



PORT-LOUIS FUND LTD

2023



ANNUAL REPORT

www.portlouisfund.com

Dear Shareholders,

The Board of Directors is pleased to present the Annual Report of Port-Louis Fund Ltd for the Financial Year ended 30 June 2023.

The Directors' Report was approved by the Board on 30 October 2023 and the Audited Financial Statements were approved on 26 September 2023.



Mr. G. Goburdhun, G.O.S.K.
Chairman



Mr. V. Bhuguth
Director

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CORPORATE DATA

	Date appointed
Directors	
Mr. G. Goburdhun, G.O.S.K., Chairman	19 June 2019
Mr. Y. H. Aboobaker, S.C., C.S.K.	09 June 1997
Mr. V. Bhuguth	17 April 2000
Mr. V. Rambarassah	17 December 2008
Mrs. A. D. I. Ramphul-Punchoo	13 May 2015
Dr. R. Auckloo	23 August 2022
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Company secretary	:
Prime Partners Ltd 15th Floor, Air Mauritius Centre, 6, President John Kennedy Street Port Louis Republic of Mauritius	
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Registered office	:
15th Floor, Air Mauritius Centre, 6, President John Kennedy Street Port Louis Republic of Mauritius	
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Auditors	:
Grant Thornton Mauritius (External Auditors) 9th Floor, Ebene Tower 52 Cybercity Ebene 72201 Republic of Mauritius	
:	
BDO Financial Services Ltd (Internal Auditors) 10 Frère Felix De Valois Street Port Louis Republic of Mauritius	

CORPORATE DATA (CONTD)

Bankers :

- Absa Bank (Mauritius) Limited
- AfrAsia Bank Limited
- Bank of Baroda
- ICICI Bank Ltd (India)
- MauBank Ltd
- SBM Bank (Mauritius) Ltd
- The Hong Kong and Shanghai Banking Corporation Limited
- The Mauritius Commercial Bank Ltd

Custodians :

- ICICI Bank Ltd (India)
- SBM Bank (Mauritius) Ltd

Fund Manager :

- Capital Asset Management Ltd
- 2nd floor, Celicourt Building
- 6, Sir Celicourt Antelme Street
- Port Louis
- Republic of Mauritius

Foreign Fund Managers :

- BlackRock
- Franklin Templeton Investments Ltd
- Fidelity Investments International
- Imara Asset Management Ltd
- T. Rowe Price Group

Stockbroking Companies :

- AXYS Stockbroking Ltd
- Capital Market Brokers Ltd
- LCF Securities Ltd
- MCB Stockbrokers Ltd
- Redwood Finance Ltd
- SBM Capital Markets Ltd
- SWAN Securities Ltd

Indian Stockbrokers :

- Arete Securities Ltd
- Indsec Securities & Finance Ltd



STATUTORY DISCLOSURES

The Board of Directors (the “Board”) of Port-Louis Fund Ltd (the “Company”) is pleased to present the annual report together with the audited financial statements of the Company for the year ended 30 June 2023.

Incorporation

The Company is a Collective Investment Scheme as per Securities Act 2005. The Company was incorporated on 09 June 1997 as a Public Company with limited liability. It initially obtained approval from the Ministry of Finance to be an Authorised Mutual Fund under Section 35 of the Mauritius Companies Act 1984, now replaced by the Mauritius Companies Act 2001.

Principal activities

The principal activities of the Company are:

- (i) to carry on business as an investment holding company;
- (ii) to deal in securities and properties of all kinds and;
- (iii) to manage and advise on investment funds.

Results and dividends

The results for the year are as shown on page 52.

For the year under review, the Directors have declared a dividend of **Rs 25,081,420** representing **Rs 0.50** per share on 29 June 2023 (2022: Rs 25,067,659 representing Rs 0.50 per share).

Directors

The present membership of the Board is set out on page 2.

Directors’ responsibilities in respect of the 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors have confirmed 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 are in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATUTORY DISCLOSURES (CONTD)

Directors' service contracts

The Company has no service contracts with its Directors.

Directors' remuneration and fees

During the year ended 30 June 2023, the Directors received an aggregate amount of Rs 869,044 (2022: Rs 819,000) as fees from the Company.

	2023 Rs	2022 Rs
Mr. G. Goburdhun, G.O.S.K.	158,000*	168,000*
Mr. Y. H. Aboobaker, S.C., C.S.K.	158,000	158,000
Mr. V. Bhuguth	160,000	160,000
Mr. V. Rambarassah	143,333	140,000
Mrs. A. D. I. Ramphul-Punchoo	133,333*	140,000*
Mr. J. Y. Violette	-	53,000
Dr. R. Auckloo	116,378	-
Total	869,044	819,000

*The Directors' remuneration for Mr. G. Goburdhun, G.O.S.K. and Mrs. A. D. I. Ramphul-Punchoo were paid to The State Investment Corporation Limited.

Directors' share interests

No shares are held by the Directors in the Company.

Donations

No donation was made during the financial year ended 30 June 2023 (2022: Nil).

Auditors

Grant Thornton were the External Auditors during the financial year ended 30 June 2023. They have been in office for the last 7 consecutive years. The External Auditor is rotated at least every 7 years, through a tender exercise.

	2023 Rs'000	2022 Rs'000
Audit services (VAT exclusive)	315	290
Tax services (VAT exclusive)*	27	26

* These services are provided by Grant Thornton (Advisory Services) Ltd, a separate legal entity headed by non-audit partners. The fees paid during the year are in respect of tax compliance services.



Mr. G. Goburdhun, G.O.S.K.
Chairman



Mr. V. Bhuguth
Director

Date: 26 September 2023



STATUTORY DISCLOSURES (CONTD)

Disclosure as per Sixth Schedule of the Securities (Collective Investment Scheme and Closed-End Funds) Regulations 2008, Securities Act 2005.

Financial Highlights	2021 (Rs'000)	2022 (Rs'000)	2023 (Rs'000)
Net asset value at beginning of year	1,527,681	1,834,188	1,823,421
Total revenue	27,581	42,821	50,020
Total expenses	19,675	22,814	22,167
Realised gains / (losses) for the period	273	-3,977	-1,385
Unrealised gains / (losses) for the period	326,254	-1,088	20,940
Total increase / (decrease) from operations	334,831	17,864	49,168
Total Annual Distributions	25,073	25,068	25,081
Net asset value at end of year prior to share capital adjustment	1,837,439	1,826,984	1,847,508
Net asset value at end of year post share capital adjustment	1,834,188	1,823,421	1,850,706
Key Indicators	2021	2022	2023
Number of shares outstanding	50,152,382	50,062,483	50,158,955
Management expense ratio	1.07%	1.25%	1.20%
Portfolio turnover ratio	0.31%	1.44%	0.68%

CORPORATE GOVERNANCE REPORT

Port-Louis Fund Ltd (“the Company” or “PLF”) is committed to promote high standards of Corporate Governance. The Governance Framework has been established to ensure that Directors and employees of service providers fulfil their functions responsibly whilst protecting and furthering the interest of stakeholders. The Company is a Public Interest Entity, as defined by law and the Board strives to promote transparency within the Company.

This Governance Report sets out how the Company has applied the principles contained in the National Code of Corporate Governance (2016) (“the Code”) and provides explanations for any deviation /non-compliance.

PRINCIPLE 1 – Governance Structure

“All organisations should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly identified.”

Governance Framework

Governance refers to the framework of rules, relationships, systems and processes by which an enterprise is directed, controlled and held to account and whereby authority within an organisation is exercised and maintained. It encompasses authority, accountability, stewardship, leadership, direction and control in any organisation.

The Board is ultimately responsible for providing effective leadership and is responsible and accountable for the affairs of the Company. The Board assumes responsibility for, inter alia, setting the strategic direction, overseeing the financial and investment affairs, corporate governance, risk management, internal control and compliance issues.

The Board fulfils its duties and responsibilities as defined in the Company’s Constitution and the Mauritius Companies Act 2001 (the Act), amongst others.

The Directors of the Company are diversified, skilled, knowledgeable and experienced professionals. The Board takes its fiduciary responsibilities very carefully. Each director is appointed with the understanding of the amount of time and care that they will need to devote to the Board and to the organisation for it to prosper. The Board has approved all the guiding documents and policies, including Board/Committee Charters and job description of senior governance positions. The following governance documents are available on the Company’s website:-

- Constitution;
- Code of Ethics;
- Board and Committee Charters;
- Organisation Chart; and
- Job Description of Senior Governance Position.

The key guiding documents are reviewed regularly to keep abreast of the development in law, regulations and governance best practice. Any changes are approved by the Board.

Key Governance Responsibilities

The Board ensures that the key governance positions within the organisation are matched with the corresponding accountabilities.

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 1 - Governance Structure (Contd)

Chairman of the Board

The Chairman of the Board is responsible for the activities of the Board and its Sub-Committees. He acts as spokesman for the Board and is the principal Board contact for the Executive team. The Chairman and the Executive team meet regularly. The Chairman of the Board presides over the meetings of shareholders.

The key responsibilities of the Chairman of the Board are to ensure that: -

- (i) the Board fulfils its duties;
- (ii) Board Members, when appointed, participate in an induction program and, if needed, in supplementary training programs;
- (iii) Board Members receive all the information necessary for them to perform their duties;
- (iv) the agenda of Board meetings are determined;
- (v) the Board meetings are chaired in an effective manner;
- (vi) the Board has sufficient time for deliberation and decision-making;
- (vii) minutes of Board and Committee meetings are properly recorded and stored;
- (viii) the Committees function properly;
- (ix) consultations are held with external advisors appointed by the Board;
- (x) the performance of Board Members is evaluated regularly;
- (xi) problems related to the performance of individual Board Members are addressed;
- (xii) internal disputes and conflicts of interest concerning individual Board Members, including the possible resignation of such Members as a result, are addressed; and
- (xiii) the Board has proper contact with the Executive team.

Mr. G. Goburdhun, G.O.S.K. is the Chairman of the Board.

Chairman of the Audit and Risk Committee

The Chairman of the Audit and Risk Committee works in close cooperation with and provides support and advice to the Chairman of the Board. He has the following responsibilities, amongst others:-

- To provide risk expertise to the Committee;
- To ensure that the financial statements comply with the appropriate accounting standards;
- To guide and advise the Board on an appropriate risk management framework; and
- To report the deliberations of the Audit and Risk Committee to the Board.

Mr. V. Bhuguth is the Chairman of the Audit and Risk Committee.

Chairman of the Corporate Governance Committee

The Chairman of the Corporate Governance Committee works in close collaboration with, and provides support and advice to, the Chairman of the Board. He has the following responsibilities, amongst others:-

- To provide expertise in the areas of corporate governance;
- To ensure that the Board is up to the standard with the Code;
- To report the deliberations of the Corporate Governance Committee to the Board; and
- To ensure that an evaluation is carried out each year of the Board performance.

Mr. Y. Aboobaker, S.C., C.S.K. is the Chairman of the Corporate Governance Committee.

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 1 - Governance Structure (Contd)

Chairman of the Investment Committee

The Chairman of the Investment Committee provides support and advice on the following:-

- Investment strategies, policies and guidelines;
- New investment proposal; and
- Disposal of unquoted and/or strategic investments.

Mr. V. Rambarassah was appointed Chairman of the Investment Committee during the financial year.

Company Secretary

The Company Secretary is appointed by the Board. The role of the Company Secretary is to ensure that Board Members have the proper advice and resources for performing their duties to shareholders under the relevant legal frameworks. The Company Secretary is also responsible for organization and coordination of the Board and Committee meetings, and ensuring that the records, or minutes of those meetings, reflect the proper exercise of those duties.

Prime Partners Ltd is the Company Secretary of PLF. Prime Partners Ltd, a wholly owned subsidiary of The State Investment Corporation Limited, is actively involved in the provision of statutory corporate secretarial services, registrar & transfer office services to Domestic Companies/Trusts/Mutual Funds registered in Mauritius.

Other Key Governance Positions

Management of Port-Louis Fund Ltd

The management of the Company has been outsourced to a CIS Manager, namely, Capital Asset Management Ltd, ("CAM"). CAM is licensed by the Financial Services Commission as a CIS Manager and Investment Advisor (Unrestricted) under the Securities Act 2005. The Board has not deemed it necessary to appoint a Chief Executive Officer and Executive Directors. Representatives of CAM attend the Company's Board/Committee meetings and assist Directors in their decision-making process.

Management Team CAM

Mr. Vedprakash Auckaloo, Executive Director, holds an M.Sc. in Financial Management, a B.Sc. (Hons) in Economics, an LLB (Hons) and a Postgraduate Diploma in Digital Business. He has more than 24 years of experience in the financial services sector and had previously worked in the Government service and in the banking sector. He joined CAM in 2001.

Ms. Shweta Beeharee, Portfolio Manager, joined CAM in 2007. She holds an MBA from Ducere Global Business School (Australia) and a B.A. (Hons.) in Law and Management. She is a Fellow of the Association of Chartered Certified Accountants (FCCA). She is also a member of the Mauritius Institute of Professional Accountants (MIPA). She has more than 21 years of experience in the financial services and regulatory sectors.

Mrs. Rachna Nunkoo, Senior Accountant, joined CAM in October 2017. She is a Fellow of the Association of Chartered Certified Accountants (FCCA) and holds an M.Sc. in Financial Management awarded by Heriot-Watt University, UK. She is also a member of the Mauritius Institute of Professional Accountants (MIPA). She has more than 12 years of experience in the financial services sector ranging from Auditing, Private Equity and Real Estate Investment Fund Services, Accounting, Finance and Administration.

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 1 - Governance Structure (Contd)

Management Team CAM (Contd)

Mrs. Mukshina Devi Ramlochun, Compliance Officer and Money Laundering Reporting Officer, joined CAM in April 2021. She holds an MBA in Financial Risk Management and a B.Sc. (Hons) in Banking and Investment. She holds a Compliance Competency Programme Certificate. She has over 7 years of experience in the financial and regulatory sectors.

Other Team Members at CAM

Mr. Rishi Jomadar, Investment Analyst, joined the investment team in September 2019. He holds an M.Sc. in International Management and is an ACCA Affiliate. He has over 14 years of experience in the financial sector. He also holds an investment foundation programme certificate.

Ms. Umme Salma Nauyock, Assistant Investment Analyst, joined the investment team in October 2019. She holds a B.Sc. (Hons) in Business Statistics with Finance and has over 8 years of experience in the financial services sector.

Mrs. Vishesta Bungsy, Assistant Investment Analyst, joined the investment team in October 2021. She holds a B.Sc. (Hons) in Finance and Banking and has over 4 years of experience in the financial services sector.

PRINCIPLE 2 - The Structure Of The Board And Its Board Committees

“The Board should contain independently minded directors. It should include an appropriate combination of executive directors, independent directors and non-independent non-executive directors to prevent one individual or a small group of individuals from dominating the Board’s decision taking. The Board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation. Appropriate Board committees may be set up to assist the Board in the effective performance of its duties.”

Board Structure

Governance of the Company is vested in a unitary Board with:-

- 3 Non-Executive Directors;
- 3 Independent Non-Executive Directors.

The Board is responsible for the stewardship of PLF, overseeing its strategy, conduct and affairs to create sustainable value growth for its shareholders. The Directors are :-

Director Name	Role	Category
Mr. Goolabchund Goburdhun, G.O.S.K.	Chairman	Non-Executive
Mr. Yusuf Hassam Aboobaker, S.C., C.S.K.	Member	Independent
Mr. Vijay Bhuguth	Member	Independent
Mr. Veenay Rambarassah	Member	Non-Executive
Mrs. Anista Devi Indira Ramphul-Punchoo	Member	Non-Executive
Dr. Rajcoomar Auckloo (As from 23 August 2022)	Member	Independent

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 2 – The Structure Of The Board And Its Board Committees (Contd)

Board Diversity

The Board is well balanced and is of the appropriate size to discharge its duties, having regard to the activities and size of the Company. The Board comprises Directors who are sufficiently experienced and independent of character and judgement. The Board consists of an appropriate mix of diverse skills and experience.

The Board complies with the requirements for gender representation in its membership.

Only Board Members attend Board Meetings. Management and other subject matter experts attend the meeting or part thereof on invitation of the Chairman. The use of Alternate Director is discouraged. A clear division of responsibilities at Board level ensures that no Director has unfettered powers in decision making.

All Directors are resident in Mauritius.

The Chairman of the Board and the Chairman of the Board Committees are all appointed based on their relevant knowledge and experience in these key governance roles.

Executive Directors

Since management of the Company has been outsourced to CAM, it has not been deemed necessary to appoint a Chief Executive Officer and/or Executive Directors. Representatives of CAM attend Board/Committee meetings and assist the Directors in the decision-making process.

