



PLF
PORT-LOUIS FUND LTD

2022
ANNUAL
REPORT

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ANNUAL
REPORT





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 2022.

The Directors' Report was approved by the Board on 18 October 2022 and the Audited Financial Statements were approved on 28 September 2022.

A handwritten signature in black ink, appearing to read 'Goburdhun', written over a horizontal line.

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

A handwritten signature in black ink, appearing to read 'Bhuguth', written over a horizontal line.

Mr. V. Bhuguth
Director

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CORPORATE DATA

		As from	Up to
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	-
	Mr. J. Y. Violette	16 December 2019	08 December 2021
	Dr. R. Auckloo	23 August 2022	-
<hr/>			
Company secretary	▪ Prime Partners Ltd 15 th Floor, Air Mauritius Centre, 6, President John Kennedy Street Port Louis, Republic of Mauritius		
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Registered office	▪ 15 th Floor, Air Mauritius Centre, 6, President John Kennedy Street Port Louis, Republic of Mauritius		
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Website	▪ www.portlouisfund.com		
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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
Standard 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
Fidelity Investments International
Franklin Templeton Investments Ltd
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 2022.

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 Companies Act 1984, now replaced by the Companies Act 2001.

Principal activities

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.

Results and dividends

The results for the year are as shown on page 54.

For the year under review, the Directors have declared a dividend of Rs 25,067,659 representing Rs 0.50 per share on 25 June 2022 (2021: Rs 25,073,069 representing Rs 0.50 per share).

Directors

The 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 2022, the Directors received an aggregate amount of Rs 819,000 (2021: Rs 886,000) as fees from the Company.

	2022 Rs	2021 Rs
Mr. G. Goburdhun, G.O.S.K.	168,000*	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	140,000	140,000
Mrs. A. D. I. Ramphul-Punchoo	140,000*	140,000*
Mr. J. Y. Violette	53,000	120,000
Total Director fees	819,000	886,000

* 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 2022 (2021: Nil).

Auditors

The auditors, **Grant Thornton**, have indicated their willingness to continue in office.

	2022 Rs'000	2021 Rs'000
Audit services (VAT exclusive)	290	275
Tax services (VAT exclusive)*	26	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: 28 September 2022



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	2020 (Rs'000)	2021 (Rs'000)	2022 (Rs'000)
Net asset value at beginning of year	1,623,550	1,527,681	1,834,188
Total revenue	52,896	27,581	42,821
Total expenses	22,041	19,675	22,814
Realised gains (losses) for the period	430	273	-3,977
Unrealised gains (losses) for the period	-111,566	326,254	-1,088
Total increase (decrease) from operations	-79,910	334,831	17,864
Total Annual Distributions	19,368	25,073	25,068
Net asset value at end of year prior to share capital adjustment	1,524,272	1,837,439	1,826,984
Net asset value at end of year post share capital adjustment	1,527,681	1,834,188	1,823,421
Key indicators	2020	2021	2022
Number of shares outstanding	50,232,949	50,152,382	50,062,483
Management expense ratio	1.26%	1.07%	1.25%
Portfolio turnover ratio	0.53%	0.31%	1.44%



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 fulfill 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, system 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 Companies Act 2001 (the Act).

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 at least once annually 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)

Key Governance Responsibilities

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 fulfills its duties;
- (ii) Board Members, when appointed, participate in an induction program and, if needed, in supplementary training programs;
- (iii) 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. G. Goburdhun, G.O.S.K. Chairman of the Board, has temporarily assumed the responsibilities of the Chairman of the Investment Committee.

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. A representative of CAM is invited to attend the Company's Board/Committee meetings and assists Directors in their decision-making process.

Management Team at 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 23 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 and a B.A. (Hons.) in Law and Management. She is a member of the Association of Chartered Certified Accountant (ACCA). She is also a member of the Mauritius Institute of Professional Accountants (MIPA). She has more than 20 years of experience in the financial 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 11 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)

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 13 years of experience in the financial sector. He also holds an investment foundation programme certificate.

Mr. Nilesh Teeloku, Investment Analyst, joined CAM in November 2021. He holds an MBA (Financial Services) and a B.Sc. (Hons) in Accounting with Finance. He has over 12 years of experience in the financial services sector.

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 7 years of experience in the financial services sector.

Mr. Mohamad Irshad Ajeem, Assistant Investment Analyst, joined the investment team in September 2021. He holds a B.Sc. (Hons) in Accounting and Finance and has over 5 years of experience in the financial sector.

Ms. 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 3 years of experience in financial sector.

Mr. Kaushik Bhoobun, Assistant Investment Analyst, joined the investment team in June 2022. He holds a B.Sc. (Hons) in Finance (Minor: Law), ACCA level 2 and CFA level 1 and has over 3 years of experience in the financial 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
Mr. Jean Yves Violette (<i>Up to 08 December 2021</i>)	Member	Independent
Appointment after 30 June 2022		
Dr. Rajcoomar Auckloo (<i>As from 23 August 2022</i>)	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, the Board has not deemed it necessary to appoint a Chief Executive Officer and/or Executive Directors. A representative of CAM is invited to attend the Company's Board/Committee meetings and assists the Non-Executive 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 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.



