46,905,169	43,633,658
Cash and cash equivalents at end of year	16	40,267,018	46,905,169

The notes set out on pages 26 to 58 form an integral part of these financial statements.
Investcorp (Holdings) Ltd

Notes to the financial statements
For the year ended 31 December 2023

1. General information

Investcorp (Holdings) Ltd (the "Company"), limited by shares, is incorporated and registered in Mauritius. Its ultimate controlling party is Nawaz Khan Chady. The principal activity of the Company consists of investment holding. The Company registered office is situated at Lot 22, Bank Street, Cybercity, Ebene, Mauritius.

These financial statements are presented in Mauritian Rupees (Rs) and are rounded to the nearest Rs.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

In the current year, the Company has applied all the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2023.

2.1 New and revised IFRSs and IFRICs applied with no material effect on the financial statements

The following relevant revised standard has been applied in these financial statements. Their applications have not had any material impact on the amounts reported for current and prior years but may affect the accounting for future transactions or arrangements.

IAS 1	Presentation of Financial Statements – Amendments regarding the disclosure of accounting policies.
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding definition of accounting estimates.
IAS 12	Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations.
IAS 12	Income Taxes – Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities).

2.2 New and revised IFRSs and IFRICs in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements - Amendments regarding the reclassification of liabilities (effective 1 January 2024).
IAS 1	Presentation of Financial Statements - Amendment to defer the effective date of the January 2020 amendments (effective 1 January 2024).
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of debt with covenants (effective 1 January 2024).
IAS 7	Statement of Cash Flows - Amendments regarding supplier finance arrangements (effective 1 January 2024)
IFRS 7	Financial Instruments : Disclosures - Amendments regarding supplier finance arrangements (effective 1 January 2024)
IFRS 16	Lease – Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions (effective 1 January 2024).

The directors anticipate that these amendments will be applied in the financial statements for the annual periods beginning on the respective dates as indicated above. The directors have not yet assessed the potential impact of the adoption of these amendments on the financial statements.

Investcorp (Holdings) Ltd**Notes to the financial statements***For the year ended 31 December 2023***3. Material accounting policy information****Basis of accounting**

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as issued by IASB.

The financial statements have been prepared on the historical cost basis, except for the revaluation of investment property that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. 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 liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Comparative figures have been regrouped where necessary to conform with current year's presentation.

The principal accounting policies adopted are set out below.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company have adequate resources to continue in operational existence for the next 12 months. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Revenue recognition

The Company recognises revenue from the following major sources:

- Lease income on operating leases
- Service charge fee income

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer/tenant and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

Lease income on operating leases

The Company earns rental income on its investment properties, based on rental agreements that exist between the tenants and the Company. Rental income is recognised as per accounting policy set out in 'Leases' below.

Service charge fee income

The Company charges a monthly service fee to its tenants for the upkeep of the common area of the investment properties.

Investcorp (Holdings) Ltd

Notes to the financial statements
For the year ended 31 December 2023

3. Material accounting policy information (Cont'd)**Leases***(a) The Company as lessee*

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at fair value.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Investcorp (Holdings) Ltd**Notes to the financial statements***For the year ended 31 December 2023***3. Material accounting policy information (Cont'd)****Leases (Cont'd)****(a) The Company as lessee (Cont'd)**

The right-of-use assets are presented in investment properties in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the statement of profit or loss and comprehensive income.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

(b) The Company as lessor

The Company enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e., after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the functional currency are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Investcorp (Holdings) Ltd**Notes to the financial statements**
*For the year ended 31 December 2023***3. Material accounting policy information (Cont'd)****Foreign currencies (Cont'd)**

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

The 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 net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Investcorp (Holdings) Ltd**Notes to the financial statements***For the year ended 31 December 2023***3. Material accounting policy information (Cont'd)****Taxation (Cont'd)***Deferred tax (Cont'd)*

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors reviewed the Company's investment property portfolios and concluded that the Company's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is rebutted. As a result, the Company has recognised deferred taxes on changes in fair value at the investment properties.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax 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, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Corporate Social Responsibility (CSR)

The Company is subject to CSR and the contribution is at a rate of 2% on chargeable income of the preceding year.

However, effective as from 1 January 2017, further to change in the income tax legislation, the Company is required to contribute at least 50% of its CSR money to the National CSR Foundation through the Mauritius Revenue Authority. The remaining 50% of the CSR can be used by the Company in accordance with its own CSR Fund. Effective 1 January 2019, the contribution to the Mauritius Revenue Authority must be at least 75% or reduced up to 50% if prior approval of the National CSR Foundation is obtained.

Equipment

Computer equipment and furniture and fittings are stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method at a rate of 20% and 33.33% respectively.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Investcorp (Holdings) Ltd
Notes to the financial statements

For the year ended 31 December 2023

3. Material accounting policy information (Cont'd)
Investment property

Investment property, which is property held to earn rentals and/or capital appreciation is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

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

Financial instruments

Financial assets and financial liabilities are recognised in the Company's 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, except for trade receivables that do not have a significant financing component which are measured at transaction price. 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.

Classification of financial assets

Debt instruments 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 investment in other comprehensive income if certain criteria are met (see (iii) below); and
- 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 (see (iv) below).