The Board is of the view that the appointment of two executive directors on the Board, as required by the Code, is not necessary taking into consideration the present level of operations of the Company and given the current working arrangement with CAM.

Director's Independence Review

The Board is determined to ensure on an annual basis and as and when the circumstances require, whether or not a Director is independent. Additionally, rigorous review is conducted and particular consideration is given to Directors who have served on the Board for more than nine consecutive years, from the date of their first election. The Board has considered the following Directors as Independent Directors of the Company: -

- Mr. Yusuf Hassam Aboobaker S.C., C.S.K.
- Mr. Vijay Bhuguth
- Dr. Rajcoomar Auckloo

The Board recognizes that over time Independent Directors develop significant insights in the Company's business and operations and can contribute objectively to the Board as a whole. In circumstances where a Director has served as an Independent Director for over nine years, the Board will do a rigorous review of their continuing contribution and independence.

Messrs. Yusuf Hassam Aboobaker S.C., C.S.K. and Vijay Bhuguth have served on the Board as Independent Directors for more than nine years.

The Board noted that although Mr. Yusuf Hassam Aboobaker S.C., C.S.K. and Mr. Vijay Bhuguth have served the Board for more than nine years, their independence has not been affected, as they continue to exercise independent judgement and demonstrate objectivity in their conduct and deliberations at Board and Board Committees.

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 2 – The Structure Of The Board And Its Board Committees (Contd)

Role of Non- Executive Directors

The Non-Executive Directors constructively challenge and help develop proposals on strategy, review the performance of management in attaining goals and objectives, monitor the reporting of performance and meet regularly without the presence of Management. The Non-Executive Directors meet and/or hold discussion regularly without the presence of Management.

Powers of the Board

The Board is responsible for establishing the Company’s purpose, values and strategy, promoting its culture and overseeing its conduct and affairs to create sustainable value for the benefit of the Shareholders over the short, medium and long terms. The objectives of the Board are to work in unity with the Management Team so as to achieve not only profitability, but also long-term sustainability of the Company. Management is expected to deliver on agreed performance targets which are aligned to the organisation’s strategy and to act in the best interests of the Company and its stakeholders.

The Board serves as the focal point and custodian of the Company’s corporate governance. It is responsible for providing ethical and effective leadership to the Company. It agrees on the strategic direction and approves the policy frameworks used to measure organizational performance.

The key roles and responsibilities of the Board of Directors are set in the Board Charter. The Board is aware of its responsibility to ensure that the Company adheres to all relevant legislations.

Board Meetings

The Board met four (4) times during the financial year ended 30 June 2023.

The Board deliberated on a range of issues including:-

- examination and endorsement of the recommendations of various Board Committees;
- review of asset allocation, investment strategy of the Fund and its performance;
- governance and internal audit issues;
- approval of audited accounts;
- valuation of unquoted shares in the portfolio;
- declaration and payment of dividends; and
- review of request for proposals for allocation of contracts to service providers.

Board Attendance

Director	Category	Board
Mr. G. Goburdhun, G.O.S.K.	Non-Executive	4/4
Mr. Y. Aboobaker, S.C., C.S.K.	Independent	4/4
Mr. V. Bhuguth	Independent	4/4
Mr. V. Rambarassah	Non-Executive	4/4
Mrs. A. D. I. Ramphul Punchoo	Non-Executive	4/4
Dr. R. Auckloo (<i>As from 23 August 2022</i>)	Independent	4/4

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 2 – The Structure Of The Board And Its Board Committees (Contd)

Board Committees

The Board has established Committees to assist in fulfilling its responsibilities. The Board acknowledges that delegating authorities to these Committees does not detract it from its responsibility to discharge its fiduciary duties to the Company.

As focal point of the Corporate Governance system, the Board is ultimately responsible and accountable for the performance and affairs of the Company. The following Committees have been established to assist the Board and its Directors in discharging their duties through a more comprehensive evaluation of specific issues, followed by well-considered recommendations to the Board namely:-

- Audit & Risk Committee;
- Corporate Governance Committee; and
- Investment Committee.

The objectives of these Committees are (i) to bring focus and appropriate expertise and specialization to the consideration of specific Board issues; (ii) to enhance Board efficiency and effectiveness; (iii) to enable key issues to be studied in depth; and (iv) to make recommendations to the Board.

The Board reviews each Committee's Charter which sets out the roles, responsibilities and scope of authority, composition of the Committee. The Board ensures that the Company is being managed in line with the Company's objectives through deliberations and reporting of its various Committees.

Audit & Risk Committee

The Audit & Risk Committee is governed by a Charter in line with the provisions of the Code. The Charter of the Committee was approved by the Board and is available on the website of the Company.

The Board considers that the members of the Audit & Risk Committee are appropriately qualified to discharge their responsibilities of the Audit & Risk Committee.

The Audit & Risk Committee has the explicit authority to investigate any matter within its terms of reference. In addition, the Audit & Risk Committee has full access to and co-operation of Management as well as full discretion to invite any Director to attend its meetings.

The duties of the Audit & Risk Committee include amongst others:-

- examining and reviewing the quality and integrity of the financial statements of the Company including its annual report;
- compliance with International Financial Reporting Standards and legal requirements;
- Review the adequacy and effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems;
- reviewing the annual compliance work plan and other reports from the Compliance function;
- ensuring the Internal Auditor has direct access to the Board Chairperson and to the Committee Chairperson and is accountable to the Committee;
- consider and make recommendations to the Board, to be put to shareholders for approval at the Annual Meeting of Shareholders, in relation to the appointment, re-appointment and removal of the Company's External Auditor;
- making recommendations to the Board as it deems appropriate, on any area within its remit where action or improvement is needed.

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 2 – The Structure Of The Board And Its Board Committees (Contd)

Audit & Risk Committee (Contd)

In performing its function, the Audit & Risk Committee meets with the internal and external auditors. Where necessary, the Audit & Risk Committee also meets separately with the internal and external auditors whereby any issue may be raised directly to the Audit & Risk Committee, without the presence of Management. The internal and external auditors have unrestricted access to the Audit & Risk Committee.

The Committee met **thrice** during the year. It examined the annual audited accounts, discussed issues raised by the External and Internal Auditors and deliberated on their recommendations and considered the annual compliance plan and the statutory compliance report of the Fund.

Members and Attendance

Director	Category	Board
Mr. V. Bhuguth	Chairman	3/3
Mr. Y. Aboobaker, S.C., C.S.K.	Member	3/3
Mrs. A. D. I. Ramphul-Punchoo (<i>Up to 31 January 2023</i>)	Member	3/3
Dr. R. Auckloo (<i>As from 31 January 2023</i>)	Member	-

Corporate Governance Committee

The Corporate Governance Committee is governed by a Charter in line with the provisions of the Code. The Charter of the Corporate Governance Committee was approved by the Board and is available on the website of the Company.

The Corporate Governance Committee is a useful mechanism for making recommendations to the Board on various corporate governance issues so that the Board remains effective and complies with good governance principles.

The duties of the Corporate Governance Committee include the following:-

- Oversee the implementation of the corporate governance framework;
- Periodically review and evaluate the effectiveness of the Company's Code of Conduct and Ethics;
- Review the position descriptions of the Chairperson, and Board Committee Chairs and recommend any amendment to the Board; and
- Review annually the size and composition of the Board as a whole.

The Committee met twice during the year. It examined the Corporate Governance report and appointment of new Director.

Members and Attendance

Director	Role	Corporate Governance Committee
Mr. Y. Aboobaker, S.C., C.S.K.	Chairman	2/2
Mr. V. Rambarassah	Member	2/2
Mrs. A. D. I. Ramphul-Punchoo	Member	2/2

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 2 – The Structure Of The Board And Its Board Committees (Contd)

Investment Committee

The Investment Committee is governed by a Charter which has been approved by the Board and is available on the website of the Company.

The main function of the Investment Committee is to advise the Board on asset allocation, investment policies, processes, strategies and on optimal risk/return level. During the year, the Committee reviewed the evolving financial market conditions and deliberated on investment opportunities available on both the local and international fronts and reviewed the asset allocation of the investment portfolio. In addition, the Committee reviewed the exposure of the Company in terms of investment in unquoted shares and discussed about options available to dispose of part of the shares held in unquoted shares to reduce concentration risk.

The Investment Committee met **twice** during the year.

Members and Attendance

Director	Role	Investment Committee
Mr. V. Rambarassah <i>(As from 31 January 2023)</i>	Chairman	2/2
Mr. Y. Aboobaker, S.C., C.S.K.	Member	2/2
Mr. V. Bhuguth	Member	2/2
Dr. R. Auckloo <i>(As from 31 January 2023)</i>	Member	2/2

Mr. G. Goburdhun, G.O.S.K. was Chairman of the Investment Committee up to 31 January 2023.

Directors' Profile

Mr. G. Goburdhun, G.O.S.K. is a Fellow of the Association of Chartered Certified Accountants (FCCA) and holds an M.Sc. in Finance from University of Mauritius. He has been appointed as Managing Director of The State Investment Corporation Limited ("SIC") since April 2019. He holds directorship on various SIC Investee Companies, including Lottotech Ltd, Casino Companies, SIC Development Co. Ltd, SBM (Mauritius) Infrastructure Development Company Ltd, Mauritius Shipping Corporation Limited and Ebene Car Park Ltd. He is also the Director of Air Mauritius Limited, Airports of Mauritius Co. Ltd and Cote d'Or International Racecourse and Entertainment Complex Ltd, which are not investee companies of SIC.

Mr. Goburdhun has extensive experience in the field of auditing, accounting and finance. He is registered with the Mauritius Institute of Professional Accountants as 'Professional Accountant'.

In the past, Mr. Goburdhun was in public practice as Chartered Certified Accountant providing services relating to Accounting, Auditing, Management, Tax Consultancy and Corporate Secretarial Services. Previously, he held Chairmanship on various Government-related companies/institutions such as MauBank Holdings Ltd, MauBank Ltd, National Pensions Board and Responsible Gambling and Capacity Building Fund of the Gambling Regulatory Authority.

Mr. Y. H. Aboobaker, S.C., C.S.K., holds a B.A.(Hons) in Economics. He is a Senior Counsel practicing at the Bar of Mauritius since March 1972 and sits on the board of some of the leading companies in Mauritius. Mr. Y. H. Aboobaker, S.C., C.S.K. was a Director of Compagnie Immobiliere Limitee.

Mr. V. Bhuguth is a Fellow of the Association of Chartered Certified Accountants (FCCA). He reckons 30 years of experience in accounting firms and holds a post-graduate diploma in International Tax Planning from the University of Miami. He is presently leading an accounting firm in Port Louis.

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 2 – The Structure Of The Board And Its Board Committees (Contd)

Directors' Profile (Contd)

Mr. V. Rambarassah is a Fellow of the Association of Chartered Certified Accountants (FCCA) and holds an M.Sc. in Finance and Investment. He is currently Director Investment of National Pensions Fund. He has a wide experience in investment, accounting and finance fields. He was also Chairman of The Eastern and Southern African Trade Development Bank.

Mrs. A. D. I. Ramphul Punchoo is Senior Investment Executive at The State Investment Corporation Limited. She holds a B.Sc. Econ Banking and Finance from University of Cardiff Wales, UK. She is also Director on several Boards such as Casino de Maurice Ltd and Rodrigues Educational Development Co, Ltd.

Dr. R. Auckloo is a Fellow of the Association of Chartered Certified Accountants (UK 2000) and Fellow of the Mauritius Institute of Directors (FMIoD). He is also a member of the Senate, University of Mauritius, since May 2020. Dr. Auckloo holds a PhD in Human Resource Development; an MBA with specialisation in Finance; M.Sc. Information Technology; B.Sc. (Hons) Accounting; a Diploma in Accountancy and a Certificate in Business Studies from the University of Mauritius. He joined the HRDC in 2005 as Manager – Corporate. He was appointed Director of the Human Resource Development Council (HRDC) in June 2009. He started his rich career as Officer / Executive Officer at the National Transport Authority in 1981 before he was promoted to Road Transport Inspector. He worked as Accounting Technician/Senior Accounting Technician and was subsequently appointed Financial & Management Analyst/Senior Financial & Management Analyst at the Management Audit Bureau - Ministry of Finance, where he worked for 10 years.

Directorship in other companies

	Mr. G. Goburdhun, G.O.S.K.	Mr. V. Rambarassah	Mr. Y. H. Aboobaker, S.C., C.S.K.	Mrs. A. D. I. Ramphul Punchoo	Mr. V. Bhuguth	Dr. R. Auckloo
National Investment Trust		✓				
The State Investment Corporation Limited	✓					
Capital Asset Management Ltd	✓					
Prime Partners Ltd	✓					
SIC Development Co. Ltd	✓					
Casino de Maurice Limited	✓					
Le Caudan Waterfront Casino Limited	✓					
Grand Baie Casino Ltd	✓					
Le Grand Casino du Domaine Limitee	✓			✓		
SIC Management Services Co. Ltd	✓					
Guibies Holdings Ltd	✓					
Guibies Properties Ltd	✓					
Prime Real Estate Limited	✓			✓		
Compagnie Mauricienne D'Hippodromes Limitee	✓					
EREIT Management Ltd	✓					
MJTI Properties Co. Ltd	✓					
Lakepoint Ltd	✓					

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 2 – The Structure Of The Board And Its Board Committees (Contd)

Directorship in other companies

	Mr. G. Goburdhun, G.O.S.K.	Mr. V. Rambarassah	Mr. Y. H. Aboobaker, S.C., C.S.K.	Mrs. A. D. I. Ramphul Punchoo	Mr. V. Bhuguth	Dr. R. Auckloo
State Investment Finance Corporation Ltd	✓					
Le Val Development Co. Ltd	✓					
SBM (Mauritius) Infrastructure Development Company Ltd	✓					
Mauritius Technologies Holdings Ltd				✓		
Industrial Finance Corporation of Mauritius (Equity) Ltd	✓					
National Real Estate Ltd	✓					
Mauritius Cargo Community Services Ltd						
Air Mauritius Limited	✓					
Air Mauritius Holdings Ltd	✓					
Airports of Mauritius Ltd	✓					
Pointe Coton Ltd	✓					
Ebene CarPark Ltd	✓					
Lottotech Ltd	✓					
Mauritius Estate Development Corporation Ltd	✓					
Mauritius Shipping Co. Ltd	✓					
Côte d'Or International Racecourse and Entertainment Complex Ltd	✓					
Beach Casino Ltd				✓		
Sun Casino Ltd				✓		
Prime Securities Ltd				✓		
Rodrigues Educational Development Co. Ltd				✓		
Island Resorts Ltd				✓		
Eastern and Southern African Trade Fund		✓				
The Eastern and Southern African Trade Development Bank		✓				

Directorship on listed companies

Mr. G. Goburdhun, G.O.S.K. is a Non-Executive Director of Lottotech Ltd.

Mr. V. Rambarassah is Chairman of National Investment Trust Limited.

The other Board Members of the Company do no hold directorship on Listed Companies.

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 3 – Directors Appointment Procedures

“There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of Directors. The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence and with due regard to the benefits of diversity on the Board, including gender). The Board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders.”

The Constitution of the Company provides that the minimum number of directors shall be five (5) and the maximum shall be nine (9).

Appointment of Directors

The Board carefully considers the needs of the Company in appointing Board Members. The following factors are considered: -

- Skills, knowledge and expertise required on the Board;
- Skills, knowledge and expertise of the proposed Director;
- Previous experience as a Director;
- Specific roles required on the Board such as Chairman of a Committee;
- Balance required on the Board such as gender and age;
- Independence where required;
- Amount of time the proposed Director is able to devote to the business of the Board; and
- Conflicts of interests.

As per the Charter of Corporate Governance Committee, the role of the said Committee in respect of nomination of Directors include the following:-

- (i) To keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace; and
- (ii) To identify and nominate for the approval of the Board, candidates to fill board vacancies as and when they arise.

The proposed appointee is required to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest.

The Board considers its succession very carefully and assumes responsibility for succession planning. The Corporate Governance Committee is responsible to give consideration to succession planning for Directors in the course of its work, taking into account the challenges and opportunities facing the Company, the skills and expertise needed on the Board in the future.

Professional Development

The Board has reviewed the professional development and on-going education of Directors. During the Board evaluation exercise, the Board Members are invited to indicate any training development programme they require.

Induction

On appointment to the Board, all Directors receive a formal induction program designed to provide them with sufficient knowledge and understanding of the nature of business, opportunities and challenges, to enable them to effectively contribute to strategic discussions and oversight of the Company. The topics covered by the induction include the Board Charter, which clearly outlines their duties and obligations, the Code for Corporate Governance in Mauritius, the Risk Management Framework and introduction to key stakeholders. They are also provided with the Company's relevant constitutive documents.