CORPORATE GOVERNANCE REPORT (Contd)

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

Director’s Independence Review (Contd)

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

During the review, the Board considered and 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.

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 Senior 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 eight (8) times during the financial year ended 30 June 2022.

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.



CORPORATE GOVERNANCE REPORT (Contd)

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

Board Attendance

The following table depicts the attendance at Board meeting of the Directors during the year under review:-

Director	Category	Board
Mr. G. Goburdhun, G.O.S.K.	Non- Executive	8/8
Mr. Y. Aboobaker, S.C., C.S.K.	Independent	7/8
Mr. V. Bhuguth	Independent	8/8
Mr. V. Rambarassah	Non-Executive	8/8
Mrs. A. D. I. Ramphul Panchoo	Non-Executive	5/8
Mr. J. Y. Violette (<i>Up to 08 December 2021</i>)	Independent	2/4

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 set 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.



CORPORATE GOVERNANCE REPORT (Contd)

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

Audit & Risk Committee (Contd)

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;
- keeping under 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.

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 five times 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 draft AML/CFT/Compliance Manual and the Business Risk Assessment of the Fund.

Members and Attendance

Director	Role	Audit & Risk Committee
Mr. V. Bhuguth	Chairman	5/5
Mr. Y. Aboobaker, S.C., C.S.K.	Member	5/5
Mrs. A. D. I. Ramphul-Punchoo	Member	3/5

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.



CORPORATE GOVERNANCE REPORT (Contd)

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

The Committee met thrice 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	3/3
Mr. V. Rambarassah	Member	3/3
Mrs. A. D. I. Ramphul-Punchoo	Member	3/3

Investment Committee

The Investment Committee is governed by a Charter in line with the provisions of the Code. The Charter of the Investment Committee 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. G. Goburdhun, G.O.S.K.	Chairman	2/2
Mr. Y. Aboobaker, S.C., C.S.K.	Member	2/2
Mr. V. Bhuguth	Member	2/2
Mr. V. Rambarassah	Member	2/2

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 extensive experience in the field of accounting and finance. He is registered with the Mauritius Institute of Professional Accountants as 'Professional Accountant.' Mr. G. Goburdhun is the Managing Director of The State Investment Corporation Limited (SIC) and holds directorship on various SIC Investee Companies, including Lottotech Ltd, Casino Companies, Air Mauritius Limited, Airports of Mauritius Co. Ltd, Mauritius Shipping Corporation Limited and Ebene Car Park Ltd. In the past, he was in public practice as a Chartered Certified Accountant providing services relating to Accounting, Auditing, Management, Tax Consultancy and Corporate Secretarial Services. He also held Chairmanship on various Government-related companies/institutions such as MauBank Holdings Ltd, MPCB (now 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.



CORPORATE GOVERNANCE REPORT (Contd)

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

Directors' Profile (Contd)

Mr. V. Bhuguth is a Fellow of the Association of Chartered Certified Accountant (FCCA). He reckons 29 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.

Mr. V. Rambarassah is a Fellow of the Association of Chartered Certified Accountant (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 is 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. Rajcoomar Auckloo (appointed as from 23 August 2022) 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 being 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.

Mr. J. Y. Violette passed away on 08 December 2021. He was an Associate Member with a Certified Insurance Professional status (CIP) of the Australian and New Zealand Institute of Insurance and Finance (ANZIFF). He was a Claims Professional having walked his way in an insurance career of more than forty (40) years in all classes of general insurance claims and management including Motor, Non-Motor, Financials, Engineering, Marine Hull & Cargo, Travel, Liability amongst others.

Directorship in other companies

Company	Mr. G. Goburdhun	Mr. V. Rambarassah	Mr. Y. H. Aboobaker	Mrs. A. D. I. Ramphul Punchoo	Mr. V. Bhuguth	Mr. J. Y. Violette
National Investment Trust		√	-	-		
Compagnie Immobiliere Limitee		-	√	-		
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	√					

CORPORATE GOVERNANCE REPORT (Contd)

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

Directorship in other companies

Company	Mr. G. Goburdhun	Mr. V. Rambarassah	Mr. Y. H. Aboobaker	Mrs. A. D. I. Ramphul Punchoo	Mr. V. Bhuguth	Mr. J. Y. Violette
EREIT Management Ltd	√					
MJTI Properties Co. Ltd	√					
Lakepoint Ltd	√					
State Investment Finance Corporation Ltd	√					
Le Val Development Co. Ltd	√					
SIC Capital Support 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 Co. 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 which is a listed company.