(i) *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Investcorp (Holdings) Ltd

Notes to the financial statements

For the year ended 31 December 2023

3. Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

Classification of financial assets (Cont'd)(ii) *Amortised cost and effective interest method (Cont'd)*

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit impaired on initial recognition), 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 losses, 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 interest 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.

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 (see below). 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.

Interest income is recognised in profit or loss.

(iii) *Debt instruments classified as at FVTOCI*

Debt instruments classified as at FVTOCI and are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these debt instruments as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method (see (i) above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investcorp (Holdings) Ltd

Notes to the financial statements
For the year ended 31 December 2023

3. Material accounting policy information (Cont'd)**Financial instruments (Cont'd)***Classification of financial assets (Cont'd)**(ii) Debt instruments classified as at FVTOCI (Cont'd)*Equity instruments designated as at FVTOCI (Cont'd)

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 the investment's revaluation reserve. The cumulative gain or loss is not 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, unless the dividends clearly represent a recovery of part of the cost of the investment.

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 (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) and (ii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

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 or at FVTOCI, lease receivables and trade receivables, as well as on financial guarantee contracts. 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 Company recognises lifetime expected credit losses (ECL) for trade receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

3. Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

Classification of financial assets (Cont'd)

Impairment of financial assets (Cont'd)

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument 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 debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

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 conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

3. Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

Classification of financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(i) Significant increase in credit risk (Cont'd)

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Company considers the following as 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, including the Company, in full (without taking into account any collateral held by the Company).

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 (see (ii) above);
- 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 otherwise consider;
- 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.

(iv) Write-off policy

The Company writes 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, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. 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.

Investcorp (Holdings) Ltd

Notes to the financial statements

For the year ended 31 December 2023

3. Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

Impairment of financial assets (Cont'd)(v) *Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

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, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

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 asset 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 recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset 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. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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.

Investcorp (Holdings) Ltd

Notes to the financial statements

For the year ended 31 December 2023

3. Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity*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 gain 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 or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing 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 a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognised in profit or loss.

Investcorp (Holdings) Ltd

Notes to the financial statements
For the year ended 31 December 2023

3. Material accounting policy information (Cont'd)**Financial instruments (Cont'd)**Financial liabilities and equity (Cont'd)*Financial liabilities measured subsequently at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

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 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.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

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.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Investcorp (Holdings) Ltd**Notes to the financial statements***For the year ended 31 December 2023***3. Material accounting policy information (Cont'd)****Provisions (Cont'd)**

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Retirement benefit obligations

The present value of retirement benefits in respect of the Workers' Rights Act 2019 is recognised in the statement of financial position as a non-current liability. The obligation arising from this item is not funded.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in Profit or Loss.

No retirement benefit obligations have been recognised because management considers the amount to be immaterial as the employees were recruited within only a few years.

Contributions to the National Pension Scheme are expensed to the statement of profit or loss in the period in which they fall due.

Related party transactions

All transactions with related parties are at arm's length. Management considers all parties as defined in IAS 24 as related parties of the Company.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is a person or Company that is responsible for allocating resources and assessing performance of the operating segments. The Company has determined the board as its chief operating decision-maker as it is the board that makes the Company's strategic decisions.

4. Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, which are described in note 3, 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 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

The following are the critical judgements, apart from those involving estimations (which are presented separately below), 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 financial statements.

Investcorp (Holdings) Ltd

Notes to the financial statements
For the year ended 31 December 2023

4. Critical accounting judgements and key sources of estimation uncertainty (Cont'd)**Critical judgements in applying the Company's accounting policies (Cont'd)****Business model assessment**

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 3). The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Significant increase in credit risk

As explained in note 3, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

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 discussed below.

Fair value measurements and valuation processes

Investment properties are measured at fair value for financial reporting purposes. In estimating the fair value of the assets, the Company engages third party qualified valuers to perform the valuation. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

5. Revenue from contract with customers**Disaggregation of revenue**

	<u>2023</u> Rs	<u>2022</u> Rs
Revenue by service line		
Service charge income	8,324,586	6,186,423
Other income	331,826	6,746,658
	<u>8,656,412</u>	<u>12,933,081</u>
Timing of revenue recognition		
Services transferred at a point in time	8,324,586	6,186,423
Services transferred over time	331,826	6,746,658
	<u>8,656,412</u>	<u>12,933,081</u>

Investcorp (Holdings) Ltd**Notes to the financial statements**
*For the year ended 31 December 2023***6. Administrative expenses**

	<u>2023</u> <u>Rs</u>	<u>2022</u> <u>Rs</u>
Salaries and wages	5,636,448	5,531,301
Management fee	-	41,390
Professional fees	3,318,999	2,862,189
Audit fee	950,000	900,000
Service charge expense	7,776,049	6,492,138
Depreciation	329,860	76,521
Bank charges	30,385	55,764
Directors fee	1,200,000	1,830,000
Other expenses	942,814	417,345
Rent and utilities	4,704,030	4,526,466
Bad debts written off	812,228	-
	<u>25,700,813</u>	<u>22,733,114</u>

7. Finance costs

	<u>2023</u> <u>Rs</u>	<u>2022</u> <u>Rs</u>
Interest on secured notes	56,150,000	56,303,836
Interest on lease liabilities	1,740,564	1,753,656
	<u>57,890,564</u>	<u>58,057,492</u>

8. Taxation

Income tax is calculated at the rate of 15% (2022: 15%) on the profit for the year as adjusted for income tax purpose. No liability to income tax arises as the Company has cumulated tax losses at the reporting date.