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 3 – Directors Appointment Procedures (Contd)

Election and Re-election of Directors

Each Director is elected by a separate resolution at the Annual Meeting of Shareholders until the next Annual Meeting. Article 34.4 of the Constitution provides that the Board may appoint any person to be a Director, either to fill a casual vacancy or as an additional to the existing Directors but so that the total number of Directors shall not at any time exceed the number fixed in accordance to the Constitution. The Director appointed to fill up a casual vacancy or as an addition to the existing Directors holds office only until the next Annual Meeting.

PRINCIPLE 4 - Director Duties, Remuneration And Performance

“Directors should be aware of their legal duties. Directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Each director must be able to allocate sufficient time to discharge his or her duties effectively. Conflicts of interest should be disclosed and managed. The Board is responsible for the governance of the organisation’s information, information technology and information security. The Board, committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality to perform to required standards. The Board, committees and individual directors should have their performance evaluated and be held accountable to appropriate stakeholders. The Board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives.”

Legal Duties

All Directors are fully aware of their legal duties as laid out in the Mauritius Companies Act 2001 and the Constitution.

Code of Ethics

The Company has outsourced its management to CAM which is an established fund management company licensed by the Financial Services Commission as a CIS Manager. CAM has adopted an appropriate Code of Ethics and Business conduct. The Code of Ethics is accessible on the website of CAM. The Board regularly monitors and evaluates compliance with the Code of Ethics.

Conflict of Interest

Board Members have a fiduciary duty to declare any conflict of interest that they may have in relation to business matters. In their capacity as Board Members, they must subordinate personal individual business, third-party and other interests to the welfare and best interests of the Company.

A conflict of interest occurs when a present transaction or relationship might conflict with a Board Member’s obligations owed to the Company and the Board Member’s personal, business or other interests.

The Company ensures that Directors declare any interest and report to the Chairman and Company Secretary any related party transactions. A register of conflicts of interests is kept by the Company Secretary.

All conflicts of interest and related-party transactions have been conducted in accordance with the Code of Ethics adopted by the Company.



CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 4 - Director Duties, Remuneration And Performance (Contd)

Information, IT and Information Security Governance

The Board of Directors ensures that appropriate resources are allocated for the implementation of an information and IT security framework. CAM has in place an Information Security policy which is regularly reviewed. It has implemented security policies to ensure that data is safeguarded both within its premises as well as those hosted on the server including access rights granted only to authorised personnel, password expiry and complexity policy implemented and backup of digital information. Testing of daily backup of the server are also conducted on a regular basis by the IT department. CAM also has in place a Disaster Recovery Plan which ensures that in the event of a major disaster that causes the site to be unavailable, systems and business operations will be restored at a backup site within two working days.

Board Information

The Chairperson is responsible for ensuring that the directors receive accurate, timely and clear information. The Company Secretary's responsibilities include ensuring good information flows within the Board and its Committees and between senior management and non-executive directors. Management has an obligation to provide accurate, timely and clear information. Directors seek clarification or amplification where necessary.

The Board ensures that Directors have access to independent professional advice at the company's expense in cases where the Directors judge it necessary for discharging their responsibilities as directors.

All Directors keep information relating to the Company, gathered in their capacity as directors, strictly confidential and private and do not divulge them to anyone without the authority of the Board.

The Company should arrange appropriate Directors and Officers Insurance for all Board members, the Company Secretary and other appropriate staff.

Directors & Officers Liability Insurance

The Company has contracted with the National Insurance Co. Ltd a Directors & Officers Liability Insurance cover in respect of legal action or liability that can arise against its Directors and Officers. The cover does not provide insurance against fraudulent, malicious or willful acts or omissions.

Board Evaluation

In view to enhance the Board's effectiveness, the Company has established a system of appraisal to assess the performance of the Board and sub-committees periodically. The appraisal focuses on the major governance issues relevant to the Board.

No independent Board Evaluator was appointed. Directors were invited to fill in a questionnaire prepared by the Company Secretary in consultation with the Chairperson, to seek the views, opinion and recommendations of Directors. The Company Secretary compiles the feedback and ratings received which are considered by the Corporate Governance Committee and Board. The Board is well run and Directors continue to demonstrate a collaborative and constructive mindset creating a conducive environment at Board level. Trainings have been provided to the Directors in respect of Directors duties.

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 4 - Director Duties, Remuneration And Performance (Contd)

Statement of Remuneration Philosophy

The Directors are remunerated for their knowledge, experience and insight. The remuneration policy is to reward the collective contribution of Directors towards achievement of the Company's objectives. The Directors' remuneration in similar companies is also used as a guide. The remuneration of Directors is reviewed at the Annual Meeting of Shareholders.

The table below depicts the total fees earned by Directors during the year under review in their capacity as Board and Committee Members of PLF:-

Director Name	Category	Directors' Remuneration
Mr. G. Goburdhun, G.O.S.K.	Non-Executive	158,000*
Mr. Y. Aboobaker, S.C., C.S.K.	Independent	158,000
Mr. V. Bhuguth	Independent	160,000
Mr. V. Rambarassah	Non-Executive	143,333
Mrs. A. D. I. Ramphul Punchoo	Non-Executive	133,333*
Dr. R. Auckloo (<i>As from 23 August 2022</i>)	Independent	116,378

**The Directors' remuneration for Mr. G. Goburdhun, G.O.S.K. and Mrs. A. D. I. Ramphul-Punchoo were paid to The State Investment Corporation Limited.*

The Directors have not received remuneration in the form of share options or bonuses associated with the Company's performance. All Directors' remuneration is fixed and they do not benefit from any long-term incentive plan.

PRINCIPLE 5 – Risk Governance And Internal Control

"The Board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The Board should ensure the maintenance of a sound internal control system."

The Board of directors is responsible for determining the overall strategic direction and the proper risk management strategy and policies of the Company. It sets the appropriate risk level and tolerance of the Company. A risk register has been developed and this covers all the major risk areas in which the Company has significant exposure. The risk management strategy is based on diversification and acceptable levels of exposure/limits to different asset classes, currencies, issuers, regions and risk levels.

The risk register is periodically assessed relative to changes in market conditions and tactical re-allocations. The CIS Manager, CAM, is responsible for implementing the risk strategy and policies approved by the Board of Directors. It oversees the day-to-day risk management issues in line with the approved strategy, policies and procedures. The Audit & Risk Committee regularly reviews the organisation's strategic, financial, operational and compliance risk.

In addition, the internal auditors ensure that appropriate controls are in place to mitigate all potential risk areas of the Company and their recommendation is considered by the Audit & Risk Committee and the Board on a regular basis.

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 5 – Risk Governance And Internal Control (Contd)

Assurance on risk management processes

The Board relies on the internal and external audit functions to report on any weaknesses and to make recommendations via the Audit & Risk Committee, the objective being to ensure the effective and efficient use of available resources and ascertaining the accuracy of information used in the preparation of financial statements.

The internal and external auditors report directly to the Audit & Risk Committee on a regular basis for identification of any deficiency noted in internal processes and controls, compliance issues and any material misstatements noted in the financial reports.

The principal risks faced by the Company and the way in which each is managed are as follows:

• Operational Risk

Operational risk is defined as “the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.” The main areas of risk of loss are risks relating to internal fraud due to unauthorised activity, theft or fraud due to theft, systems’ security failure or tampering, employment practices and workplace safety due to unhealthy employee relations, improper environment, improper business or market practices, disputes over performance and management of monies, damage to physical assets due to disaster and other events, business disruptions, system’s failures and inaccurate reporting.

The Company does not have any employees: its day-to-day management is carried out by CAM which has adequate logistics, experience and technical capabilities to carry out its contractual obligations vis-à-vis the Fund. In this respect, CAM absorbs most of the operational risks of the Company. CAM has established control procedures to mitigate any operational risks related to the management of the Company. The major risk areas addressed are investment and currency risks and supervisory control. The CAM’s IT support team ensures that technological risks are minimised through frequent system maintenance and updates, restricted access to external parties and data backup system. An IT Agreement has been signed by the staff members to ensure their adherence to terms, policies and procedures to minimise risks.

• Financial risk factors

Please refer to note 4 of the Notes to the Financial Statements.

• Solvency Risk

Solvency risk is minimal since the Company has no debt.

Frameworks and processes for the sound management of risk and Internal Controls

The internal audit function was outsourced to Messrs. BDO for reviewing the effectiveness of the Company’s systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems. This ensures that appropriate frameworks and effective processes are in place for a sound management of risk.

Management is responsible for the implementation of internal control and risk management systems under the supervision of the Audit & Risk Committee which ensures that proper accounting records are maintained and that the strategies and policies adopted by the Board are being implemented.

The Internal Auditor covers all key areas of activities, including IT. Any deviation in policies and non-performance of internal control are duly reported and discussed at large at Management and Audit & Risk Committee levels.

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 5 – Risk Governance And Internal Control (Contd)

Frameworks and processes for the sound management of risk and Internal Controls (Contd)

Based on the issues or risks identified by the internal and external auditors, their recommendations and management actions adopted to mitigate the risks, the Board received assurance that the internal control systems are adequate and effective. Subsequently, the Board ensures that controls in place result in an acceptable level of risk with the Audit and Risk Committee overseeing the effectiveness of the Company's internal control systems.

Corrective actions are promptly taken, and regular follow ups are done. This enables the Board to derive assurance that the internal control systems are effective.

There has been no identification of any significant areas which was not covered by the internal auditors during the year. Based on the internal audit report and review of the Board on the internal control systems, no major risk or deficiency has been found in the Company's system of internal controls. The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness.

The Board has ensured that risk management policies are communicated to management and all other employees as appropriate to their roles within the Fund and has ensured that the communication has been effective and understood.

Operational Risk

For any suspicious or illegal transactions or behaviour, officers and directors are encouraged to lodge reports promptly to the Money Laundering Reporting Officer as per the Financial Intelligence and Anti Money Laundering Act 2002 and Prevention of Corruption Act 2002. The Fund Manager has also adopted a Whistle-blowing Policy which has been shared with all employees.

PRINCIPLE 6- Reporting With Integrity

"The Board should present a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook in its annual report"

The Annual Report is published in full on the Company's website.

The Annual Report comprise several key elements:

- Performance review
- Economic and market review
- Principle risks faced by the Company
- Corporate social responsibility and donations
- Environmental policy

In addition, the following is included on the website of the Company:

- Annual report and accounts
- Board and committee charters
- Code of ethics
- Details on board and governance structure
- Dividend policy and declaration
- Financial Highlights
- Share price is updated daily

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 6- Reporting With Integrity (Contd)

Corporate social responsibility and donations

For its CSR, the Company had paid directly its contribution to the Mauritius Revenue Authority. There were no donations made during the year.

Environmental Policy

Due to the nature of its activities, the Company's operation has no direct impact on environment.

Safety and Health Issues

Management of the Company is outsourced to CAM. Port Louis Fund Ltd has received assurance that CAM complies with the Occupational Safety and Health Act 2005 and other legislative and regulatory frameworks.

Statement of Directors' Responsibilities

Directors acknowledge their responsibilities for:

- Adequate accounting records and for maintenance of effective internal control systems;
- Preparation of financial statements which fairly present the state of affairs of the Company at end of the financial year and the cash flows for that period, and which comply with International Financial Reporting Standards (IFRS);
- Using appropriate accounting policies supported by reasonable and prudent judgments and estimates;
- Ensuring that adequate accounting records and an effective system of internal controls and risk management have been maintained;
Ensuring that appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
- Ensuring that the IFRS have been adhered to. Any departure has been disclosed, explained and quantified in the financial statements; and
- Ensuring that the Code of Corporate Governance has been adhered to in all material aspects. Reasons for non-compliance have been provided, where appropriate.

The External Auditors are responsible for reporting on whether the financial statements are fairly presented.

PRINCIPLE 7 – Audit

“Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation's auditors”

Internal Audit

The role of Internal Audit is to provide independent and objective assurance to management and the Board of Directors through the Audit & Risk Committee. By following a systematic and disciplined approach, Internal Audit helps to accomplish the Company's objectives by evaluating and recommending improvements to operations, internal controls, risk management systems, and governance process.

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 7 – Audit (Contd)

The internal audit function was outsourced to Messrs. BDO. The latter is a professional firm and its internal audit department is adequately staffed with qualified auditors and certified internal auditors. The internal auditor reports to the Audit & Risk Committee at least once per year.

The main areas, systems and processes covered by internal audit during the year were as follows:

IT Review (on accounting software and general IT overview):

- Input Controls;
- Processing Controls;
- Output Controls;
- Management Trails;
- Segregation of Duties;
- User account management and Logical access controls; and
- Disaster Recovery (Back Up, Recovery, Resumption).

The Internal Auditors report directly to the Audit & Risk Committee, have unrestricted access to review all activities and transactions undertaken within the Company and to appraise and report thereon. There was no restriction placed over the right of access by internal audit to the records, management or employees of the organisation.

The Internal Auditors have no operational responsibility or authority over any of the activities audited. Accordingly, they are not involved in internal controls, developing procedures, installing systems, preparing records, or engaging in any other activity that may impair the Internal Auditor's judgment.

External Audit

Grant Thornton was re-appointed as the External Auditors for the financial year ended 30 June 2023 at the Annual Meeting of Shareholders held in December 2022. They have been in office for the last 7 consecutive years for the audit of the financial statements of the Company.

The Audit & Risk Committee ensures that the External Auditor is rotated at least every 7 years. The approach to appointing External Auditor is done through a tendering process. The last tender exercise was conducted in November 2016. A new tender exercise will be launched by the end of this year.

Meeting with Audit & Risk Committee

The External Auditors meet with the Chairman of the Audit & Risk Committee as and when they find it necessary, without the presence of Management. During such meetings, they discuss on matters such as the financial statements of the Company, timeline of the audit, the audit approach, the accounting principles and critical policies adopted. The Audit & Risk Committee has discussed critical policies, judgements and estimates with the External Auditors.

Evaluation of the Auditors

The Audit & Risk Committee evaluates the performance of External Auditors annually, to make an informed recommendation to the Board for their reappointment. The Audit & Risk Committee assesses the qualifications and performance of the auditor, the quality of the Auditor's communications with the Audit & Risk Committee and the Auditor's independence, objectivity and professional scepticism.

The key issues raised by the External Auditors are discussed at the Audit & Risk Committee and Management is invited to explain and take remedial measures.

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 7 – Audit (Contd)

Information on non-audit services

The Company has appointed Grant Thornton (Advisory Services) Ltd for tax compliance services. The fees charged for this service is Rs 27,500 excluding VAT, for the year ended 30 June 2023.

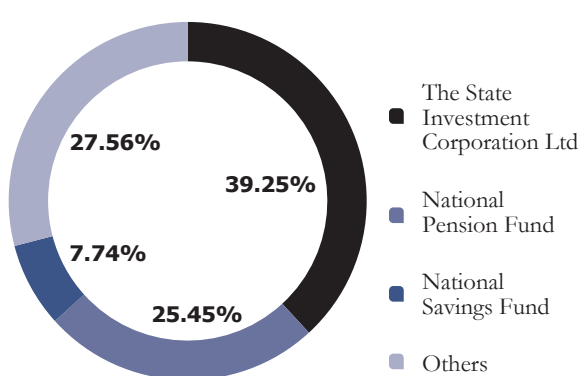
The audit and tax department of Grant Thornton are separate departments. The manager and signing partner for the provision of each service are different persons.

PRINCIPLE 8- Relations With Shareholders And Other Key Stakeholders

“The Board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The Board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose”

SHARE CAPITAL STRUCTURE

The holding structure of Port Louis Fund Ltd as at June 30, 2023 was as follows: -



Shareholder	% of share capital
The State Investment Corporation Limited	39.25
National Pensions Fund	25.45
National Savings Fund	7.74
Others	27.56
TOTAL	100.00

Shareholders holding more than 5% share capital of the Company as at June 30, 2023:-

Shareholder	No. of Shares	% of share capital
The State Investment Corporation Limited	19,688,443	39.25%
National Pensions Fund	12,766,470	25.45%
National Savings Fund	3,882,297	7.74%

Shareholding analysis as at June 30, 2023

Range (No. of shares)	No. of Shareholders	No. of shares	% of share capital	% of all shareholders
1 – 1,000	2,838	1,123,425	2.24	66.29
1,001 – 5,000	872	2,380,785	4.75	20.38
5,001 – 10,000	318	2,501,778	4.99	7.43
10,001 – 25,000	177	2,896,542	5.77	4.13
25,001 – 50,000	48	1,603,259	3.20	1.12
50,001 – 100,000	18	1,329,293	2.65	0.42
100,001 – 1,000,000	7	1,986,663	3.96	0.16
Over 1,000,000	3	36,337,210	72.44	0.07
Total	4,281	50,158,955	100.00	100.00

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 8- Relations With Shareholders And Other Key Stakeholders(Contd)

Category of Shareholders as at June 30, 2023

Shareholders Type	No. of shareholders	No. of shares	% shareholding
Individuals	4,226	12,133,251	24.19
Corporate Bodies and others	55	38,025,704	75.81
Total	4,281	50,158,955	100.00

Company Key Stakeholder

The Company continuously engages with its stakeholders to understand the concern and priorities. The Board ensures that the Company maintains constructive relationships and dialogue with its stakeholders. The Company's key stakeholders and its interactions are as follows: -

Shareholders

All Shareholders are entitled to voting rights in proportion of their shareholding. Each share carries one vote.