Mr. V. Rambarassah is Chairman of National Investment Trust Limited and Mr. Y. H. Aboobaker, S.C., C.S.K. is a Director of Compagnie Immobiliere Limitee.

The other Board Members of the Company do not 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 and other senior executives 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, opportunity 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



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 anytime 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 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.



CORPORATE GOVERNANCE REPORT (Contd)

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

Conflict of Interest (Contd)

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.

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 Secretary 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.



CORPORATE GOVERNANCE REPORT (Contd)

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

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.

The results are analysed and discussed by the Corporate Governance Committee and action considered for implementation. The Board considers that the current evaluation process is sufficient. No independent Board evaluator was appointed. The Board Evaluation was conducted during the year. 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 their Roles and Duties.

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 are reviewed at the annual Shareholders Meeting.

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:-

Directors	Category	Directors' Remuneration (MUR)
Mr. G. Goburdhun, G.O.S.K.	Non-Executive	168,000*
Mr. Y. Aboobaker, S.C., C.S.K.	Independent	158,000
Mr. V. Bhuguth	Independent	160,000
Mr. V. Rambarassah	Non-Executive	140,000
Mrs. A. D. I. Ramphul-Punchoo	Non-Executive	140,000*
Mr. J. Y. Violette (Up to 08 December 2021)	Independent	53,000

**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.*

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



CORPORATE GOVERNANCE REPORT (Contd)

PRINCIPLE 5 – Risk Governance And Internal Control (Contd)

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 on a regular basis.

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.



CORPORATE GOVERNANCE REPORT (Contd)

PRINCIPLE 5 – Risk Governance And Internal Control (Contd)

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

The Audit & Risk Committee has appointed BDO as an independent Internal Auditor 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.

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 & Risk Committee overseeing the effectiveness of the Company's internal control systems. The Board has ensured that risk management framework have been communicated to management.

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.

Whistle-blowing rules and procedures

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.



CORPORATE GOVERNANCE REPORT (Contd)

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 comprises several key elements:

- performance review;
- economic and market review;
- principle risks faced by the Company;
- corporate social responsibility and donations; and
- 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; and
- share price is updated daily.

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. The fund 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.



CORPORATE GOVERNANCE REPORT (Contd)

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.

During the year, the internal audit function was outsourced to BDO. The latter is a professional firm and its internal audit department is adequately staffed with qualified auditors and certified internal auditors. The internal audit is performed on a half-yearly basis and they report 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:

Financial Control Review:

- Assess financial controls around subscriptions and redemptions ;
- Control around monitoring and recognition of corporate actions;
- Evaluate controls around net asset value calculations, approvals and reporting;
- Evaluate controls around payment processes;
- Verify the controls around the accounting functions of the Fund; and
- Analyse the reporting functions of the Fund

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 2022 at the Annual Meeting of Shareholders held in December 2021. They have been in office for the last 6 consecutive years for the audit of the financial statements of the Company.



CORPORATE GOVERNANCE REPORT (Contd)

PRINCIPLE 7 – Audit (Contd)

External Audit (Contd)

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.

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.

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 26,000 excluding VAT, for the year ended 30 June 2022.

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.

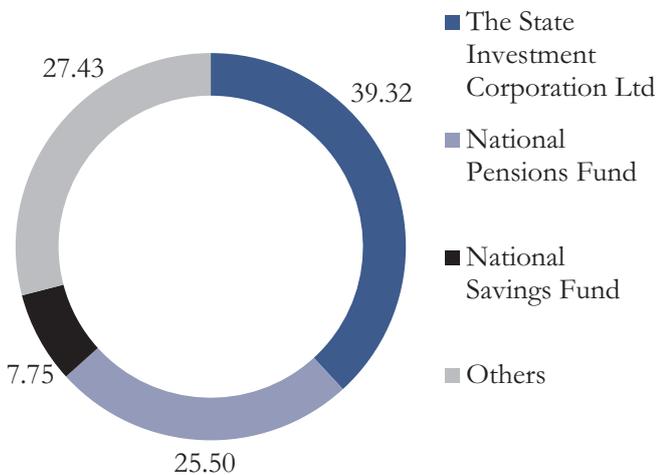
CORPORATE GOVERNANCE REPORT (Contd)

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, 2022 was as follows:-



Shareholder	% of share capital
The State Investment Corporation Ltd	39.32
National Pensions Fund	25.50
National Savings Fund	7.75
Others	27.43
TOTAL	100.00

Shareholders holding more than 5% share capital of the Company as at June 30, 2022:-

Shareholder	No. of Shares	% of share capital
The State Investment Corporation Limited	19,688,443	39.32%
National Pensions Fund	12,766,470	25.50%
National Savings Fund	3,882,297	7.75%