(a) Tax expense

	<u>2023</u> <u>Rs</u>	<u>2022</u> <u>Rs</u>
Deferred tax charge for the year	-	-

(b) Tax reconciliation

The charge for the year can be reconciled to the profit before tax as follows:

	<u>2023</u> <u>Rs</u>	<u>2022</u> <u>Rs</u>
Profit before tax	43,659,368	32,524,789
Tax at the rate of 15%	6,548,905	4,878,718
Tax effect of income/(expense) not taxable in determining taxable profit	(6,929,393)	(5,165,998)
Tax effect on other non-allowable items	380,488	287,280
Tax expense for the year	-	-

(c) Deferred tax

Deferred tax is calculated on temporary differences at 15% (2022: 15%)

	<u>2023</u> <u>Rs</u>	<u>2022</u> <u>Rs</u>
Deferred tax	-	-

Investcorp (Holdings) Ltd

Notes to the financial statements

For the year ended 31 December 2023

8. Taxation (Cont'd)

(c) Deferred tax (Cont'd)

Deferred tax liabilities analysed as follows:

	<u>2023</u> Rs	<u>2022</u> Rs
Deferred tax on revaluation of investment properties	(13,722,000)	(9,139,500)
Deferred tax on tax losses	<u>13,722,000</u>	<u>9,139,500</u>
	-	-

Deferred tax asset of Rs 11,448,006 (2022: Rs 10,301,230) has not been recognised in respect with tax losses carried forward as the directors consider that it is not probable that future taxable profits will be available against which the unused tax losses can be utilised.

Tax losses

Year of tax loss	Amount of tax loss <u>2023</u> Rs	Date of expiry	Amount of tax loss <u>2022</u> Rs	Date of expiry
2016	-		1,112,971	Dec 22
2017	4,687,653		4,687,653	-
2018	4,760,315		4,760,315	-
2019	9,659,082		9,659,082	-
2020	29,012,266		29,012,266	-
2021	40,500,588		40,500,588	-
2022	40,984,965		40,984,965	-
2023	<u>38,195,172</u>		-	-
	167,800,041		130,717,840	
Loss lapsed	-		<u>(1,112,971)</u>	
	<u>167,800,041</u>		<u>129,604,869</u>	

9. Equipment

	Computer equipment Rs	Furniture and fittings Rs	Total Rs
Cost			
At 1 January 2022	-	25,390,157	25,390,157
Acquisition during the year	<u>32,950</u>	-	<u>32,950</u>
At 31 December 2022	<u>32,950</u>	<u>25,390,157</u>	<u>25,423,107</u>
Acquisition during the year	-	<u>16,200,000</u>	<u>16,200,000</u>
At 31 December 2023	<u>32,950</u>	<u>41,590,157</u>	<u>41,623,107</u>
Accumulated depreciation			
At 1 January 2022	-	25,207,372	25,207,372
Depreciation for the year	<u>9,153</u>	<u>67,368</u>	<u>76,521</u>
At 31 December 2022	<u>9,153</u>	<u>25,274,740</u>	<u>25,283,893</u>
Depreciation for the year	<u>10,983</u>	<u>318,877</u>	<u>329,860</u>
At 31 December 2023	<u>20,136</u>	<u>25,593,617</u>	<u>25,613,753</u>
Carrying amount			
At 31 December 2023	<u>12,814</u>	<u>15,996,540</u>	<u>16,009,354</u>
At 31 December 2022	<u>23,797</u>	<u>115,417</u>	<u>139,214</u>

Investcorp (Holdings) Ltd**Notes to the financial statements***For the year ended 31 December 2023***10. Investment properties**

	<u>2023</u> Rs	<u>2022</u> Rs
Net increase in fair value during the year	<u>30,550,000</u>	<u>24,598,939</u>

The fair value of the investment properties as at 31 December 2023 have been arrived at on the basis of a valuation carried out by Prime Pillar Valuation Services Ltd, independent valuers not connected with the Company. The valuation conforms to International Valuation Standards.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. The fair value of the properties was determined through the use of the income approach.

Investment properties are measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (that is unobservable inputs).