CIS Manager ("Fund Manager")

The Company has an Investment Management Agreement with Capital Asset Management Ltd (CAM). CAM supplies the necessary skills and expertise to deliver as mandated. Representatives of the Fund Manager attend all Board/Committee Meetings of the Fund. There exist fair payment practices between the Fund and the Fund Manager.

Registrar and Transfer Office

The Company has an agreement with Prime Partners Ltd (PPL) to provide Registrar and Transfer Office Services. The Registry participates in events organized by the Fund and they work in a spirit of partnership with the Fund Manager. Daily communication take place between Registry and the Fund Manager. There is a good working relationship between the Fund Manager and the Registry.

The Board was apprised of some discrepancies reported by PPL with respect to share register of PLF in July 2023. The Audit & Risk Committee and the Board met several times in order to take cognizance of the issue and directed PPL to tighten its control procedures. The matter has been disclosed in note 9(a) of the Notes to the financial statements.

Custodian Services - Local

The Company has an agreement with SBM Bank (Mauritius) Ltd to provide custodian services for its local and foreign investments. The Company ensures fair and reasonable contract terms, timely payment of custodian fees and timely and effective decisions between the two parties.

Custodian Services - Foreign

The Company has an agreement with ICICI Bank Ltd of India to provide custodian services for its investments in the Indian stock market. The Company ensures fair and reasonable contract terms, timely payment of custodian fees and timely and effective decisions between the two parties.

Regulators

Relationships with the regulators, mainly the Financial Services Commission, the Registrar of Companies and the Mauritius Revenue Authority are considered as critical for good running of the Company.



CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 8- Relations With Shareholders And Other Key Stakeholders (Contd)

Regulators (Contd)

The Company maintains relationship with its regulators through written communications and monthly factsheet, filing of returns and financial reports, participation in forums, conferences and workshops as well as compliance with relevant legislations.

These relationships are viewed as strategic partnerships to ensure that the Company upholds and maintains best practices with full transparency.

Contract with Shareholders

The Company does not have any contract with Shareholders, except a Liquidity Contract with The State Investment Corporation Limited, to ensure that there is sufficient liquidity to complete transactions based on demand for, and supply of, the Company's shares.

Conduct of Shareholders' Meetings

All Directors and External Auditors are invited to attend Shareholders' meetings.

The Constitution allows a Shareholder of the Company to appoint a proxy whether a Shareholder or not, to attend and vote on his/her behalf.

At the Shareholders' meeting, each issue is proposed in a separate resolution:-

- The approval of the Annual Report and Audited Financial Statements;
- The ratification of dividend (if applicable);
- The election or re-election of Board Directors on an Annual basis;
- The appointment or re-appointment of Auditors under section 200 of the Mauritius Companies Act 2001; and
- Any other matter which may require the Shareholders' approval.

Communication with the shareholders

Communication regarding the Company with its Shareholders takes place by way of the daily publication of the Net Asset Value per share of the Fund and factsheet detailing the performance, on its website, www.portlouisfund.com.

Annual report containing the audited accounts, performance review and other essential information is sent to all shareholders. The Shareholders are also invited to the Annual Meeting where they are encouraged to interact with directors and ask questions or seek clarifications from the Board and Management regarding the Fund. Furthermore, any queries addressed to the Registry and/or the Fund Manager, are promptly attended to.

A statement of holdings, including the value of investments, is sent to every Shareholder annually.

CORPORATE GOVERNANCE REPORT (CONTD)

PRINCIPLE 8- Relations With Shareholders And Other Key Stakeholders(Contd)

Annual Meeting of Shareholders

The next Annual Meeting of Shareholders is scheduled in December 2023 and appropriate notice of meeting is given to the Shareholders.

CALENDAR OF IMPORTANT EVENTS FOR THE FINANCIAL YEAR 30 JUNE 2023

The following is a schedule of events as at 30 June 2023.

Date	Event
June 29, 2023	Declaration of Dividend
June 30, 2023	End of Financial Year
July 14, 2023	Payment of Dividend
December 2023	Annual Meeting of Shareholders



STATEMENT OF COMPLIANCE

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

Name of PIE : Port-Louis Fund Ltd

Reporting period : Financial year ended June 30, 2023

We, the Directors of Port-Louis Fund Ltd (the “Company”), confirm to the best of our knowledge that the Company has complied with all of its obligations and requirements under the Code of Corporate Governance except for the following section: -

Principle 2: The Structure of the Board and its Board Committees

Board Composition

The recommendation of the Code is to have at least two executive directors.

The management of the Company has been outsourced to Capital Asset Management Ltd (CAM) as CIS Manager. Given the circumstances, it has not been deemed necessary to appoint an executive director. Representatives of CAM attend Board/Committee meetings and assist the Directors in the decision-making process.

Signed on behalf of the Board of Directors:

Mr. G. Goburdhun, G.O.S.K.
Chairman

Mr. V. Bhuguth
Director

Date: 26 September 2023



CERTIFICATE OF SECRETARY TO THE MEMBERS OF PORT-LOUIS FUND LTD

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **Port-Louis Fund Ltd**, under the Mauritius Companies Act 2001, in terms of Section 166 (d), during the financial year ended 30 June 2023.

Prime Partners Ltd
Company Secretary
Per Christophe Brette

Registered office:
15th Floor, Air Mauritius Centre,
6, President John Kennedy Street
Port Louis
Republic of Mauritius

Date: 26 September 2023

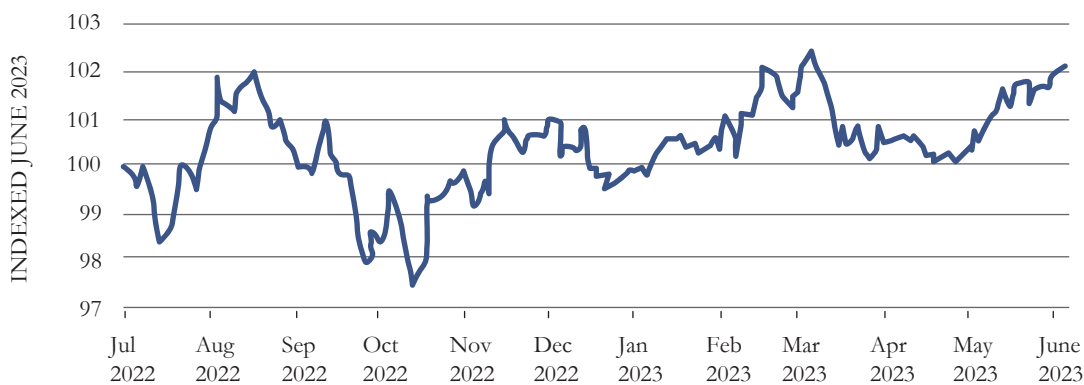


DIRECTORS' REPORT

FUND PERFORMANCE

The Fund has achieved a return of 2.69% for the financial year ended 30 June 2023. The cumulative 5-year return of the Fund, assuming that dividends were re-invested, was 24.7%. Since inception, cumulative return summed up to 786.3% yielding an annualized return of 8.78%. The Fund paid a dividend of MUR 0.50 per share to all shareholders registered on 29 June 2023. The evolution of the Net Asset Value (NAV) per share over the year is illustrated below:

Figure 1 : Evolution of Net Asset Value per Share for the year



The world has entered a new cycle characterised by high inflation and rising interest rates with the potential to cause a recession. After having dealt with the pandemic, Mauritius is also now juggling the impact of soaring inflation and a sharp depreciation of its currency. This has inevitably added financial pressures to both households and businesses like in many countries across the globe.

After adjusting for payment of dividend, the Fund's NAV per share increased from MUR 36.42 to MUR 36.90 as at 30 June 2023. This was mainly driven by the strong performance of the foreign segment. The global equities saw a considerable upward trend during the financial year with the MSCI World Index (a proxy for foreign stock market performance) being up by 16.95% while MSCI Emerging Index fell by 0.75% in MUR terms.

For the year ended 30 June 2023, the local stock market tumbled with the local benchmark, SEMDEX, registering a dip of 7.53% for the year. Regarding the unquoted segment, investment in SICOM was revalued slightly down whereas Maurinet Investment Ltd was revalued upwards.

ASSET CLASS PERFORMANCE

The Net Asset Value of the Fund as at 30 June 2023 stood at MUR 1,850.7M compared to MUR 1,823.4M as at 30 June 2022, marginally down by 1.4% after paying dividend amounting to MUR 25.1 M.

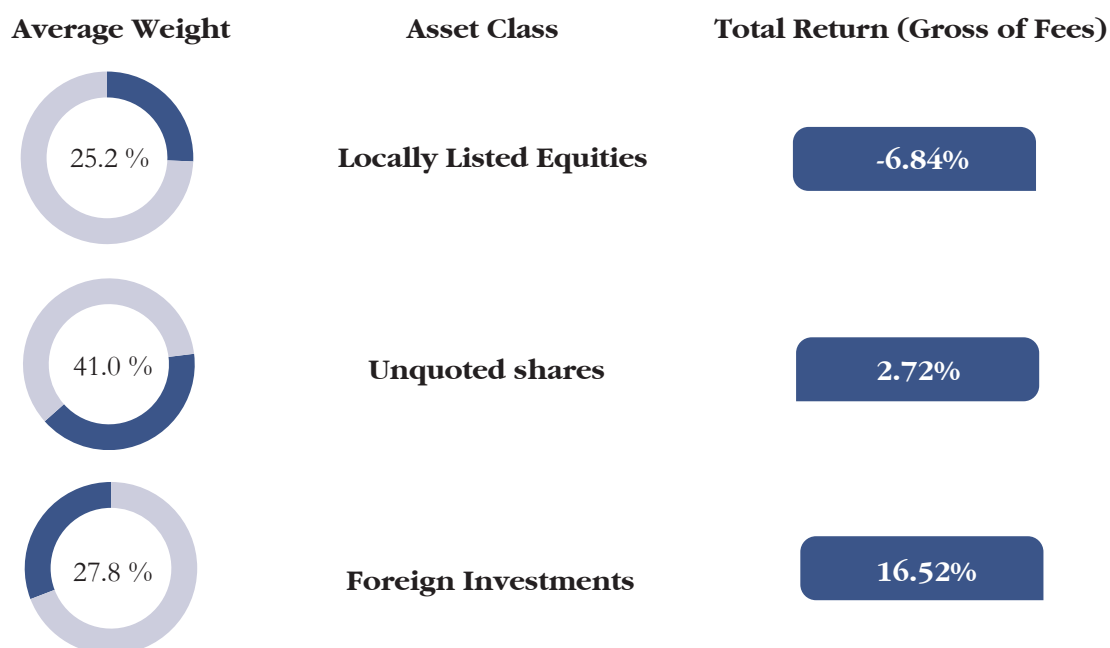
Asset allocation is a strategic decision which is a key determinant for the performance of the Fund. The asset allocation is reviewed periodically and adjusted with respect to changes in market conditions. It aims to balance the risk and return by proper apportionment of the Fund's assets. The Fund's investments are classified into three main segments:

DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Locally Listed Equity, Unquoted shares and Foreign Investments while the cash and fixed income securities are not significant. The total return of each asset class is summarised in Figure 2.

Figure 2 : Asset class return



Investment in short term fixed income and cash represents around 6.1% of the total portfolio.

Locally Listed Equity

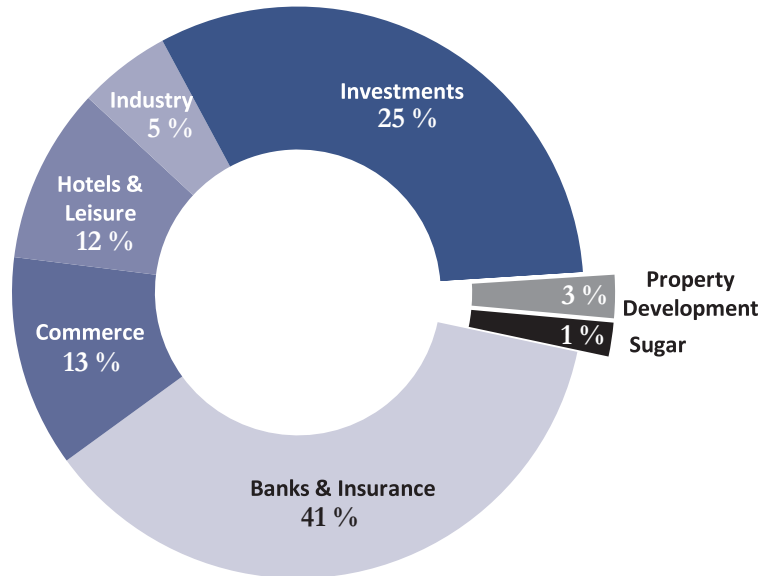
The Locally Listed Equity segment dropped by MUR 56.2 M during the year to reach MUR 433.9 M (MUR 490.1M in 2022). Total value of securities bought during the year amounted to MUR 6.9 M whereas total disposals amounted to MUR 8.2 M. Total dividends received from this asset class amounted to MUR 22.1 M. The local listed portfolio is mainly invested in Banking & Insurance, Investments, and Commerce sectors as depicted in Figure 3. (The breakdown by sector is as per SEM classification).

DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Locally Listed Equity (Contd)

Figure 3: Locally Listed Equity sectoral breakdown



The locally listed equity portion carried an average weight of 25.2% of the total portfolio for the financial year ended 30 June 2023 and registered a negative return of 6.84%. As an indication, the SEMDEX and DEMEX were down by 7.53% and 14.6% respectively. The sector breakdown of the locally listed equity portfolio is shown in Table 1.

Table 1: Sector Breakdown of Locally Listed Equity Portfolio

Sector	2022	2023			% of Total Portfolio
	Value (MUR'M)	Value (MUR'M)	% of Locally Listed Equity Portfolio	% of SEMDEX	
Banks & Insurance	178.9	177.8	41.0%	42.3%	9.6%
Commerce	58.5	55.9	12.9%	15.7%	3.0%
Industry	25.6	20.9	4.8%	6.5%	1.1%
Investments	155.4	109.8	25.3%	20.8%	5.9%
Hotels & Leisure	48.5	51.9	12.0%	9.5%	2.8%
Sugar	9.3	5.1	1.2%	0.6%	0.3%
Transport	1.5	1.4	0.3%	0.3%	0.1%
Property Development	11.9	10.4	2.4%	4.1%	0.6%
Others	0.5	0.5	0.1%	0.2%	0.0%
	490.1	433.8	100.0%	100%	23.4%

DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Unquoted Shares

The value of unquoted shares dropped from MUR 754.7 M to MUR 752.2 M during the year. There was no acquisition or disposal of shares during the period under review. Investments in this asset class are subject to regular revaluation exercises carried out by an independent valuer. The investment in SICOM was revalued downward by 0.7% whilst Maurinet Investment Ltd was revalued upwards by 6.1%. Overall, the value of the total unquoted securities decreased by 0.34% for the year under review and a total dividends of MUR 22.8 M were received from this segment during the year, this resulted in a total return of 2.72% for this asset class.

Figure 4: Unquoted shares sectoral breakdown

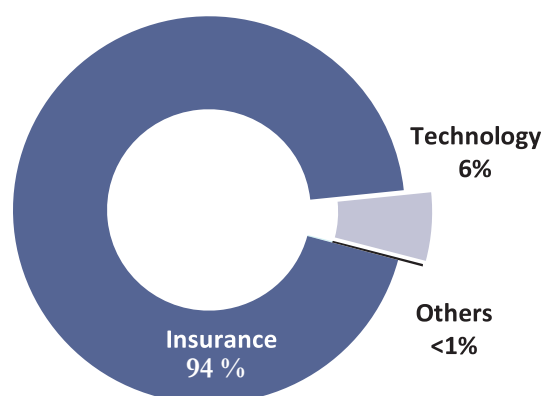


Table 2: Sector Breakdown of Unquoted Securities

Sector	Value (MUR M)	% of Unquoted Securities	% of Total Portfolio
Insurance	705.7	93.8%	38.1%
Technology	45.5	6.1%	2.5%
Others	0.5	0.1%	0.03%
Total	751.7	100.0%	40.6%

Top 5 local Holdings

The combined market value of the top five local holdings of the Fund amounted to MUR 947.3 M as depicted below in Table 3, representing 79.9% of the local segment and 51.2% of the total portfolio.