Shareholding analysis as at June 30, 2022

Range (No. of shares)	No. of Shareholders	No. of shares	% of share capital	% of all shareholders
1 – 1,000	2,868	1,053,548	2.10	66.44
1,001 – 5,000	876	2,392,791	4.78	20.36
5,001 – 10,000	318	2,506,227	5.01	7.36
10,001 – 25,000	180	2,949,254	5.89	4.17
25,001 – 50,000	49	1,658,121	3.31	1.14
50,001 – 100,000	13	895,232	1.79	0.30
100,001 – 1,000,000	7	2,275,512	4.54	0.16
Over 1,000,000	3	36,337,210	72.58	0.07
TOTAL	4,314	50,067,895	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, 2022

Shareholders Type	No. of shareholders	No. of shares	% shareholding
Individuals	4,264	11,999,249	23.97
Corporate Bodies and others	53	38,068,646	76.03
TOTAL	4,317	50,067,895	100.00

Company Key Stakeholders

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 CAM. CAM supplies the necessary skills and expertise to deliver as mandated. A representative of the Fund Manager attends 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 ("the Registry") 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.

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, 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 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 monthly factsheet detailing the performance of the Fund 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.

Annual Meeting of Shareholders

The next Annual Meeting of the Company is scheduled in December 2022 and appropriate notice of meeting is given to the shareholders.



CORPORATE GOVERNANCE REPORT (Contd)

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

CALENDAR OF IMPORTANT EVENTS

The following is a schedule of important events:

Date	Event
June 27, 2022	Declaration of Dividend
June 30, 2022	End of Financial Year
July 5, 2022	Payment of Dividend
December 2022	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, 2022

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, the Board has not deemed it necessary to appoint an Executive Director. A representative of CAM attends Board/Committee meetings and assists the Directors in the decision-making process.

Signed on behalf of the Board of Directors:

Handwritten signature of Mr. G. Goburdhun in black ink.

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

Handwritten signature of Mr. V. Bhuguth in black ink.

Mr. V. Bhuguth
Director

Date: 28 September 2022



CERTIFICATE FROM THE 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 2022.

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

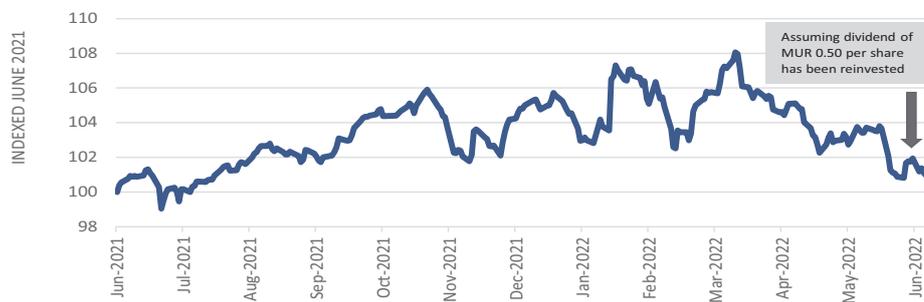
Date: 28 September 2022

DIRECTORS' REPORT

FUND PERFORMANCE

Amidst a volatile global equity environment and rising interest rates, the Fund has achieved a positive return of 0.94% for the financial year ended 30 June 2022. Despite the headwinds, the cumulative 5-year return of the Fund, assuming that dividends were re-invested, was 32.8%. Since inception, cumulative return summed up to 763.1% yielding a return of 9.03% in annualized terms. The Fund paid a dividend of MUR 0.50 per share to all shareholders registered on 27 June 2022.

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



After adjusting for payment of dividend, the Fund's Net Asset Value (NAV) per share decreased slightly from MUR 36.57 to MUR 36.42 as at 30 June 2022. This was mainly attributed to the underperformance of the foreign segment. The Federal Reserve System hiked interest rate three times during the year (between March to June 2022) to curb the continued elevation of inflation. With the quantitative tightening, foreign stocks continued to face a volatile environment. The global equities saw a considerable decline during the financial year with the MSCI World Index (a proxy for foreign stock market performance) being down by 10.2% in MUR terms. The appreciation of the foreign currencies against the Mauritian rupee helped to reduce the loss in our foreign portfolio with the USD gaining 6.4% over the year.

For the year ended June 2022, the local stock market continued its upwards trajectory and has fully recovered from the COVID-19 dip in 2020 and 2021 with the local benchmark, SEMDEX, registering a rise of 14.04% for the year. The local market has demonstrated resilience despite the Russo-Ukrainian war and inflationary pressure leading to a bear market worldwide.

Regarding the unquoted segment, investment in SICOM was revalued upwards. The value of Maurinet remained unchanged whilst exposure in Le Grand Casino du Domaine Limitee (GCD) was fully impaired based on the latest valuation exercise.