	<u>Fair value hierarchy</u>	<u>2023</u> Rs	<u>2022</u> Rs
Investment properties	Level 3	<u>1,988,430,000</u>	<u>1,957,880,000</u>

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Investcorp (Holdings) Ltd

Notes to the financial statements
For the year ended 31 December 2023

10. Investment properties (Cont'd)

Details of the Company's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

	Most recent valuation date	Sector	Fair value hierarchy	Fair value as at 31/12/23 Rs	Fair value as at 31/12/2022 Rs
Lot 26 The Axis	19-Dec-2023	Office	Level 3	110,000,000	110,000,000
Lot 22 Ebene	19-Dec-2023	Office	Level 3	232,260,000	230,000,000
Grand Bay Suites	08-Feb-2023	Hospitality	Level 3	87,880,000	86,530,000
Lots 27 and 28 Ebene	19-Dec-2023	Office	Level 3	376,360,000	362,400,000
Lot 15 Ebene	19-Dec-2023	Office	Level 3	28,420,000	42,000,000
Lot 15/A5 Ebene - Eagle House	19-Dec-2023	Office	Level 3	159,810,000	153,000,000
Lot 15/A3 Ebene	19-Dec-2023	Office	Level 3	409,420,000	400,000,000
Lot 15/A4 Ebene	19-Dec-2023	Office	Level 3	410,330,000	400,000,000
Hennessy Tower	20-Dec-2023	Office	Level 3	173,950,000	173,950,000
				<u>1,988,430,000</u>	<u>1,957,880,000</u>

Investcorp (Holdings) Ltd

Notes to the financial statements
For the year ended 31 December 2023

10. Investment properties (Cont'd)

	Valuation technique	Significant unobservable input(s)	Sensitivity
All investment properties	Income capitalisation approach	Capitalisation rate, taking into account the capitalization of rental income potential, nature of the property, and prevailing market condition, of 7%.	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.

The assets are pledged against secured notes issued by the Company.

The property rental income earned by the Company from its investment properties amounted to Rs **88,044,333** (2022: Rs 75,783,375). No direct operating expenses were incurred during the year on the investment properties (2022: Rs Nil).

The Company leases several plots of land. The initial lease terms range from 30 to 60 years with options to renew for another 60 years.

11. Trade and other receivables

	<u>2023</u> <u>Rs</u>	<u>2022</u> <u>Rs</u>
Trade receivables	9,347,504	9,163,538
Prepayments	6,494,929	7,414,890
Tax deducted at source	8,384,773	6,293,258
Other receivables	-	1,215,470
	<u>24,227,206</u>	<u>24,087,156</u>

The average credit period for rental of the investment properties is 90 days except for related party lessees where the amounts are fully recoverable. No interest is charged on outstanding trade receivables. The Company always measures the loss allowance for trade receivables on an amount equal to lifetime Expected Credit Losses ("ECL"). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic condition of the industry in which the debtors operate and an assessment of both the current as well as the forecasts directions at the reporting date. The Company has not recognised any loss allowance as the directors has assessed that there is no significant credit loss based on historical experience, current financial position and industry of the Company's client.

The Company does not hold any collateral as security.

Trade and other receivables approximate their fair value.

12. Stated capital

	<u>2023</u> <u>Rs</u>	<u>2022</u> <u>Rs</u>
<i>Issued and fully paid</i>		
At 1 January – 75,529,400 (2022: 10,000,000) ordinary shares at Rs 10 each	755,294,000	100,000,000
Conversion of share application monies (Note 25)	-	655,293,857
Issued during the year	-	143
	<u>755,294,000</u>	<u>755,294,000</u>
At 31 December – 75,529,400 (2022: 75,529,400) ordinary shares at Rs 10 each	755,294,000	755,294,000

The shareholder has a right to vote, equal share in dividend and other distribution and distribution of the surplus assets on liquidation of the Company.

Investcorp (Holdings) Ltd**Notes to the financial statements***For the year ended 31 December 2023***13. Retained earnings and other reserves**

	<u>2023</u> Rs	<u>2022</u> Rs
Retained earnings	140,906,537	97,247,169
Amalgamation reserves	5,314,693	5,314,693
	<u>146,221,230</u>	<u>102,561,862</u>

Amalgamation reserves of Rs 5,314,693 arose on amalgamation of all subsidiaries with the Company and the Company remaining the surviving entity.

14. Trade and other payables

	<u>2023</u> Rs	<u>2022</u> Rs
Trade payables	190,356	515,704
Deposits	8,360,284	5,772,035
Value added tax	471,051	1,273,242
Tax deducted at source	263,942	282,001
Other payables	1,285,180	1,192,383
Interest accrued on secured notes	9,537,808	9,537,808
	<u>20,108,621</u>	<u>18,573,173</u>

15. Lease liabilities

	<u>2023</u> Rs	<u>2022</u> Rs
Maturity analysis:		
Year 1	2,414,638	2,432,696
Year 2	2,395,058	2,414,638
Year 3	2,368,071	2,395,058
Year 4	2,334,842	2,368,071
Year 5	2,299,178	2,334,842
Year 6 Onwards	23,702,338	25,309,397
	<u>35,514,125</u>	<u>37,254,702</u>
Less: unearned interest	<u>(8,021,258)</u>	<u>(9,495,321)</u>
	<u>27,492,867</u>	<u>27,759,381</u>
Analysed as:		
Non-current	25,922,436	26,097,912
Current	1,570,431	1,661,470
	<u>27,492,867</u>	<u>27,759,382</u>

The lease liabilities arise on leases of plots of land on which the investment properties have been erected.