Table 3: Top 5 Holdings Local Securities

Security	Market Value (MUR M)	% of Local Equity	% of Portfolio
SICOM	705.7	59.5%	38.1%
MCB	124.2	10.5%	6.7%
Maurinet	45.5	3.8%	2.5%
SBM	38.4	3.2%	2.1%
IBL	33.5	2.8%	1.8%
Total	947.3	79.9%	51.2%



DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Top 5 local Holdings

The State Insurance Company of Mauritius Ltd (SICOM)

SICOM is a leading financial solutions provider in Mauritius for a portfolio of activities consisting of Life Assurance, General Insurance, Group Life and Pensions, Actuarial Services, Group Medical, Loans, Financial Services, and Investment Management. Over the years, SICOM has acquired properties, undergone digital transformations and has expanded its distribution network across Mauritius. SICOM has recently embarked on a transformational journey towards making their business model more resilient and sustainable. For the period under review, based on its latest financial statement as at 30 June 2023, SICOM Group's total assets stood at MUR 27.2 Bn (2022: MUR 25.8 Bn). The Group profit from operations before tax (excluding Fair Value Through Profit and Loss) stood at MUR 768.4 M as at 30 June 2023 compared to MUR 632.0 M last year. The Fund received a total dividend of MUR 19.7 M from SICOM for the financial year 30 June 2023. Investment held by the Fund in SICOM generated a return of 2.1% for the year ended 30 June 2023 and a cumulative return of 55.5% over the last 5 years.

The Mauritius Commercial Bank Ltd (MCB Group Ltd.)

MCB Group Ltd is a prominent financial services provider in the region and is the largest company in terms of market capitalisation listed on the SEM since 1989. The Mauritius Commercial Bank Limited, the largest subsidiary of MCB Group Ltd and biggest bank in Mauritius holds approximately 40% of the domestic credit of the economy and 48% of the local currency deposits. As of 30 June 2023, its market capitalisation stood at MUR 81.8 Bn representing 31.3% of the SEMDEX, an increase of 11.1% compared to last year capitalisation of MUR 73.6 Bn. For the year ended 30 June 2023, its share price climbed by 1.87%, earnings per share (basic) was MUR 57.67 whereas price earnings ratio was 5.4 times. The Fund received a total of MUR 6.5 M as dividend for the financial year ended 30 June 2023.

Maurinet Investment Ltd (Maurinet)

Maurinet is the holding company of Mauritius Network Services Ltd (MNS). MNS's activities are to develop, maintain, operate, and manage electronic information and communication systems. It has developed e-government solutions focusing on trade facilitation. As per audited accounts for the year ended 31 December 2022, the company's turnover rose by 19.6% to MUR 181.0 M, while profits dropped by 15.6% to MUR 33.5 M. Total assets increased by 2.12% to MUR 490.4 M over the course of the year. For this financial year, PLF received around MUR 2.6 M as dividend from Maurinet.

SBM Holdings Ltd (SBM)

SBM is one of the leading banking financial services groups in Mauritius with growing international presence. SBM started operations in 1973 and was listed on the Stock Exchange of Mauritius in 1995. The Group profit after tax for the year ended 31 December 2022 was MUR 3,636 M. Market capitalisation stood at MUR 11.9 Bn as at 30 June 2023 representing 2.58% of SEMDEX.. The Fund received MUR 1.7 M as dividend from SBM and the share price fell by 6.25%.

DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Top 5 Holdings (Contd)

IBL LTD

IBL Ltd is a diversified conglomerate engaged in a wide range of activities from financial services, fish storage and processing to mechanical and electrical engineering, logistics, aviation, shipping operations, distribution of consumer goods and a chain of supermarkets. It holds substantial investments in several industries, such as the real estate industry, tourism, financial services, communication and biotechnologies. The Group profit after tax for the year ended 30 June 2023 was MUR 6.3 Bn vis a vis MUR 2.4 Bn for the same period last year. As of 30 June 2023, its market capitalisation stood at MUR 31.2 Bn representing 12% of the SEMDEX. A total amount of MUR 0.5 M was received as dividend for the financial year ended. However, a fall of 15.4% was observed in the share price of IBL Ltd.

Foreign Investments

As of 30 June 2023, the Fund held investment of MUR 545.7 M (2022: MUR 474.7 M) in foreign markets, primarily in equities. The foreign component constituted an average weightage of 27.8% of the total portfolio. During the year disposal of foreign securities amounted to MUR 8.8 M while acquisitions amounted to MUR 5.7 M of the foreign portfolio. An amount of MUR 243.8 M (2022: MUR 212.7 M) was allocated to Indian stocks, representing 44.7% of the foreign portfolio with the remainder dispersed over the rest of the world. Dividends received from the Indian portfolio amounted to MUR 4.0M for the year under review.

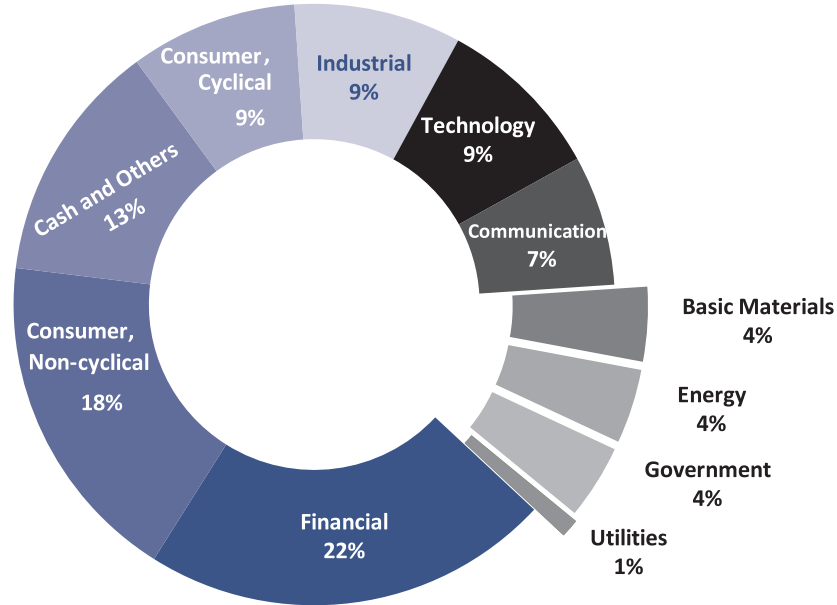
The foreign portfolio achieved a return of 16.52% as of 30 June 2023. As an indication, the MSCI World Index were on track registering returns of 16.95% while MSCI Emerging Market Index lost 0.70% respectively in MUR terms (16.50% and -1.10% in USD terms). The prime factor of the overall gains registered in the foreign segment are linked to improved corporate earnings and rally in technology mega caps. The biggest drivers were the outsized performance within growth sectors, fuelled by a broad interest in artificial intelligence (AI). Investment in foreign funds, excluding India, are strategically managed by foreign fund managers, such as, Franklin Templeton, Fidelity Investments, T-Rowe and BlackRock amongst others. These funds are well diversified spanning various sectors as depicted below.

DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Foreign Investments (Contd)

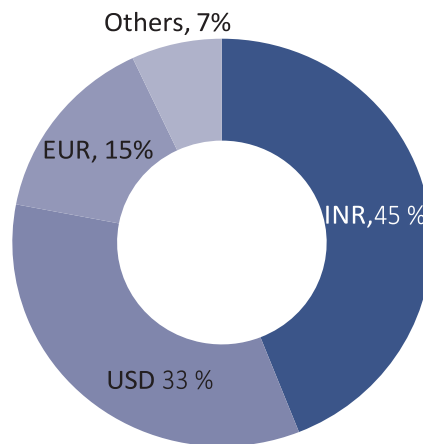
Figure 5: Foreign investment Sector breakdown (excluding India) and including foreign currency balances



Currency Distribution

The foreign portfolio segment of the Fund is managed by adopting a conservative approach leading to exposures to major hard currencies with exposure to key currencies such as USD, EUR and INR.

Figure 6: Currency breakdown



Top 5 Foreign Fund Holdings

The top 5 foreign fund holdings, worth MUR 151.6 M, represented 49.6% of the foreign investments segment (excluding investments in India) i.e., 8.2% of the total portfolio as shown in Table 5. This portion of the portfolio is well diversified in terms of geographical distribution, with main exposures to the American, Asia Pacific and European markets.

DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Top 5 Holdings (Contd)

Table 4: Top 5 Holdings in Foreign Investments

Fund Manager	Securities	Market Value (MUR M)	% of Foreign Portfolio excluding India	% of Portfolio
Franklin Templeton	US Opportunity Fund	41.3	13.5%	2.2%
Fidelity	World Fund	34.2	11.2%	1.8%
T. Rowe	US Blue Chip	34.0	11.1%	1.8%
Fidelity	Global Technology Funds	27.8	9.1%	1.5%
T. Rowe	Global Growth	14.3	4.7%	0.8%
	Total	151.6	49.6%	8.2%

Indian Equity

The Indian equity portion represented 45% of the foreign portfolio of the Fund, carried an average weight of 12% of the whole portfolio. This segment of the portfolio was valued at MUR 243.9 M (INR 437.4 M) as at 30 June 2023 compared to MUR 212.7 M (INR 379.9 M) as at 30 June 2022. For the period under review, in MUR terms, the Indian equity portfolio generated a positive return of 18.2%. Disposal of Indian securities amounted to MUR 8.8 M while acquisitions amounted to MUR 5.7 M over the year. Total dividends received from the Indian portfolio amounted to MUR 3.7M for the year under review. As a reference, the SENSEX index (a proxy for Indian Stock markets) gained 18.54% in MUR terms over the same period.

The Indian stock market scaled record high levels through the year assuring handsome returns to investors in equities, stocks have emerged as the best asset class this year. The remarkable rally in the Indian stock market continued at the back of robust corporate earnings, recovery in sectors like financials, auto, fast moving consumer goods, and domestic growth. Contrary to expectations and macro challenges, inflation has shown notable signs of receding due to continued efforts by the Reserve Bank of India (RBI). India's retail inflation, which is measured by the consumer price index (CPI), slipped to 4.70% in April 2023.

The top 5 holdings make up to 48.1% of this portion of the portfolio, equating to 6.3% of the total portfolio, as detailed in Table 5

Table 5: Top 5 Holdings: India

Security	Sector	Market Value (MUR M)	% of Indian Equity	% of Portfolio
Reliance Industries Ltd	Energy	31.2	12.8%	1.7%
ICICI Bank Ltd	Financial	25.2	10.3%	1.4%
HDFC Bank Ltd	Financial	24.7	10.1%	1.3%
Infosys Ltd	Technology	19.1	7.8%	1.0%
HDFC Ltd	Financial	17.3	7.1%	0.9%
Total		117.5	48.1%	6.3%



DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Indian Equity (Contd)

Reliance Industries Ltd (RIL)

Reliance Industry Ltd (RIL) is India's largest petrochemical firm and India's largest and most profitable private sector company. RIL continued to be a significant global player in the integrated energy value chain while establishing leadership positions in the retail and digital services business in India. Jio Platforms Ltd, a subsidiary of Reliance Industries Ltd announced plans to build a state-of-the-art cloud-based AI compute infrastructure to accelerate India's position as a growing force in artificial intelligence, in collaboration with NVIDIA of the US, a pioneer in accelerated computing. RIL generated an EBITDA of INR 419.1 Bn, representing a growth of 51.8% over last year. On July 20, 2023 RIL demerged its financial lending arm, creating a new entity known as Jio Financial Services (JFS). This decision was driven by a desire to keep the financial service business distinct from other operations. The demerger process was executed on a 1.1 ratio basis, which basically means for each share held in RIL as of record date, one share of JFS was credited. The fall in share price of 11% was triggered by huge volumes as shares changed hands on the exchanges due to a block deal.

ICICI Bank Ltd

ICICI Bank Ltd is a large private sector bank in India offering a diversified portfolio of financial products and services to retail, SME and corporate customers. The bank is at the forefront of leveraging technology and offers services through digital channels like mobile and internet banking. Net profit of the bank grew by 36.4% during the year 2022/2023 attributed to an increase in interest income and fall in interest expense. The share price grew by 32.2% in MUR terms from 30 June 2022 to 30 June 2023.

HDFC Bank Ltd

HDFC Bank Ltd offers a wide range of services to the global corporate sector. The bank provides corporate banking and custodial services and is active in the treasury and capital markets. For the fiscal year 2021/2022, the bank has maintained its leadership position and delivered consistent growth across most of its key financial parameters. Its net profit saw an ascension of 19.5%. The share price grew by 26.3% in MUR terms from 30 June 2022 to 30 June 2023.

Infosys Ltd

Infosys established in 1981 is the first Indian IT company to be listed on the NASDAQ. Infosys provides IT consulting and software services, including e-business, program management and supply chain solutions. The Group's services include application development, product co-development and system implementation and system engineering. Infosys targets businesses specializing in the insurance, banking, telecommunication and manufacturing sectors. For the fiscal year 2022/2023, the profit after tax grew by 3.26%. The share price fell by 8.62% in MUR terms from 30 June 2022 to 30 June 2023.

DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Indian Equity (Contd)

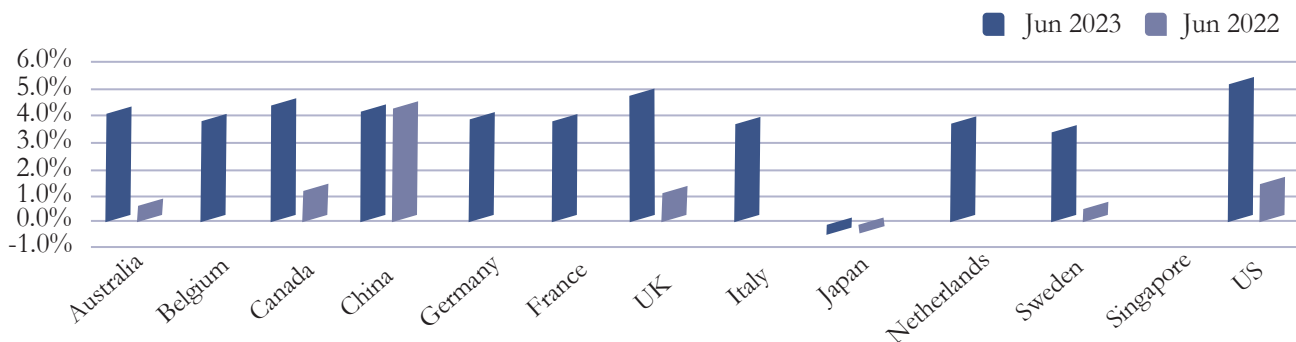
Housing Development Finance Corporation Ltd (HDFC)

HDFC provides housing finance in India. The principal business is providing finance to individuals, corporates, and developers for the purchase, construction, development and repair of houses, apartments and commercial properties in India. HDFC registered a net profit increase of 22% in the fiscal year 2022/2023. The share price rose by 30.4% in MUR terms from 30 June 2022 to 30 June 2023.

GLOBAL ECONOMIC AND MARKET REVIEW

Persistently high inflation rates have been dominating the global economy since the beginning of 2022 and Central Banks over the world have tightened their monetary policy with aggressive hiking of interest rates to tame inflationary pressures.

Figure 7: Central Bank Interest Rates Year-on-Year (G13 Countries)



Source: Bloomberg

Some financial institutions with business models that relied heavily on a continuation of the extremely low nominal interest rates of the past years have come under stress, as they have proved either unprepared or unable to adjust to the fast pace of rate rises. The unexpected failures of two specialized regional banks (Silicon Valley Bank and Signature Bank) in the United States in mid-March 2023 and the collapse of confidence in Credit Suisse a globally significant bank have roiled financial markets, with bank depositors and investors re-evaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable. Despite strong policy actions to support the banking sector and reassure markets, some depositors and investors have become highly sensitive to any news, as they struggle to discern the breadth of vulnerabilities across banks and non-bank financial institutions and their implications for the likely near-term path of the economy.

Broad equity indices across major markets have fallen below their levels prior to the turmoil, but bank equities have come under extreme pressure. The US Yield curve remained high, as the 2 Yr bond yields shifted much higher than the yield on the 10 Yr US T-Bond, leading to a further inversion of the yield curve. The Eurozone and UK appear to have avoided recessions as natural gas prices have fallen sharply, with cost-of living pressures easing. China's post-reopening recovery had been slower and bumpier than expected. Within consumption, the service sector has experienced the most significant recovery since reopening, as consumers flocked back to tourism activities. Policymakers around the world are facing increasingly difficult trade-offs between fighting inflation, preserving financial stability, and supporting inclusive and sustainable economic recoveries, against the backdrop of lingering uncertainties.