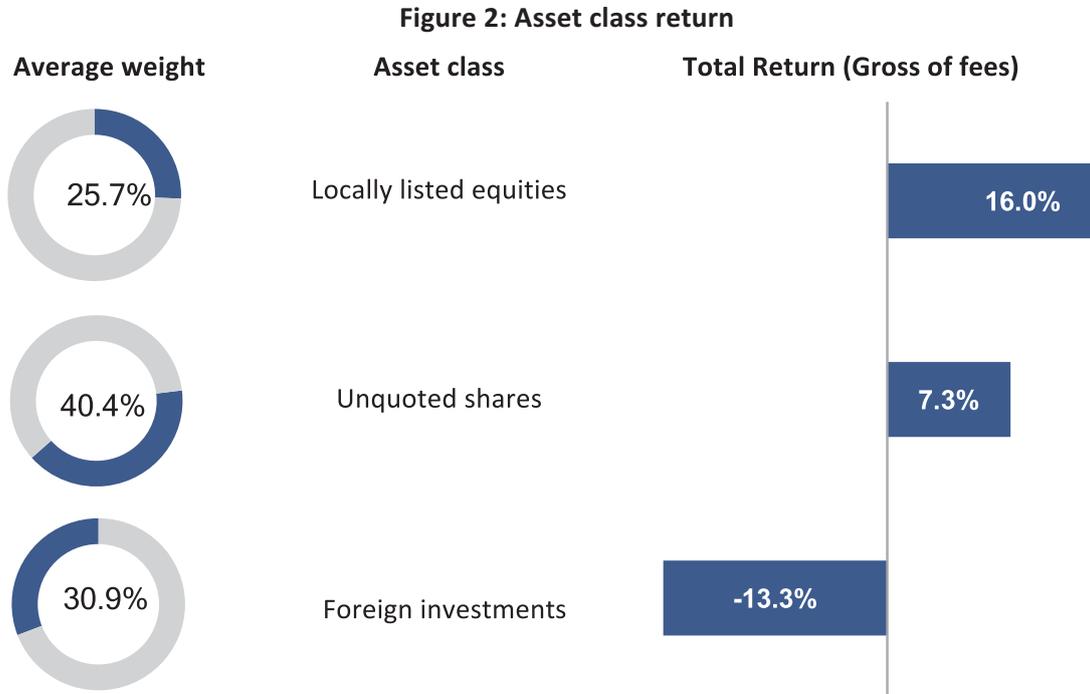
ASSET CLASS PERFORMANCE

The Net Asset Value of the Fund as at 30 June 2022 stood at MUR 1,823.4M compared to MUR 1,834.2M as at 30 June 2021.

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: 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.

DIRECTORS' REPORT

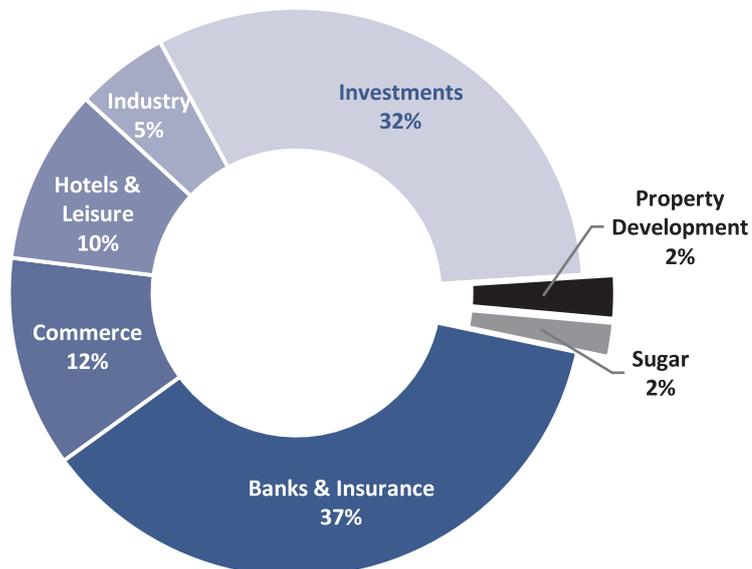
ASSET CLASS PERFORMANCE (CONTD)



Locally Listed Equity

A rise of MUR 41.4 M was noted in the value of locally listed equity from MUR 448.7 M in 2021 to MUR 490.1 M for the period under review. The growth was predominantly due to the recovery of the local stock market. Total value of securities bought during the year amounted to MUR 3.6 M whereas total disposals amounted to MUR 12.4 M. Total dividends received from this asset class amounted to MUR 19.5 M. The locally listed portfolio is mainly invested in Banks & Insurance, Investments, and Commerce sectors as depicted in Figure 3. (The breakdown by sector are as per SEM classification).