Amount recognised in profit or loss

	<u>2023</u> Rs	<u>2022</u> Rs
Interest on lease liabilities	<u>1,740,564</u>	<u>1,753,656</u>

Investcorp (Holdings) Ltd

Notes to the financial statements

For the year ended 31 December 2023

16. Notes to the statement of cash flows

Cash and cash equivalents

	<u>2023</u> Rs	<u>2022</u> Rs
Cash and bank balances	<u>40,267,018</u>	<u>46,905,169</u>

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the reporting position as shown above. The above balance include an escrow account for restricted bank balance amounting to Rs 28,075,000 (2022:Rs 28,075,000) representing interest payment on secured notes for six months.

Changes in liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flow as cash flows from financing activities.

	At 1 January 2023 Rs	Amalgamation of subsidiaries Rs	Cash flows Rs	Other changes Rs	31 December 2023 Rs
Lease liabilities	27,759,382	-	(2,007,079)	1,740,564	27,492,867
Amount due to related parties	<u>8,396,147</u>	-	<u>(8,396,147)</u>	-	-
	<u>36,155,529</u>	-	<u>(10,403,226)</u>	<u>1,740,564</u>	<u>27,492,867</u>
	At 1 January 2022 Rs	Amalgamation of subsidiaries Rs	Cash flows Rs	Other changes Rs	31 December 2022 Rs
Lease liabilities	28,204,741	-	(2,199,015)	1,753,656	27,759,382
Amount due to related parties	<u>60,473,831</u>	-	<u>(52,077,684)</u>	-	8,396,147
	<u>88,678,572</u>	-	<u>(54,276,699)</u>	<u>1,753,656</u>	<u>36,155,529</u>

Other changes include interest accruals.

17. Secured notes

In November 2021, the Company issued fixed rate secured notes on the official market of the Stock Exchange of Mauritius.

	<u>2023</u> Rs	<u>2022</u> Rs
Fixed rates secured notes @ Rs1000 per note	<u>1,123,000,000</u>	<u>1,123,000,000</u>
Analysed as:		
Current Liabilities	-	-
Non-Current Liabilities	<u>1,123,000,000</u>	<u>1,123,000,000</u>

Notes to the financial statements
For the year ended 31 December 2023

17. Secured notes (Cont'd)

The fixed rates secured notes bear interest at the rate of 5% p.a. payable semi-annually.

The notes are repayable 7 years as from the issue date.

The financial covenants of the secured notes are as follows:

Loan-to-Value (LTV) Ratio to be at a maximum of 60% at all times.

Interest coverage ratio to be minimum 1.6 times for the year.

18. Financial risk management

The Company's activities expose it to a variety of financial risks, namely market (interest rate risk), credit and liquidity risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

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

Categories of financial instruments

	<u>2023</u> Rs	<u>2022</u> Rs
Financial assets		
<i>At amortised cost</i>		
Trade and other receivables*	9,347,503	10,378,998
Amounts due from related parties	3,183,140	6,573,025
Cash and bank balances	<u>40,267,018</u>	<u>46,905,169</u>
Total financial assets	<u>52,797,661</u>	<u>63,857,192</u>
Financial Liabilities		
<i>At amortised cost</i>		
Trade and other payables**	19,373,628	17,017,930
Amounts due to related parties	-	8,396,147
Lease liabilities	27,492,867	27,759,381
Secured notes	<u>1,123,000,000</u>	<u>1,123,000,000</u>
Total financial liabilities	<u>1,169,866,495</u>	<u>1,176,173,458</u>

*Trade and other receivables exclude prepayments, value added tax and tax deducted at source.

**Trade and other payables exclude value added tax and tax deducted at source.

The Board of directors reviews and agrees policies for managing each of the risks which are summarised below:

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company manages market risks by keeping costs low through various cost optimisation programs.

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have borrowing at floating rate.

Investcorp (Holdings) Ltd

Notes to the financial statements
For the year ended 31 December 2023

18. Financial risk management (Cont'd)**(b) Credit risk and expected credit losses**

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

The maximum exposure to credit risk at the reporting date equal to the carrying amount of these assets as shown in the statement of financial position.

	<u>2023</u> Rs	<u>2022</u> Rs
<i>Financial assets</i>		
Trade and other receivables*	9,347,503	10,378,998
Amounts due from related parties	3,183,140	6,573,025
Cash and bank balances	<u>40,267,018</u>	<u>46,905,169</u>
	<u>52,797,661</u>	<u>63,857,192</u>

*Trade and other receivables exclude prepayments, value added tax and tax deducted at source.

Trade and other receivables

Credit risk is principally the risk that a tenant may default or not meet its obligations timeously. The financial position of the tenants is monitored on an ongoing basis. Allowance is made for specific doubtful debts when necessary and credit risk is therefore considered limited to the carrying amount of the financial assets at the end of the relevant financial year.

With respect to credit risk arising from a financial asset which comprise cash and cash equivalents and amounts receivable from related parties, the Company's exposure arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. The Company does not have concentration in trade and other receivables as it has a diverse customer based. Refer to Note 11 for credit risk exposure and assessment.

Amount due from related parties

The Company has policies in place to ensure that loans granted to related parties and other parties with an appropriate credit history so as to limit the amount of exposure to credit risk.