DIRECTORS' REPORT

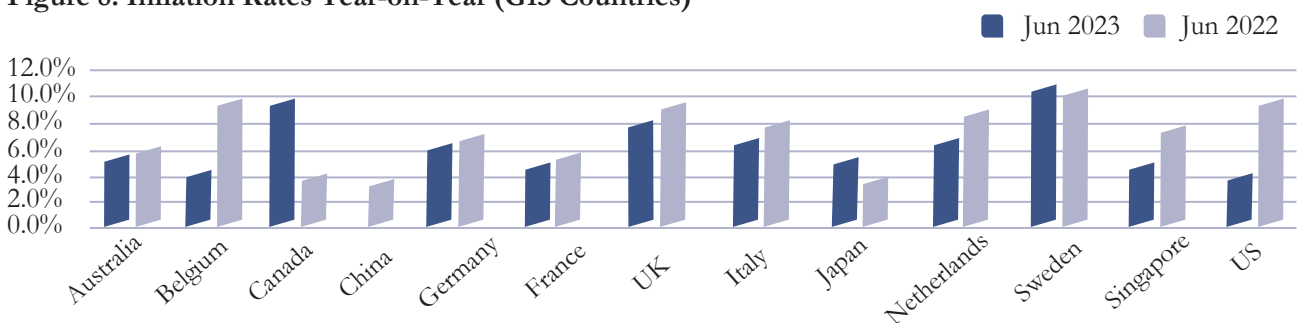
GLOBAL ECONOMIC AND MARKET REVIEW (CONTD)

Inflation is easing in most countries but remains high, with divergences across economies and inflation measures. Following the buildup of gas inventories from different sources in Europe and weaker-than-expected demand in China, energy and food prices have dropped substantially from their 2022 peaks, although food prices remain elevated. Together with the normalization of supply chains, these developments have contributed to a rapid decline in headline inflation in most countries. Core inflation, however, has on average declined more gradually and remains well above most central banks' targets.

Figure 8 illustrates the trend in inflation among the G13 countries.

Despite recent market weaknesses, a growth stocks rally, an upbeat earnings season and hopes of the US Fed ending its monetary tightening soon have set the main indexes on course. Major emerging markets have generally remained resilient in this uncertain environment and largely avoided the banking sector turmoil in March 2023. This was mainly due to strong corporate earnings from leading companies and rapidly picking up as COVID-19 waves subsided in January of this year, mobility normalized, and high-frequency economic indicators such as retail sales and travel bookings started picking up. With China absorbing about a quarter of exports from Asia and between 5 and 10 percent from other geographic regions, the reopening and growth of its economy will likely generate positive spillover.

Figure 8: Inflation Rates Year-on-Year (G13 Countries)



Source: Bloomberg

Table 7: Performance of main international indices over the financial year

Index	Return (Domestic currency)	Return (MUR)
S&P 500	17.57%	18.01%
FTSE 100	5.05%	9.78%
Nikkei 225	25.75%	18.49%
MSCI World	16.52%	16.95%
MSCI Euro (Excl UK)	13.63%	14.05%
MSCI Emerging	-1.12%	-0.75%
BSE SENSEX	22.07%	18.54%

Source: Bloomberg

However, many lower-rated issuers of sovereign bonds in emerging and frontier markets are still struggling to maintain access to international markets.

DIRECTORS' REPORT

LOCAL ECONOMIC REVIEW & OUTLOOK

Three years after the unprecedented shock triggered by the COVID-19 pandemic, the Mauritian economy continues its recovery path at a gradual, albeit more moderate pace relative to peers, with most countries having already returned to their 2019 levels in real terms by last year. The Mauritian economy grew by 8.7% over the year 2022, which demonstrated solid resilience with the rebound noted in the hospitality sector amid the increase in arrivals of tourists from 179,780 in 2021 to nearly 1 million tourists in 2022 and resumption of overall business activity mainly in the manufacturing, financial and IT sectors. Real GDP growth in Mauritius is projected at around 5% in 2023 in line with latest IMF forecasts.

The National Budget 2023-24 was presented on 02 June 2023, with the focus revolving around strengthening of the main pillars of the economy inclusive of the continuous transformation of Mauritius into a sustainable economy. The overhaul of the income tax system to make it more progressive in combination with the abolition of solidarity levy is expected to boost household consumption and consequently positively impact the business community.

Improvements in economic indicators were noted during the period such as the decline in the unemployment rate from 9.9% in 2021 to 7.7% in 2022 and a reduction in the Public Debt to Gross Domestic Product (GDP) from 81.4% in 2021 to 79.0% in 2022. The elevated inflation rate remains a concern with tightening of the monetary policy through hiking of interest rates experienced (increase of 265bps since 2020) from 1.85% to 4.50% until June 2023. The headline inflation as of June 2023 was 10.5% (June 2022: 8.0%) with a year-on year inflation rate of 7.9% (June 22: 9.6%).

The local equity market remained very volatile and experienced a drop despite the positive announcement of earning results of companies and dividend announcement. The local market index, SEMDEX and SEMTRI declined by -7.5% and -3.8% respectively over the period under review compared to a rebound of +14.2% noted for the comparative period last year.

DIRECTORS' REPORT

LOCAL ECONOMIC REVIEW & OUTLOOK (CONTD)

The Evolution of SEMDEX Over The Year Under Review is Illustrated Below



Figure 9: SEMDEX Evolution (Indexed 30 June 2022)

Table 8: Valuation Ratios		
Ratio	2023	2022
Dividend Yield (%)	4.34	3.19
Price to earnings ratio (X)	7.49	8.73
Price to book ratio (X)	0.62	0.58

Source: Bloomberg

The main contributors to the market performance were Vivo Energy (+19.7%), MCB Group Ltd (+1.9%) and Sun Ltd (+16.5%) whilst detractors were IBL (-15.4%) and Ascencia (-32.8%). Only sugar sector (+20.5%) and the hotel sector (+3.7%) showed some improvements across the board given the increase in sugar prices and increased arrivals of tourists. The announcement of dividends by Sun Ltd and LUX boosted the optimism among the hotel stocks. In addition, the National Budget highlighted a target of 1.4M tourists and Rs 100Bn in terms of tourism revenue next year which supports the recent outperformance of hotel groups.

Uncertainty in the local macroeconomic environment continued to impact the performance of the local equity and fixed income market. Interest rates across all maturities shifted upwards with an average increase of 299bps, with short term yields (+309bps) increasing more than the long tenor yields (+68bps). The new Monetary Policy tool was introduced through the issuance of the 7-day BoM Bills (issuance of Rs 73Bn since Jan 2023), which was effectively reducing the level of liquidity in the local market with the aim of curbing inflation. However, in the first week of July 2023 the BoM capped the issuance amount at Rs 5.0Bn which in turn impacted the yield curve with a downward shift of -32bps on average noted across all tenors.

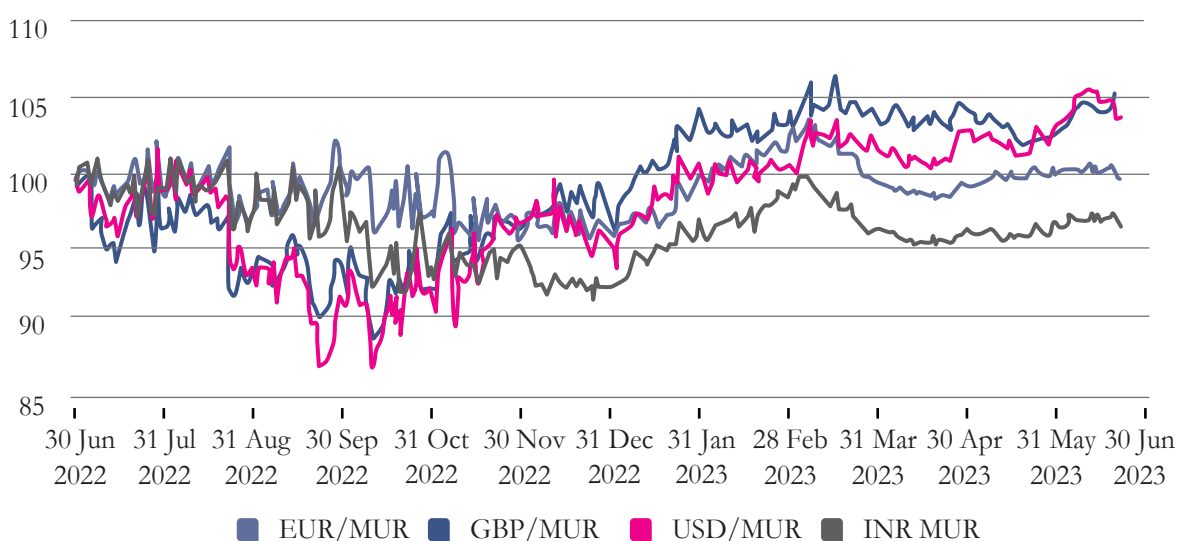
The country was rated at Baa3 by Moody's Investors' Service since July 2022 and is maintained at Baa3 with stable outlook as announced on 28 July 2023. The Mauritian economy is set to continue its recovery path this year, with an expected GDP growth of 5.3% in 2023, according to Statistics Mauritius. By and large, the local growth outlook is reliant on tourist arrivals, the expected price of sugar in the international market to remain elevated and initiatives by the government to streamline the investment facilitation framework.

DIRECTORS' REPORT

THE FOREIGN EXCHANGE MARKET

During the financial year ended 30 June 2023, all the major hard currencies appreciated. USD, EUR and GBP appreciated by 0.4%, 4.2% and 4.5% respectively vis a vis Mauritian Rupee. However, on the Asian market side, the INR lost 2.9% vis a vis the MUR during the year. The trend of the currencies is depicted in Figure 11.

Figure 10: Normalised foreign exchange against MUR



Source: Bloomberg

PROSPECTS

The Russian-Ukrainian war sparked uncertainty in the global business environment in 2022/2023, with the record-high inflation and rising global interest rates wreaking havoc on investment portfolios. A return of the world economy to the pace of economic growth that prevailed before the bevy of shocks in 2022 and the recent financial sector turmoil is increasingly elusive. 2023 will be a very complicated year, marked by several challenges for the central banks of the main advanced economies, such as bringing inflation back to the target of 2%, synonymous with price stability to ensure the balance of the economy and avoid a global recession despite tightening monetary policies. High energy prices, inflation and input costs will likely force the European Central Bank to remain hawkish longer than the U.S. Fed in 2023. Global economic activity may also face resistance due to a strong U.S. dollar. Most financial transactions and trade are denominated in dollars, making the cost of business pricier for non-U.S. companies.

As a result, many economies are likely to experience slower growth in incomes in 2023, amid rising joblessness. Over the medium term, the prospects for growth now seem dimmer than in decades, risks to the outlook are heavily skewed to the downside, with the chances of a hard landing. Financial sector stress could amplify, and contagion could take hold, weakening the real economy through a sharp deterioration in financing conditions and compelling central banks to reconsider their policy paths.



DIRECTORS' REPORT

PROSPECTS (CONTD)

Pockets of sovereign debt distress could, in the context of higher borrowing costs and lower growth, spread and become more systemic. The war in Ukraine could intensify and the recent unfolding events in Israel could have regional impact in the Middle East leading to more food and energy price spikes, pushing inflation up. Policymakers have a narrow path to walk to improve prospects and minimize risks. Central banks around the world need to remain steady with their tighter anti-inflation stance, but also be ready to adjust and use their full set of policy instruments including to address financial stability concerns as developments demand.

As for Mauritius, growth is expected to stabilise in 2024, still underpinned by the recovery, in tourism, a strengthening construction sector, and expansion in manufacturing and financial services. Private consumption (70% of GDP in 2022) will continue to benefit from the upturn in tourism, falling unemployment (peak of 10.5% in early 2021 to 6.7% in early 2023) and a more moderate inflation. After soaring in 2022 in the wake of the explosion in global prices for agricultural products and energy, almost all of which were imported, inflation slowed in 2023, in step with easing prices. This trend was supported by the Bank of Mauritius whose main interest rate rose to 4.5% in June 2023, from 1.85% during the pandemic. Inflation should continue to contract in 2024 and monetary policy could be carefully loosened, in the footsteps of the US Fed and the ECB. With significant changes to the macroeconomic backdrop and investing landscape, active management with prudent security selection and a bias toward quality will be the best approach for investing.

A handwritten signature in black ink, appearing to read 'G. Goburdhun', enclosed in a simple oval scribble.

Mr. G. Goburdhun, G.O.S.K.
Chairman

Certain numbers in this annual report have been rounded up or down. There may therefore be discrepancies between the actual totals of the individual amounts in the tables and the totals shown as well as between the numbers in the tables and the numbers given in the corresponding analyses in the text of the annual report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PORT-LOUIS FUND LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Port-Louis Fund Ltd**, the “Company”, which comprise the statement of financial position as at 30 June 2023, and the statement of comprehensive income, statement of changes in net assets attributable to holders of redeemable shares and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages 51 to 83 give a true and fair view of the financial position of the Company as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further describes in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the “IESBA Code”), 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.

Emphasis of matter

We draw attention to Note 20 which describe the adjustments made on redeemable shares as at 30 June 2023. These adjustments relate to unwarranted redemptions of redeemable shares amounting to an estimated total of Rs 3,737,500 (Note (9a)) and unwarranted amendments on the shares balance of a total of 11,400 shares (Note 10). These financial statements do not include any adjustments should the unwarranted redemptions of redeemable shares and unwarranted amendments on the shares balance be higher than the adjusted amount as at 30 June 2023. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon (“Other Information”)

Management is responsible for the Other Information. The Other Information comprises mainly of information included under the Corporate Data, Annual Report, Corporate Governance Report, Statement of Compliance and Report from the Company's secretary as required by the Mauritius Companies Act 2001, but does not include the financial statements and our auditors' report thereon.



INDEPENDENT AUDITORS' REPORT (CONTD) TO THE MEMBERS OF PORT-LOUIS FUND LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTD)

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information") (Contd)

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 Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITORS' REPORT (CONTD) TO THE MEMBERS OF PORT-LOUIS FUND LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTD)

Auditors' Responsibilities for the Audit of the Financial Statements (Contd)

- 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 auditors' 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.

Other matter

Our report is made solely to the members of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinion we have formed.



INDEPENDENT AUDITORS' REPORT (CONTD) TO THE MEMBERS OF PORT-LOUIS FUND LTD

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Mauritius Companies Act 2001

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

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

Financial Reporting Act 2004

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance (“the Code”) disclosed in the Corporate Governance 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 Corporate Governance Report, the Company has, pursuant to Section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Grant Thornton
Chartered Accountants

JUNAID HAJEE ABDOULA, FCCA
Licensed by FRC

Date: 27 SEPTEMBER 2023

Ebene 72201, Republic of Mauritius


STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	2023 Rs'000	2022 Rs'000
ASSETS			
Non-current			
Portfolio of domestic securities	7	760,255	764,064
Portfolio of foreign securities	8	542,090	470,682
Non-current assets		1,302,345	1,234,746
Current			
Portfolio of domestic securities	7	438,951	490,099
Portfolio of foreign securities	8	3,621	4,027
Other receivables	9	11,617	21,149
Current tax asset	12	54	85
Cash and cash equivalents	19(b)	129,220	108,544
Current assets		583,463	623,904
Total assets		1,885,808	1,858,650
LIABILITIES			
Other payables	11	5,049	5,024
Bank overdrafts	19(b)	25	676
Dividend payable	18	30,028	29,529
Total liabilities excluding net assets attributable to holders of redeemable shares		35,102	35,229
Net assets attributable to holders of redeemable shares		1,850,706	1,823,421
Total liabilities		1,885,808	1,858,650
Net asset value per share	20	36.90	36.42

Approved by the Board of Directors on 26 September 2023 and signed on its behalf by:



Mr. G. Goburdhun, G.O.S.K.
Chairman



Mr. V. Bhuguth
Director

The notes on pages 55 to 83 form an integral part of these financial statements.