Figure 3: Locally listed equity sectoral breakdown



DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Locally Listed Equity (Contd)

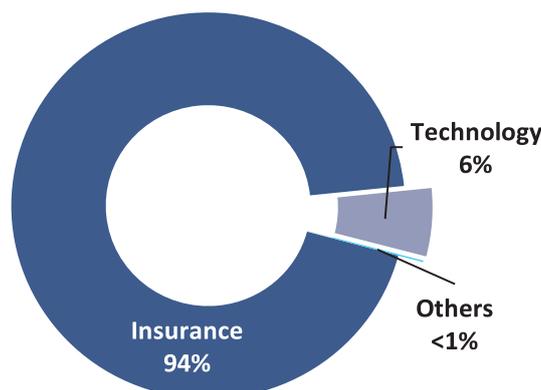
The locally listed equity portion carried an average weight of 25.7% of the total portfolio for the financial year ended 30 June 2022 and achieved a total return of 16.0%. As an indication, the SEMDEX and DEMEX registered positive returns of 14.04% and 4.06% respectively. The sector breakdown of the locally listed equity portfolio compared to SEMDEX is shown in Table 1.

Table 1: Sector Breakdown of Locally Listed Equity Portfolio in both Official and DEM Markets					
Sector	2021	2022			
	Value (MUR'M)	Value (MUR'M)	% of Locally Listed Equity Portfolio	% of SEMDEX	% of Total Portfolio
Banks & Insurance	164.7	178.9	36.7%	40.8%	9.8%
Commerce	53.3	58.5	11.9%	18.3%	3.2%
Industry	25.9	25.6	5.8%	8.9%	1.4%
Investments	146.9	155.4	32.7%	24.1%	8.5%
Hotels & Leisure	36.9	48.5	8.2%	6.4%	2.7%
Sugar	9.2	9.3	2.1%	0.6%	0.5%
Transport	-	1.5	0.0%	0.3%	0.1%
Property Development	11.4	11.9	2.5%	0.4%	0.7%
Others	0.4	0.5	0.1%	0.2%	0.0%
	448.7	490.1	100.0%	100.0%	26.9%

Unquoted Shares

The value of unquoted shares rose from MUR 721.8 M to MUR 754.7 M during the year, mainly explained by an upward revaluation of the investment held in SICOM. 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 investments in SICOM were revalued upwards by 9.0% whilst Maurinet Investment Ltd remained unchanged. However, the valuation of Le Grand Casino du Domaine Limitee (GCD) was fully impaired, mainly explained by the lack of visibility on the company's operations and profitability which declined due to the COVID-19 pandemic. Overall, the value of the total unquoted securities increased by 4.6% for the year under review. In addition, total dividends of MUR 19.2 M were received from this segment during the year, resulting in a total return of 7.3% for this asset class.

Figure 3: Unquoted shares sectoral breakdown



DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Unquoted Shares (Contd)

Sector	Value (MUR M)	% of Unquoted Securities	% of Total Portfolio
Insurance	710.5	94.1%	39.0%
Technology	42.90	5.7%	2.4%
Others	1.34	0.2%	0.1%
Total	754.7	100.0%	41.5%

Top 5 local Holdings

The combined market value of the top five local holdings of the Fund amounted to MUR 972.0 M as depicted below in Table 3, representing 78.3% of the local segment and 53.5% of the total portfolio.

Security	Market Value (MUR M)	% of Local Equity	% of Portfolio
SICOM	710.5	57.2 %	39.0%
MCB	121.9	9.8 %	6.7 %
Ascencia	55.7	4.5 %	3.1 %
Maurinet	42.9	3.5 %	2.4 %
SBM	41.0	3.3 %	2.3 %
Total	972.0	78.3%	53.5%

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 June 2022, SICOM Group's total assets stood at MUR 25.8 Bn (2021: MUR 25.0 Bn). The Group profit from operations before tax (excluding Fair Value Through Profit and Loss) stood at MUR 632.0 M as at 30 June 2022 compared to MUR 651.0 M last year. The Fund received dividend of MUR 17.0 M in December 2021 and MUR 19.7 M in October 2022. Investment held by the Fund in SICOM generated a return of 11.6% for the year ended 30 June 2022 and a cumulative return of 55.5% over the last 5 years.

The Mauritius Commercial Bank Group Ltd (MCBG)

MCBG 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 MCBG and biggest bank in Mauritius holds approximately 40% of the domestic credit of the economy and 48% of the local currency deposits. As at 30 June 2022, its market capitalisation stood at MUR 73.6 Bn representing 25% of the SEMDEX, an increase of 12.7% compared to last year capitalisation of MUR 65.4 Bn. For the year ended June 2022, MCBG realised a net profit of MUR 9.96 Bn (2021: MUR 8.23 Bn) whilst its share price climbed by 15.7%,



DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Top 5 local Holdings (Contd)

The Mauritius Commercial Bank Group Ltd (MCBG) (Contd)

earnings per share (basic) was MUR 40.14 whereas price earnings ratio was 7.7 times. The Fund received a total of MUR 6.2 M as dividend for the financial year ended 30 June 2022. Investment held by the Fund in MCBG generated a return of 17.8% for the year ended 30 June 2022 and a cumulative return of 36.7% over the last 5 years.