Cash and cash at bank

It is the Company's policy to deposit short-term cash investments with reputable financial institution.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables). The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Investcorp (Holdings) Ltd

Notes to the financial statements

For the year ended 31 December 2023

18. Financial risk management (Cont'd)

(c) Liquidity risk (cont'd)

Contractual cash flows

The following are the contractual maturities of non-derivative financial liabilities of the Company:

	Less than 1 year Rs	Between 1 and 2 years Rs	Between 2 and 5 years Rs	More than 5 years Rs	Total Rs
2023					
<i>Interest bearing liabilities</i>					
Secured notes	56,150,000	56,150,000	1,283,450,548	-	1,395,750,548
Lease liabilities	2,414,638	2,395,058	7,002,091	23,702,338	35,514,125
<i>Non-interest bearing liability</i>					
Trade and other payables*	19,373,628	-	-	-	19,373,628
	<u>77,938,266</u>	<u>58,545,058</u>	<u>1,290,452,639</u>	<u>23,702,338</u>	<u>1,450,638,301</u>
	Less than 1 year Rs	Between 1 and 2 years Rs	Between 2 and 5 years Rs	More than 5 years Rs	Total Rs
2022					
<i>Interest bearing liabilities</i>					
Secured notes	65,687,808	56,150,000	168,450,000	1,171,150,548	1,461,438,356
Lease liabilities	2,432,696	2,414,638	7,097,971	25,309,398	37,254,703
<i>Non-interest bearing liability</i>					
Trade and other payables*	17,017,930	-	-	-	17,017,930
Amounts due to related parties	8,396,147	-	-	-	8,396,147
	<u>93,534,581</u>	<u>58,564,638</u>	<u>175,547,971</u>	<u>1,196,459,946</u>	<u>1,524,107,136</u>

*Trade and other payables exclude value added tax and tax deducted at source.

(d) Capital risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company actively and regularly reviews and manages its capital position to maintain a balance between its liability and equity level.

The management of the Company's capital position is undertaken by the management team. The latter ensures that the Company is adequately capitalised to meet economic requirements. The management team meets on a regular basis and manages capital by taking into account key considerations which may include business developments, regulatory requirements, gap profitability and market movements such as foreign exchange and interest rate.

The Company monitors capital using a ratio of 'adjusted net debt' to adjusted equity. For this purpose, adjusted net debt is defined as total liabilities, comprising of secured notes, lease liabilities and amount due to related parties less cash and cash equivalents. Adjusted equity comprises all components of equity.

Investcorp (Holdings) Ltd**Notes to the financial statements**
*For the year ended 31 December 2023***18. Financial risk management (Cont'd)****(d) Capital risk management (Cont'd)**

The Company's and Company's adjusted net debt to equity ratio at 31 December was as follows:

	<u>2023</u> Rs	<u>2022</u> Rs
Total liabilities	1,150,492,867	1,159,155,528
Less: Cash and cash equivalents	(40,267,018)	(46,905,169)
Net debt	1,110,225,849	1,112,250,359
Total equity	901,515,230	857,855,862
Net debt to equity ratio	123.15%	129.65%

19. Events after the reporting period

There have been no material events after the reporting date up to the date the financial statements were authorised for issue that would require amendments or disclosure in the financial statements for the year ended 31 December 2023.

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Investcorp (Holdings) Ltd

Notes to the financial statements
For the year ended 31 December 2023

20. Related party transactions

Outstanding balances	Nature of relationship	At 31 December 2022 Rs	Loan paid / (received) 2023 Rs	Other changes 2023 Rs	At 31 December 2023 Rs
Cap Horn Ltd	Common beneficiary	629,800	(629,800)	-	-
Executive Builders Ltd	Common beneficiary	560,000	(560,000)	-	-
Gleneagles Ltd	Common beneficiary	1,625,000	(1,625,000)	-	-
Hyvec Consumer Goods Ltd	Common beneficiary	395,400	(395,400)	-	-
Hyvec Facilities Management	Common beneficiary	627,892	(627,892)	-	-
Hyvec Partners Ltd	Common beneficiary	(816,860)	-	4,000,000	3,183,140
Ibiza City Ltd	Common beneficiary	21,000	(21,000)	-	-
Jumeirah Investment Ltd	Common beneficiary	311,150	(311,150)	-	-
Sotratech Properties Ltd	Common beneficiary	266,583	(266,583)	-	-
Supertech Equipment Ltd	Common beneficiary	100,000	(100,000)	-	-
Bluefire Ltd	Common beneficiary	1,000,000	(1,000,000)	-	-
Hennessy Tower Ltd	Common beneficiary	13,700	(13,700)	-	-
Hennessy Tower (Holdings) Ltd	Common beneficiary	1,022,500	(1,022,500)	-	-
Nawaz Khan Chady	Director / Shareholder	(7,579,287)	7,579,287	-	-
		(1,823,122)	1,006,262	4,000,000	3,183,140