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 Rs'000	2022 Rs'000
Income			
Investment income	13	50,020	42,821
Net increase in fair value of financial assets through profit or loss	7, 8 & 14	21,808	-
Forex gain		1,581	-
Other income		179	2,922
Total income		73,588	45,743
Expenditure			
Net decrease in fair value of financial assets through profit or loss	7, 8 & 14	-	(678)
Management fees	15	(16,431)	(17,074)
Registry costs	16	(1,208)	(1,208)
Other operating expenses	17	(4,447)	(4,518)
Forex Loss		-	(1,010)
Net loss on disposal of securities		(1,385)	(2,967)
Total expenditure		(23,471)	(27,455)
Profit before tax	17	50,117	18,288
Tax expense	12	(81)	(14)
Profit for the year		50,036	18,274
Other comprehensive income:			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Decrease in fair value of financial assets at FVOCI	7	(868)	(410)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
		-	-
Other comprehensive income for the year, net of tax		(868)	(410)
Total comprehensive income for the year		49,168	17,864

Note: EPS information is not disclosed as the class of shares that are publicly traded are redeemable shares.

The notes on pages 55 to 83 form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 Rs'000	2022 Rs'000
Net assets attributable to holders of redeemable shares at 01 July		1,823,421	1,834,188
Proceeds from issue of redeemable shares		8,438	15,406
Payments on redemption of redeemable shares		(8,978)	(18,969)
Adjustment on redemption of redeemable shares	9(a) & 20	3,738	-
Dividends distribution to holders of redeemable shares	18	(25,081)	(25,068)
Transactions with the shareholders		(21,883)	(28,631)
Profit for the year		50,036	18,274
Other comprehensive income for the year		(868)	(410)
Total comprehensive income for the year		49,168	17,864
Net assets attributable to holders of redeemable shares at 30 June		1,850,706	1,823,421

The notes on pages 55 to 83 form an integral part of these financial statements.



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 Rs'000	2022 Rs'000
Net cash used in operating activities *	19 (a)	(3,074)	(35,090)
Investing activities			
Purchase of investments		(12,538)	(26,306)
Proceeds from disposal of investments		16,044	115,285
Proceeds from maturity of fixed deposit		-	14,000
Dividends received		40,871	36,290
Interest received		1,407	931
Net cash from investing activities		45,784	140,200
Financing activities			
Net redemption of shares		(5,240)	(18,969)
Issue of shares		8,438	15,406
Dividend paid to holders of redeemable shares		(24,581)	(23,433)
Net cash used in financing activities		(21,383)	(26,996)
Net change in cash and cash equivalents		21,327	78,114
Cash and cash equivalents, at beginning of the year		107,868	29,754
Cash and cash equivalents, at the end of the year		129,195	107,868
Cash and cash equivalents made up of:			
Bank overdrafts		(25)	(676)
Cash at bank		129,220	108,544
Total	19 (b)	129,195	107,868
*Non-cash transaction			
Dividend reinvested		292	660

The notes on pages 55 to 83 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

1. General information and statement of compliance with IFRS

Port-Louis Fund Ltd, the “Company”, is a Collective Investment Scheme as per Securities Act 2005. The Company was incorporated on 09 June 1997 as a public company with limited liability. It initially obtained approval from the Ministry of Finance to be an Authorised Mutual Fund under Section 35 of the Mauritius Companies Act 1984, then replaced by the Mauritius Companies Act 2001. The Company’s registered address is at 15th Floor, Air Mauritius Centre, 6, President John Kennedy Street, Port Louis, Republic of Mauritius.

The principal activities of the Company are:

- (a) to carry on business as an investment holding company;
- (b) to deal in securities and properties of all kinds and;
- (c) to manage and advise on investment funds.

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

2. Application of new and revised IFRS

2.1 New and revised standards that are effective for annual year beginning on 01 July 2022

In the current year, the following new and revised standards issued by the IASB became mandatory for the first time for the financial year beginning on 01 July 2022:

IFRS 3, References to the Conceptual Framework (Amendments to IFRS 3)

The changes update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

IAS 16, Proceeds before Intended Use (Amendments to IAS 16)

Amendments were made to the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

IAS 37, Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments were brought to clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

2. Application of new and revised IFRS (Contd)

2.1 New and revised standards that are effective for annual year beginning on 01 July 2022 (Contd)

IFRS 1, IFRS 9, IFRS 16 and IAS 41, Annual Improvements to IFRS Standards 2019-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)

The objective of the annual improvements is to enhance the quality of standards, by amending existing IFRSs to clarify guidance and wording, or to correct for relatively minor unintended consequences, conflicts or oversights. Amendments are made through the annual improvements process when the amendment is considered non-urgent but necessary. The IASB issued Annual Improvements to IFRS Standards 2018–2020 containing the following amendments to IFRSs:

- IFRS 1, First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- IFRS 9, Financial Instruments - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- IFRS 16, Leases - Lease incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- IAS 41, Agriculture - Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

2.2 Standards, amendments to existing standards and interpretation that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new Standards and amendments to existing Standards have been published but are not yet effective and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements, as relevant to the Company's activities, will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncements. Information on the new Standards and amendments to existing Standards is provided below.

IFRS 17, Insurance Contracts, including amendments to IFRS 17

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, Insurance Contracts as of 01 January 2023.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

2. Application of new and revised IFRS (Contd)

2.2 Standards, amendments to existing standards and interpretation that are not yet effective and have not been adopted early by the Company (Contd)

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

The amendments in classification as liabilities as current or non-current affect only the presentation of liabilities in the statement of financial position-not the amount or timing of recognition of any asset, liability, income or expense, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the “right” to defer settlement by at least twelve months and make explicit that only rights in place “at the end of the reporting period” should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

IFRS 17, Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17)

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. IFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after 1 January 2023.

IAS 8, Definition of Accounting Estimates (Amendments to IAS 8)

The amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies.

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

The International Accounting Standards Board (IASB) has issued Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 01 January 2023.

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

The amendment requires companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendment requires a temporary difference that arises on initial recognition of an asset or liability is not subject to the initial recognition exemption if that transaction gave rise to equal amounts of taxable and deductible temporary differences.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

2. Application of new and revised IFRS (Contd)

2.2 Standards, amendments to existing standards and interpretation that are not yet effective and have not been adopted early by the Company (Contd)

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

The International Accounting Standards Board (IASB) has issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

IAS 1, Non-current liabilities with Covenants (Amendments to IAS 1)

The International Accounting Standards Board (IASB) has published Non-current Liabilities with Covenants (Amendments to IAS 1) to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1 January 2024.

Management has yet to assess the impact of the above new Standards and amendments to existing Standards on the Company's financial statements.

3. Summary of accounting policies

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term bank deposit. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts are shown in liabilities.

3.3 Share capital

The Company's share capital consists of redeemable shares:

They are redeemable at the shareholder's option and at prices based on the value of the Company's net assets at the time of issue or redemption and are classified as financial liabilities.

The shares are redeemed for cash and have a par value.

Dividend distributions payable to redeemable shareholders are included in current liabilities when the dividends have been approved by the Board prior to the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

3. Summary of accounting policies (Contd)

3.4 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Subsequent measurement of financial assets and liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and subsequent measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

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

In the current year, the Company has financial assets categorised as FVOCI, FVTPL and amortised cost.

The classification is determined by both:

- the Company's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income, finance costs or other financial items, except for impairment of financial asset which is presented within other expenses.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit or loss. Further, irrespective of business model financial assets where contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

3. Summary of accounting policies (Contd)

3.4 Financial instruments (Contd)

Classification and subsequent measurement of financial assets (Contd)

Financial assets at fair value through profit or loss (Contd)

The Company's financial assets at fair value through profit or loss consist of investments in both quoted and unquoted companies domestically as well as in foreign countries.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are accounted for at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is 'hold to collect' the associated cash flow and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on principal amount outstanding.

The option to designate an equity instrument at FVOCI is available at initial recognition and is irrevocable. This designation results in all gains and losses being presented in other comprehensive income (OCI) except for dividend income which is recognised in profit or loss. All other gains and losses are recognised in OCI without reclassification on derecognition.

The Company's investments in bonds are classified at FVOCI.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents and most of other receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirement include other debt-type financial assets measured at FVOCI and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

3. Summary of accounting policies (Contd)

3.4 Financial instruments (Contd)

Impairment of financial assets (Contd)

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

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

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

Classification and measurement of financial liabilities

The Company's financial liabilities include other payables, dividend payables and bank overdrafts.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequent measurement of financial liabilities

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

3. Summary of accounting policies (Contd)

3.5 Foreign currency

Functional and presentation currency

The financial statements are presented in currency Mauritian Rupee (“Rs”), which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.6 Revenue

To determine whether to recognise revenue, the Company ensures that the following 5 conditions are satisfied:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on an accrual basis unless collectability is in doubt.

Gain on disposal arises from the sale of financial assets at FVTPL. It is the difference between the sales proceeds and the fair value of the financial asset.

3.7 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax, current tax and CSRF (Corporate Social Responsibility Fund) not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting years, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

3. Summary of accounting policies (Contd)

3.7 Income taxes (Contd)

The Company is subject to CSR and the contribution is at the rate of 2% on the chargeable income of the preceding financial year. However, effective as from 01 January 2017, further to changes 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 01 January 2019, the contribution to the Mauritius Revenue Authority must be at least 75% or reduced up to 50% if prior written approval of the National CSR Foundation is obtained.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective year of realisation, provided they are enacted or substantively enacted by the end of the reporting year.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of comprehensive income, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity respectively.

3.8 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses. All known risks at reporting date are reviewed in detail and provision is made where necessary.

3.9 Expense recognition

All expenses are accounted for on the accrual basis.

3.10 Management fees and Registry costs

Management fees and registry cost are accounted on an accrual basis as per the terms and conditions of the agreement with the fund manager and the company secretary respectively.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

3. Summary of accounting policies (Contd)

3.11 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.12 Impairment of assets

At each reporting date, the Company reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

3.13 Other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.14 Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.15 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3.16 Significant management judgement in applying accounting policies and estimation uncertainties

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. Management has considered those factors and has determined that the functional currency of the Company is the Mauritian rupee (Rs).

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

3. Summary of accounting policies (Contd)

3.16 Significant management judgement in applying accounting policies and estimation uncertainties (Contd)

Significant management judgement (Contd)

Limitation of sensitivity analysis

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

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

Going concern

The directors acknowledge the implication of COVID-19 and its adverse impact on industries and markets. The directors have assessed that COVID-19 has adversely impacted on the business operations and results for the year ended 30 June 2023. However, the long term impact of COVID-19 on the Company's operations is still unclear and the directors are monitoring the situation closely and have adopted various measures to mitigate the risk involved such as business continuity planning so that it does not affect the going concern of the Company.

Estimation uncertainties

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Recoverability of other receivables

The Company reviews its significant other receivables at each reporting date to assess whether an impairment loss should be recorded in the statement of comprehensive income. In particular, management judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

4. Financial instrument risk

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised below.

Financial assets and financial liabilities

30 June 2023	FVTPL	FVOCI	Amortised cost	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets				
Non-current				
Portfolio of domestic securities	752,190	8,065	-	760,255
Portfolio of foreign securities	542,090	-	-	542,090
Current				
Portfolio of domestic securities	438,951	-	-	438,951
Portfolio of foreign securities	3,621	-	-	3,621
Other receivables*	-	-	11,579	11,579
Cash and cash equivalents	-	-	129,220	129,220
Total financial assets	1,736,852	8,065	140,799	1,885,716
Financial liabilities				
Current				
Net assets attributable to holders of redeemable shares	1,850,706	-	-	1,850,706
Bank overdrafts	-	-	25	25
Other payables**	-	-	5,039	5,039
Dividend payable	-	-	30,028	30,028
Total financial liabilities	1,850,706	-	35,092	1,885,798

* Other receivables exclude prepayments.

** Other payables exclude PAYE.

30 June 2022	FVTPL	FVOCI	Amortised cost	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets				
Non-current				
Portfolio of domestic securities	754,743	9,321	-	764,064
Portfolio of foreign securities	470,682	-	-	470,682
Current				
Portfolio of domestic securities	490,099	-	-	490,099
Portfolio of foreign securities	4,027	-	-	4,027
Other receivables*	-	-	21,112	21,112
Cash and cash equivalents	-	-	108,544	108,544
Total financial assets	1,719,551	9,321	129,656	1,858,528

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

4. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

Financial assets and financial liabilities (Contd)

30 June 2022	FVTPL	FVOCI	Amortised cost	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial liabilities				
Current				
Net assets attributable to holders of redeemable shares	1,823,421	-	-	1,823,421
Bank overdrafts	-	-	676	676
Other payables**	-	-	5,016	5,016
Dividend payable	-	-	29,529	29,529
Total financial liabilities	1,823,421	-	35,221	1,858,642

* Other receivables exclude prepayments.

** Other payables exclude PAYE.

The Company's activity exposes it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk and concentration risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The most significant financial risks to which the Company is exposed are described below.

4.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, which result from both its operating and investing activities.

Foreign currency sensitivity

The Company's transactions are carried out in the Mauritian Rupee (MUR). Exposure to currency exchange rates arise from the Company's overseas purchases, which are primarily denominated in USD, EURO and INR. The Company does not use any financial instruments to hedge its foreign exchange risk.

Currency exposure arising from the Company's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies. Foreign currency denominated financial assets which expose the Company to currency risk are disclosed below. The Company did not have any financial liabilities in foreign currencies during the year ended 30 June 2023 and 2022.

	Financial assets 2023	Financial assets 2022
	Rs'000	Rs'000
United States Dollar (USD)	71,177	57,218
Euro (EUR)	25,234	20,143
Indian Rupee (INR)	4,423	2,191
Others	155	147
Total	100,989	79,699

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

4. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

4.1 Market risk analysis (Contd)

Foreign currency sensitivity (Contd)

The following table illustrates principally the sensitivity of profit and net assets attributable to holders of redeemable shares with regards to the Company's financial assets and the Mauritian rupee against foreign exchange rate, "all other things being equal". It assumes the following changes in exchanges rates for the year ended 30 June 2023, based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

It assumes a change of 2% in the exchange rate for the year ended 30 June 2023 (2022: 2%). The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the MUR had weakened by 2% (2022: 2%), then this would have the following impact:

	2023		2022	
	Profit	Net assets attributable to holders of redeemable shares	Profit	Net assets attributable to holders of redeemable shares
	Rs'000	Rs'000	Rs'000	Rs'000
USD	1,424	1,424	1,144	1,144
EURO	505	505	403	403
INR	88	88	44	44
Others	3	3	3	3

If the MUR had strengthened by 2% (2022: 2%), then this would have the following impact:

	2023		2022	
	Profit	Net assets attributable to holders of redeemable shares	Profit	Net assets attributable to holders of redeemable shares
	Rs'000	Rs'000	Rs'000	Rs'000
USD	(1,424)	(1,424)	(1,144)	(1,144)
EURO	(505)	(505)	(403)	(403)
INR	(88)	(88)	(44)	(44)
Others	(3)	(3)	(3)	(3)

Interest rate sensitivity

The Company's exposure to interest rate risk is limited to its bank overdraft and the interest thereon is based on market rates. If interest rate had been 25 basis point higher/lower, the effect on profit would have been Rs 63 (2022: Rs 1,690) lower/higher.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

4. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

4.2 Price risk sensitivity

The Company's securities are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of its investment portfolio.

An estimate of the effect on the increase or decrease in net assets attributable to redeemable preference shareholders for the period due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the table below. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material. An equivalent decrease in each of the indices shown below would have resulted in an equivalent, but opposite, impact.

Sensitivity analysis

The table below summarises the impact of increase/decrease in the fair value of the investments on the Company's net asset value. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	Impact on profit or loss		Impact on other comprehensive income	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Designated at fair value through other comprehensive income	-	-	403	466
Designated at fair value through profit or loss	86,843	85,978	-	-

4.3 Credit risk analysis

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

	2023	2022
	Rs'000	Rs'000
Financial assets		
Non-current		
Portfolio of domestic securities	760,255	764,064
Portfolio of foreign securities	542,090	470,682
	1,302,345	1,234,746
Current		
Portfolio of domestic securities	438,951	490,099
Portfolio of foreign securities	3,621	4,027
Other receivables	11,579	21,112
Cash and cash equivalents	129,220	108,544
	583,371	623,782
Total	1,885,716	1,858,528

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

4. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

4.3 Credit risk analysis (Contd)

The Company's exposure to credit risk is limited to the carrying amount of its portfolio of domestic and foreign securities, other receivables and cash and cash equivalents and it excludes prepayments.

The Company's credit risk concentration is spread between interest rate and equity securities. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal since delivery of securities sold is only made once the broker has received payment. On a purchase, payment is made once the securities have been received by the broker. If either party fails to meet their obligations, the trade will fail.

The extent of the Company's exposure to credit risk in respect of the financial assets at FVTPL and FVOCI approximates the carrying values as at the reporting date.

The credit risk for the cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

None of the financial assets are secured by collateral or other credit enhancements.