Ascencia Ltd

Ascencia is the largest retail property company in Mauritius, specialising in shopping malls. Its main activity is to acquire, invest and hold investments in real estate, primarily located on the island. Its portfolio of properties currently comprises seven shopping malls, including regional and national facilities like Phoenix Mall and the Bagatelle Mall. Its market capitalisation stood at MUR 14.3 Bn as at 30 June 2022. Ascencia's share price saw a decline of 2.81% over the period under review. Total revenue and net operational income grew by 16.2% and 13.9% respectively year-on-year. The Fund received MUR 2.7 M as dividend for the financial year ended 30 June 2022. Investment held by the Fund in Ascencia generated a return of -0.1% for the year ended 30 June 2022 and a cumulative return of 170% over the last 5 years.

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 2021, the company's turnover rose by 7.9% to MUR 151.4 M, while profits dropped by 5% to MUR 38.2 M. Total assets increased by 17% to MUR 500.8 M over the course of the year. For this financial year, PLF received around MUR 2.1 M as dividend from Maurinet. Investment held by the Fund in Maurinet generated a return of 4.9% for the year ended 30 June 2022 and a cumulative return of 36.1% over the last 5 years.

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 2021 was MUR 1,738.9 M while the net profit for the six months ended June 2022 amounted to MUR 1,452.8 M. Market capitalisation stood at MUR 14.6 Bn as at 30 June 2022. The Fund received MUR 1.7 M as dividend from SBM. Investment held by the Fund in SBM generated a return of 12.4% for the year ended 30 June 2022 and a cumulative return of -20.4% over the last 5 years.

Foreign Investments

As at 30 June 2022, the Fund had MUR 474.7 M (2021: MUR 654.4 M) invested in foreign markets which is mainly equity based. The foreign component carried an average weightage of 30.9% of the total portfolio. Disposal of foreign securities amounted to MUR 119.0 M while acquisitions amounted to MUR 22.7 M over the course of the year. The foreign portfolio is invested to the tune of 85.8% in equities and 14.2% held in cash & others. An amount of MUR 212.7 M (2021: MUR 210.7 M) was allocated to Indian stocks, representing 45% of the foreign portfolio and the rest is dispersed over the rest of the world.

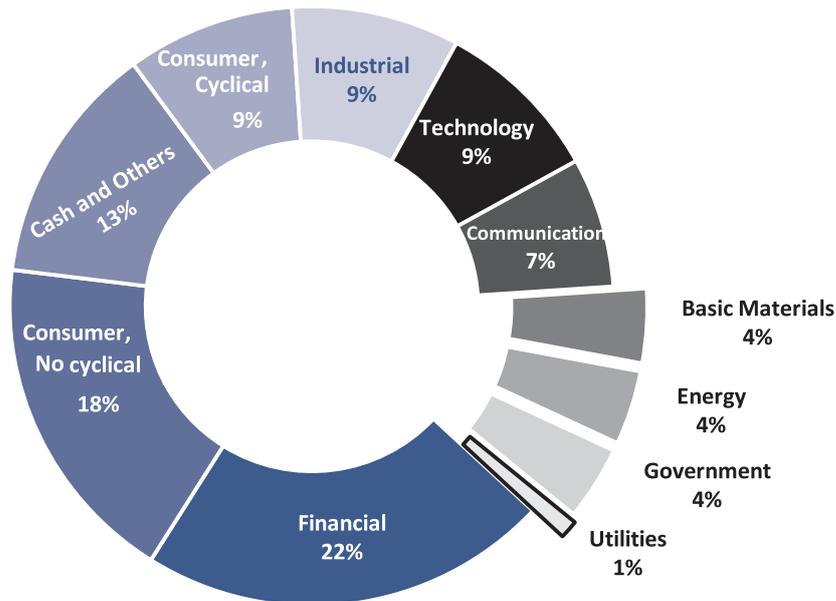
DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Foreign Investments (Contd)

Following the initiation of quantitative tightening to tame soaring inflation, the foreign portfolio achieved a negative return of 13.3% as of 30 June 2022. As an indication, both the MSCI World Index and MSCI Emerging Market Index ended in red, decreasing by 10.2% and 22.6% respectively in MUR terms (-15.6% and -27.2% in USD terms). The current high inflation is a result of excessive post Covid stimulus which has sustained global demand despite supply issues and high commodity prices driving up costs. Rising interest rates lead to higher financing costs causing growth of stocks to subdue. Furthermore, besides causing inflationary pressures, the war and sanctions have caused disruption in exports of oil, natural gas, and wheat from Russia and Ukraine. Investment in foreign funds, excluding India, is carried out via foreign fund managers, namely, Franklin Templeton, Fidelity Investments, T-Rowe Price and BlackRock amongst others. These funds are well diversified and spread across different sectors as depicted below.