Investcorp (Holdings) Ltd

Notes to the financial statements
For the year ended 31 December 2023

20. Related party transactions (Cont'd)

Outstanding balances (Cont'd)	Nature of relationship	At 31 December 2021	Loan paid/(received) 2022	Transfer to Share application monies 2022	Other changes 2022	At 31 December 2022
		Rs	Rs	Rs	Rs	Rs
Cap Horn Ltd	Common beneficiary	629,800	-	-	-	629,800
Executive Builders Ltd	Common beneficiary	560,000	-	-	-	560,000
Gleneagles Ltd	Common beneficiary	1,625,000	-	-	-	1,625,000
Hyvec Consumer Goods Ltd	Common beneficiary	395,400	-	-	-	395,400
Hyvec Facilities Management	Common beneficiary	627,892	-	-	-	627,892
Hyvec Partners Ltd	Common beneficiary	(3,194,401)	3,050,622	-	(673,081)	(816,860)
Ibiza City Ltd	Common beneficiary	21,000	-	-	-	21,000
Jumeirah Investment Ltd	Common beneficiary	311,150	-	-	-	311,150
Sotratech Properties Ltd	Common beneficiary	266,583	-	-	-	266,583
Supertech Equipment Ltd	Common beneficiary	100,000	-	-	-	100,000
Bluefire Ltd	Common beneficiary	1,000,000	-	-	-	1,000,000
Hennessy Tower Ltd	Common beneficiary	13,700	-	-	-	13,700
Hennessy Tower (Holdings) Ltd	Common beneficiary	1,022,500	-	-	-	1,022,500
Nawaz Khan Chady	Director / Shareholder	(57,279,430)	49,700,000	143	-	(7,579,287)
		(53,900,806)	52,750,622	143	(673,081)	1,823,122

Investcorp (Holdings) Ltd

Notes to the financial statements
For the year ended 31 December 2023

20. Related party transactions (Cont'd)**Secured notes**

Included in secured notes:

<u>Nature of relationship</u>	<u>At 1 January 2023 Rs</u>	<u>Movement for the year Rs</u>	<u>At 31 December 2023 Rs</u>
Dependent of Director Nawaz Khan Chady	5,500,000 4,000,000	- -	5,500,000 4,000,000
	<u>9,500,000</u>	<u>-</u>	<u>9,500,000</u>

<u>Nature of relationship</u>	<u>At 1 January 2022 Rs</u>	<u>Movement for the year Rs</u>	<u>At 31 December 2022 Rs</u>
Dependent of Director Nawaz Khan Chady	5,500,000 4,000,000	- -	5,500,000 4,000,000
	<u>9,500,000</u>	<u>-</u>	<u>9,500,000</u>

Interest paid and payable

	<u>Interest paid 31 December 2023 Rs</u>	<u>Interest payable 31 December 2023 Rs</u>	<u>Interest paid 31 December 2022 Rs</u>	<u>Interest payable 31 December 2022 Rs</u>
Dependent of Director Nawaz Khan Chady	275,000 200,000	46,712 33,973	268,219 195,068	46,712 33,973
	<u>475,000</u>	<u>80,685</u>	<u>463,287</u>	<u>80,685</u>

Rental income and revenue from contract with customers

<u>Nature of relationship</u>	<u>2023 Rs</u>	<u>2022 Rs</u>
Hyvec Partners Ltd	9,135,000	11,100,000
Batismart Ltd	945,000	900,000
Super Tech Equipment Ltd	945,000	900,000
Pine Travel and Tours Ltd	4,725,000	4,964,950
Hyvec Facilities Management Co Ltd	1,890,000	1,800,000
Bluefire Ltd	1,890,000	1,800,000
	<u>19,530,000</u>	<u>21,464,950</u>

Purchase (Fit out works)

	<u>2023 Rs</u>	<u>2022 Rs</u>
Hyvec Partners Ltd	<u>16,200,000</u>	<u>-</u>

Investcorp (Holdings) Ltd

Notes to the financial statements

For the year ended 31 December 2023

20. Related party transactions (Cont'd)

Remuneration of key management personnel and directors

	<u>2023</u> Rs	<u>2022</u> Rs
Directors' emoluments		
<u>Executive directors' emoluments</u>		
- Jaddoo Bhanu Pratabsingh	2,978,200	3,265,200
- Christine Yeung Min John Chuan	1,631,200	1,618,200
	<u>4,609,400</u>	<u>4,883,400</u>
<u>Non-executive directors' emoluments</u>		
The following fees were paid to the non-executive directors:		
- Meghanathan Pillay, C.S.K.	500,000	575,000
- Imtihaz Mamoojee	200,000	230,000
- Desmond Goh Ek Ping	150,000	172,500
- Shakil Ibrahim Moollan	200,000	230,000
- Jitendra Nathsingh Bissessur	150,000	150,000
- Poinas Bernard Jean	-	172,500
	<u>1,200,000</u>	<u>1,530,000</u>
Total directors' emoluments	<u>5,809,400</u>	<u>6,413,000</u>

Trade receivables

Included in trade receivables:

	<u>Nature of relationship</u>	<u>At 1</u> <u>January</u> <u>2023</u> <u>Rs</u>	<u>Net</u> <u>movement</u> <u>for the year</u> <u>Rs</u>	<u>At 31</u> <u>December</u> <u>2023</u> <u>Rs</u>
Hyvec Partners Ltd	Common beneficiary	2,536,200	(785,325)	1,750,875
Batismart Ltd	Common beneficiary	161,250	19,875	181,125
Super Tech Equipment Ltd	Common beneficiary	431,250	(69,000)	362,250
Pine Travel and Tours Ltd	Common beneficiary	-	1,690,500	1,690,500
		<u>3,128,700</u>	<u>856,050</u>	<u>3,984,750</u>