4.4 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of cash balance. The Company has entered into a liquidity contract with The State Investment Corporation Ltd to ensure that the Company has enough cash to maintain flexibility in funding.

The following are the contractual maturities of financial liabilities:

30 June 2023	Carrying amount Rs'000	Contractual cash flows Rs'000	On demand Rs'000	Less than 1 year Rs'000
Net assets attributable to holders of redeemable shares	1,850,706	1,850,706	1,850,706	-
Bank overdrafts	25	25	-	25
Other payables*	5,039	5,039	-	5,039
Dividend payable	30,028	30,028	-	30,028
Total	1,885,798	1,885,798	1,850,706	35,092

* Other payables exclude PAYE.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

4. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

4.4 Liquidity risk analysis (Contd)

30 June 2022	Carrying amount Rs'000	Contractual cash flows Rs'000	On demand Rs'000	Less than 1 year Rs'000
Net assets attributable to holders of redeemable shares	1,823,421	1,823,421	1,823,421	-
Bank overdrafts	676	676	-	676
Other payables	5,016	5,016	-	5,016
Dividend payable	29,529	29,529	-	29,529
Total	1,858,642	1,858,642	1,823,421	35,221

4.5 Concentration risk

The Company has invested in unquoted companies whose securities are considered to be illiquid. Such illiquidity may adversely affect the ability of the Company to acquire or dispose of such investments. These investments may be difficult to value and to sell or otherwise liquidate and the risk of investing in such company is much greater than the risk of investing in publicly traded securities. On account of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would be used had a ready market for the investment existed. However, the directors consider the investment to be a strategic one and the concentration risk is manageable.

5. Capital management policies and procedures

The Company's capital management objectives are:

- to ensure its ability to continue as a going concern; and
- to provide an adequate return to the shareholders and other stakeholders.

The Company monitors capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid, reduce capital, issue new shares, or sell assets to reduce debts.

The Company was not geared for the years ended 30 June 2022 and 30 June 2023 as it had an excess cash balance compared to its debt which comprise of only bank overdraft.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

6. Fair value measurement

6.1 Fair value measurement of financial instruments

The following table presents financial assets measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- 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 (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

Financial assets 30 June 2023	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Designated at fair value through profit or loss	984,662	751,187	1,003	1,736,852
Designated at fair value through other comprehensive income	-	8,065	-	8,065
Total	984,662	759,252	1,003	1,744,917

Financial assets 30 June 2022	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Designated at fair value through profit or loss	964,808	753,400	1,343	1,719,551
Designated at fair value through other comprehensive income	-	9,321	-	9,321
Total	964,808	762,721	1,343	1,728,872

Financial liabilities 30 June 2023	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Net assets attributable to holders of redeemable shares	-	-	1,850,706	1,850,652

Financial liabilities 30 June 2022	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Net assets attributable to holders of redeemable shares	-	-	1,823,421	1,823,421

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

6. Fair value measurement (Contd)

6.1 Fair value measurement of financial instruments (Contd)

Measurement of fair value

The methods used for the purpose of measuring fair values are detailed below:

Listed securities

The fair values of listed equity securities have been determined by reference to the quoted bid price at the reporting date.

Unquoted securities

The fair values of the unquoted investments have been estimated by an experienced and qualified team of valuers for financial reporting purposes by using generally accepted valuation models like dividend discount model, price-to-book approach, price earnings ratio of peer companies and dividend yield where appropriate, and also making use of assumptions that are based on market conditions existing at the reporting date.

All valuation processes and fair value changes are discussed with the Investment Committee who report to the Board of Directors regularly.

The reconciliation of the carrying amounts of financial instruments within Level 3 is detailed in Note 7 (c).

6.2 Fair value measurement of financial instruments not carried at fair value

The Company's other financial assets and financial liabilities are measured at their carrying amounts which approximate their fair values.

6.3 Fair value measurement of non-financial instruments

The Company's non-financial assets consist of prepayments and current tax assets and its non-financial liabilities consist of current tax liabilities and PAYE.

For both non-financial assets and non-financial liabilities, the fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position.

7. Portfolio of domestic securities

Domestic securities consist mainly of investments made on the Stock Exchange of Mauritius (SEM), Development & Enterprise Market (DEM) and unquoted companies classified as fair value through profit or loss financial assets and debt instrument classified as fair value through other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

7. Portfolio of domestic securities (Contd)

Financial assets consist of investments made in quoted, unquoted companies and treasury bills.

	2023 Rs'000	2022 Rs'000
Financial assets at fair value through profit or loss	1,191,141	1,244,842
Financial assets at fair value through other comprehensive income	8,065	9,321
	1,199,206	1,254,163
Analysed as:		
Non-current assets:		
Financial assets at fair value through profit or loss	752,190	754,743
Financial assets at fair value through other comprehensive income	8,065	9,321
	760,255	764,064
Current assets		
Financial assets at fair value through profit or loss	438,951	490,099
Total	1,199,206	1,254,163

(a) Financial assets at fair value through profit or loss

30 June 2023	Listed on SEM Rs'000	DEM Rs'000	Unquoted Rs'000	Total Rs'000
At 01 July 2022	461,781	28,318	754,743	1,244,842
Additions	6,884	-	-	6,884
Disposals	(8,232)	-	-	(8,232)
Movement in fair value	(50,186)	386	(2,553)	(52,353)
At 30 June 2023	410,247	28,704	752,190	1,191,141

30 June 2022	Listed on SEM Rs'000	Listed on DEM Rs'000	Unquoted Rs'000	Total Rs'000
At 01 July 2021	423,312	25,388	721,806	1,170,506
Additions	2,075	1,500	-	3,575
Disposals	(12,370)	-	-	(12,370)
Movement in fair value	48,764	1,430	32,937	83,131
At 30 June 2022	461,781	28,318	754,743	1,244,842

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

7. Portfolio of domestic securities (Contd)

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

	2023 Total Rs'000	2022 Total Rs'000
At 01 July	9,321	9,731
Disposal	(388)	-
Movement in fair value	(868)	(410)
At 30 June	8,065	9,321

At 30 June 2023

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Financial assets at fair value through profit or loss	438,951	751,187	1,003	1,191,141
Financial assets at fair value through OCI	-	8,065	-	8,065
At 30 June 2023	438,951	759,252	1,003	1,199,206

At 30 June 2022

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Financial assets at fair value through profit or loss	490,099	753,400	1,343	1,244,842
Financial assets at fair value through OCI	-	9,321	-	9,321
At 30 June 2022	490,099	762,721	1,343	1,254,163

The table below shows the changes in level 3 instruments

	2023 Rs'000	2022 Rs'000
At 01 July	1,343	1,332
(Decrease) /increase in fair value	(340)	11
At 30 June	1,003	1,343

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

8. Portfolio of foreign securities

Foreign securities consist mainly of investment made in quoted companies/ funds which are classified as fair value through profit or loss under IFRS 9 standards.

	2023 Rs'000	2022 Rs'000
Financial assets at fair value through profit or loss	545,711	474,709
Analysed as:		
Non-current assets:		
Financial assets at fair value through profit or loss	542,090	470,682
Current assets		
Financial assets at fair value through profit or loss	3,621	4,027
Total	545,711	474,709

Financial assets at fair value through profit or loss	2023 Rs'000	2022 Rs'000
At 01 July	474,709	654,444
Additions	5,654	22,731
Disposals	(8,813)	(118,995)
Increase/(decrease) in fair value	74,161	(83,471)
At 30 June	545,711	474,709

(a) Financial assets at fair value through profit or loss

	2023 Rs'000	2022 Rs'000
Level 1	545,711	474,709

(b) Financial assets at fair value through profit or loss are denominated in the following currencies:

	2023 Rs'000	2022 Rs'000
US Dollar	182,091	159,360
Euro	82,567	71,416
GBP	7,381	6,243
INR	243,923	210,437
Other currencies	29,749	27,253
Total	545,711	474,709

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

9. Other receivables

	2023 Rs'000	2022 Rs'000
Dividend receivable	7,396	5,032
Interest receivable on fixed deposit	57	-
Funds receivable from disposal of securities/bonds	388	16,079
Prepayment	38	38
Amount receivable from related party (note 9 (a))	3,738	-
Total	11,617	21,149

The carrying amount of other receivables is considered to be a reasonable approximation of the fair value.

(a) During the year, some discrepancies to the extent of Rs3,737,500 were noted with regards to redemption transactions at the level of the Registry of the Company, which is outsourced to Prime Partners Ltd ('PPL'), following an internal enquiry conducted by the latter. After year end, the amount of Rs3,737,500 has been reimbursed by PPL. An independent consultant has been appointed to perform a review of the Registry system.

10. Stated capital

Shares are issued at the holders' option at prices based on the value of the Company's net assets at the time of issue/redemption.

	2023 Rs'000	2022 Rs'000
Authorised		
120,000,000 redeemable shares of Rs 10 par value	1,200,000	1,200,000

Issued and fully paid (Number of shares in thousands)	2023	2022
At 01 July	50,068	50,152
Issue of shares	244	410
Redemption of shares	(142)	(494)
Adjustment on shares balance (Note 20)	(11)	-
At 30 June	50,159	50,068

11. Other payables

	2023 Rs'000	2022 Rs'000
Amount due to related party	4,128	4,563
Other payables	921	461
Total	5,049	5,024

- (i) The amount due to the related party is interest free, unsecured and repayable within one year.
(ii) The carrying amount of other payables is considered to be a reasonable approximation of the fair value.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

12. Taxation

12.1 Income tax expense

The Company is liable to income tax at the rate of 15% (2022: 15%) and at 30 June 2023 it had income tax asset of **Rs 54,059** (2022: Rs 84,899). The income tax asset/liability is calculated according to the tax rate and tax laws applicable to the fiscal period to which it relates, based on the taxable profit for the year.

The Company is also subject to the Advanced Payment Scheme (APS) whereby it is required to submit an APS Statement and pay tax quarterly on the basis of either last year's income or the income for the current quarter.

Contribution to the CSR Fund is at a rate of 2% on the 'chargeable income' of the preceding financial year.

(a) Statement of financial position

	2023 Rs'000	2022 Rs'000
At 01 July	(85)	43
Tax refunded/(paid)	85	(43)
Tax liability for the year	180	-
CSR	45	16
Tax paid under APS	(279)	(101)
Current tax asset	(54)	(85)

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

	2023 Rs'000	2022 Rs'000
Income tax on adjusted profit	180	-
CSR	45	16
Foreign tax refund	(144)	(2)
Tax expense	81	14

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

	2023 Rs'000	2022 Rs'000
Profit before tax	50,117	18,288
Tax at 15%	7,518	2,743
Exempt income	(10,905)	(6,937)
Non-allowable expenses	4,489	4,208
CSR	45	16
Withholding tax on dividend income	113	87
Actual tax suffered	(756)	-
APS Paid	(279)	(101)
Foreign tax refund	(144)	(2)
Tax expense	81	14

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

13. Investment income

	2023 Rs'000	2022 Rs'000
Dividend income	48,613	41,890
Interest income	1,407	931
Total	50,020	42,821

14. Net increase/ (decrease) in fair value of financial assets through profit or loss

	2023 Rs'000	2022 Rs'000
Domestic and foreign securities (Note 7 and 8)	21,808	(678)

Domestic securities include investments in quoted and unquoted companies in the Republic of Mauritius which have been revalued at year end using prices from active markets and valuation reports. Foreign securities relate to investments in quoted companies/ funds in foreign countries which have been revalued at year end using prices from active markets.

15. Management fees

Management fee of 1.25% of the Company's net asset value is payable on a yearly basis to Capital Asset Management Ltd as per the investment management agreement dated 09 June 1997. The management fees are at present based on a graduated fee structure based on the performance of the Company presently at 0.9% with maximum of 1.25% of the net asset value of the Company.

	2023	2022
Annual Fund Return		
Up to 27%	0.90%	0.90%
27% - 35%	1.00%	1.00%
Above 35%	1.25%	1.25%

16. Registry costs

Registry costs are payable to Prime Partners Ltd on a quarterly basis. For the year ended 30 June 2023, Rs 301,875 (2022: Rs 301,875) was accrued per quarter.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

17. Profit before tax

	2023 Rs'000	2022 Rs'000
<i>The above is stated after (charging)/ crediting:</i>		
Net increase/(decrease) in fair value through profit or loss financial assets	21,808	(678)
<i>Dividend income</i>		
- Listed (local)	22,139	19,498
- Foreign	3,686	3,234
- Unquoted	22,788	19,158
Other income	179	2,922
Interest income	1,407	931
Foreign exchange gain	1,581	-
<i>Major components of expenditure:</i>		
Directors' fee	(869)	(819)
Forex exchange loss	-	(1,010)
Management fees	(16,431)	(17,074)
Registry cost	(1,208)	(1,208)
Custodian and brokerage fees	(850)	(996)

18. Dividends

The Board of Directors has declared a dividend of **Rs 25,081,420** representing Rs 0.50 per share on 29 June 2023 (2022: Rs 25,067,659 representing Rs 0.50 per share).

Dividend of **Rs 4,946,832** (2022: Rs 4,461,164) declared in prior years has not been claimed by shareholders. These dividends have been reclassified under current liabilities.

Total dividends payable as at 30 June 2023 amounted to **Rs 30,028,252** (2022: Rs 29,528,823).

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

19. Notes to the statement of cash flows

(a) Cash used in operations

	2023 Rs'000	2022 Rs'000
Profit before tax	50,117	18,288
<i>Adjustments for:</i>		
Dividend income	(48,613)	(41,890)
Interest income	(1,407)	(931)
Net (increase)/decrease in fair value of financial assets at FVTPL	(21,808)	678
Dividend reinvested	292	660
Disinvestment of security	-	(2,524)
Net loss on disposal of investments	1,385	2,967
Adjusted loss before tax	(20,034)	(22,752)
<i>Net changes in working capital:</i>		
Change in trade and other receivables	16,985	(12,747)
Change in trade and other payables	25	551
Total changes in working capital	17,010	(12,196)
Tax refund	229	2
Tax paid	(279)	(144)
Net cash used in operating activities	(3,074)	(35,090)

(b) Cash and cash equivalents

	2023 Rs'000	2022 Rs'000
Cash at bank	40,326	108,544
Fixed deposits	88,894	-
Bank overdraft	(25)	(676)
Total	129,195	107,868

20. Net asset value per share

	2023 Rs'000	2022 Rs'000
Net asset value	1,850,706	1,823,421
Number of redeemable shares in issue (Note 10)	50,159	50,068
Net asset value per share	36.90	36.42

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

20. Net asset value per share (Contd)

Adjustments on redeemable shares

As at 30 June 2023, an adjustment of Rs 3,737,500 was made against redemptions of redeemable shares following discrepancies identified on the redeemable shares register which is managed by Prime Partners Limited ('PPL'). The discrepancies related to invalid redemptions which were identified following an internal enquiry conducted by PPL. Referring to Note 9(a), the amount was re-imbursed by PPL after the financial year end.

Moreover, invalid amendments were identified on the shares balance of the Company amounting to a total of 11,400 shares as at 30 June 2023. Referring to Note 10, the invalid shares balance was adjusted in the shares register.

An independent consultant has been appointed to perform a review of the Registry system.

21. Related party transactions

For the year ended 30 June 2023, the Company entered into the following transactions with related parties:

	2023 Rs'000	2022 Rs'000
Transactions with common shareholders		
Management fee expenses – Capital Asset Management Ltd	16,431	17,074
Transactions with secretary		
Registry costs – Prime Partners Ltd	1,208	1,208
Compensation – Prime Partners Ltd (Note 9 (a))	3,738	-
Brokerage fees – Prime Partners Ltd	57	186
Secretarial fees – Prime Partners Ltd	110	110
Key management personnel		
Short term benefits – Director fees	869	819
Balances		
Amount receivable from related party – Prime Partners Ltd	3,738	-
Amount payable to related party – Capital Asset Management Ltd	(4,128)	(4,261)
Amount payable to related party – Prime Partners Ltd	-	(302)

The terms and conditions are as shown in Notes 9 and 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2023

22. War in Ukraine

With the ongoing war in Ukraine, the world economy is likely to be negatively impacted due to an increase in the volatility of petrol prices, commodity prices, the forex market and disruption in international supply chain and logistics.

The directors are of the opinion that, at the time of approving these financial statements, the extent of the impact of the above events cannot be measured and hence, may have an impact on the future performance of the Company and as at date, there has been no major impact on the Company.

23. Events after the reporting date

After the financial year, some discrepancies were identified on the redeemable shares register of the Company as described in Note 20. Since these conditions already existed at year end, the discrepancies were adjusted for in these financial statements as adjusting events (Refer to Note 9(a) and 10).

Except for the above, there has been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 30 June 2023.



PLF

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