	<u>Nature of relationship</u>	<u>At 1</u> <u>January</u> <u>2022</u> <u>Rs</u>	<u>Net</u> <u>movement</u> <u>for the year</u> <u>Rs</u>	<u>At 31</u> <u>December</u> <u>2022</u> <u>Rs</u>
Hyvec Partners Ltd	Common beneficiary	2,334,950	201,250	2,536,200
Batismart Ltd	Common beneficiary	28,750	132,500	161,250
Super Tech Equipment Ltd	Common beneficiary	173,750	257,500	431,250
Pine Travel and Tours Ltd	Common beneficiary	1,088,981	(1,088,981)	-
Hyvec Facilities Management Co Ltd	Common beneficiary	247,500	(247,500)	-
Bluefire Ltd	Common beneficiary	30,000	(30,000)	-
		<u>3,903,931</u>	<u>(775,231)</u>	<u>3,128,700</u>

Investcorp (Holdings) Ltd**Notes to the financial statements***For the year ended 31 December 2023***21. Segmental information**

The Company reports on a segmental basis in terms of type of property. The Company has investments in office buildings and hospitality sector.

2023

	<u>Office Rs</u>	<u>Hospitality Rs</u>	<u>Elimination Rs</u>	<u>Total Rs</u>
Rental income	83,634,333	4,410,000		88,044,333
Revenue from contract with customers	8,656,412	-	-	8,656,412
Fair value gain	29,200,000	1,350,000	-	30,550,000
Administrative expenses	(25,456,972)	(243,841)	-	(25,700,813)
Finance costs	(57,510,308)	(380,256)	-	(57,890,564)
Profit for the year	<u>38,523,465</u>	<u>5,135,903</u>	<u>-</u>	<u>43,659,368</u>
Total assets	<u>1,983,683,425</u>	<u>88,433,293</u>	<u>-</u>	<u>2,072,116,718</u>
Total liabilities	<u>1,162,793,265</u>	<u>7,808,223</u>	<u>-</u>	<u>1,170,601,488</u>

Other segment information

	<u>Office Rs</u>	<u>Hospitality Rs</u>	<u>Elimination Rs</u>	<u>Total Rs</u>
Depreciation and Amortisation	<u>280,983</u>	<u>48,877</u>	<u>-</u>	<u>329,860</u>
Capital additions	<u>16,200,000</u>	<u>-</u>	<u>-</u>	<u>16,200,000</u>

2023

	<u>Office Rs</u>	<u>Hospitality Rs</u>	<u>Elimination Rs</u>	<u>Total Rs</u>
Rental income	71,118,425	4,664,950	-	75,783,375
Revenue from contract with customers	12,933,081	-	-	12,933,081
Fair value gain	20,514,027	4,084,912	-	24,598,939
Administrative expenses	(22,102,292)	(630,822)	-	(22,733,114)
Finance costs	(57,684,412)	(373,080)	-	(58,057,492)
Profit for the year	<u>24,778,829</u>	<u>7,745,960</u>	<u>-</u>	<u>32,524,789</u>
Total assets	<u>1,949,054,564</u>	<u>86,530,000</u>	<u>-</u>	<u>2,035,584,564</u>
Total liabilities	<u>1,170,661,438</u>	<u>7,067,264</u>	<u>-</u>	<u>1,177,728,702</u>

Other segment information

	<u>Office Rs</u>	<u>Hospitality Rs</u>	<u>Elimination Rs</u>	<u>Total Rs</u>
Depreciation and amortisation	<u>9,153</u>	<u>67,368</u>	<u>-</u>	<u>76,521</u>
Capital additions	<u>32,950</u>	<u>-</u>	<u>-</u>	<u>32,950</u>

Investcorp (Holdings) Ltd**Notes to the financial statements**
*For the year ended 31 December 2023***22. Basic/diluted earnings/(loss) per Share**

	<u>2023</u> Rs	<u>2022</u> Rs
Earnings		
Earnings attributable to owners of the Company	<u>43,659,368</u>	<u>32,524,789</u>
Number of shares		
Weighted Average number of shares in issue at 31 December	<u>75,529,400</u>	<u>13,411,119</u>

23. Amalgamation

On 1st December 2021, Investcorp (Holdings) Ltd amalgamated with all its subsidiaries with the Company remaining as the surviving entity. The amalgamation resulted in an amalgamation reserve of Rs5,314,693 which is shown in statement of changes in equity.

24. Share application monies

The share application monies balance (note 12) as at 31 December 2021 amounting to Mur 655,293,857 were converted into stated capital during year ended 31 December 2022.

25. Non-cash transactions

No non-cash transactions were recorded during the year other than converting of share application money to stated capital.

26. Contingent liabilities

There is no legally enforceable claim against the Company at the reporting date.

27. Immediate and ultimate beneficiary

The directors regard Blue Valley, a Company incorporated in Mauritius, as the immediate holding Company and Mr Nawaz Khan Chady as the ultimate beneficiary of the Company.