Figure 4: Foreign equity (excluding India) Sector breakdown



Currency distribution

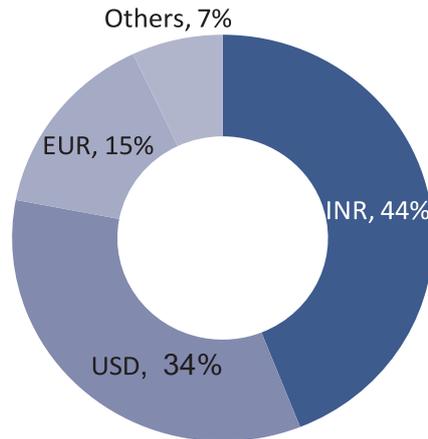
The foreign portfolio segment of the Fund is managed by adopting a conservative approach leading to exposures to major hard currencies. The foreign portfolio is mainly exposed to 3 main currencies (USD, EUR and INR) with INR and USD being the major investment-based currency, as shown in Figure 6 below.

DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Currency distribution (Contd)

Figure 6: Currency breakdown of Foreign Portfolio



Top 5 Foreign Holdings

The top 5 holdings, worth MUR 126.7 M, represented 46.6% of the foreign investments segment (excluding investments in India) i.e., 6.9% 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.

Table 5: Top 5 Holdings in Foreign Investments

Securities	Market Value (MUR M)	% of Foreign Portfolio excluding India	% of Portfolio
Franklin Templeton- US Opportunity Fund	34.9	12.8%	1.9%
Fidelity World Fund	29.2	10.8%	1.6%
T. Rowe Price US Blue Chip	27.5	10.1%	1.5%
Fidelity Global Technology Funds	22.4	8.2%	1.2%
Fidelity America	12.7	4.7%	0.7%
Total	126.7	46.6%	6.9%

Indian Equity

The Indian equity portion represented 45% of the foreign portfolio of the Fund, which carried an average weight of 12% of the whole portfolio. This segment of the portfolio was valued at MUR 212.7 M (INR 379.9 M) as at of 30 June 2022 compared to MUR 210.7 M (INR 365.6 M) as at 30 June 2021. For the period under review, in MUR terms, the Indian equity portfolio generated a positive return of 1.77%. As a reference, the SENSEX index (a proxy for Indian Stock markets) gained 0.77% in MUR terms over the same period.

As year 2021 ended, optimism was prevailing. India was gearing up for a strong economic recovery—several forecasters such as the International Monetary Fund expected growth to exceed 9%. This optimism experienced a setback as a wave of omicron infections swept through the country, and then in February 2022, Russia invaded Ukraine. These events worsened the pre-existing challenges such as surging inflation, supply shortages and shifting geopolitical realities across the world



DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Indian Equity (Contd)

with no definite end in sight. The subsequent confluence of headwinds such as surging commodity prices and disruption in trade and financial transactions quickly deteriorated economic fundamentals that were trending up a few months earlier.

In India, the Reserve Bank of India (RBI) also hiked the repo rates by 50 bps to 4.9% in June 2022 to curb the accelerating inflation. Consumer Price Index (CPI) in the month of April was 7.8%. The governor cited increased inflation pressures following the Ukraine war and the resultant spike in crude oil prices as the reason for this hike. Among headline indices, metals have seen a sharp correction followed by consumer durables, utilities, healthcare and IT. Metals, after a bull run for more than a year, saw a deep correction on account of the duty levied (for the steel sector) and revision in margin expectations. The Indian portfolio is well-diversified with a large exposure being in the financial and technology sector.

The top 5 holdings make up to 51.1% of this portion of the portfolio, equating to 6.1% of the total portfolio, as detailed in Table 6.

Security	Sector	Market Value (MUR M)	% of Indian Equity	% of Portfolio
Reliance Industries Ltd	Energy	33.5	15.2%	1.8%
Infosys Ltd	Technology	22.3	10.1%	1.2%
ICICI Bank Ltd	Financial	21.0	9.6%	1.2%
HDFC Bank Ltd	Financial	20.9	9.5%	1.1%
HDFC Ltd	Financial	14.7	6.7%	0.8%
Total		112.4	51.1%	6.1%

Reliance Industries Ltd

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. Despite unprecedented headwinds caused by the pandemic, the company continued its expansion strategy in both the retail business and digital services segment by growing its physical and digital footprint with store additions, strengthening of supply chain infrastructure, launch of JioMart and increased network capacity to rapidly grow its customer base. RIL generated an EBITDA of INR 1.1 Bn, representing a growth of 38.5% over last year. The share price grew by 31.1% in MUR terms from 30 June 2021 to 30 June 2022.

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 2021/2022, the profit after tax grew by 13.9%. The share price fell by 7.6% in MUR terms from 30 June 2021 to 30 June 2022.



DIRECTORS' REPORT

ASSET CLASS PERFORMANCE (CONTD)

Indian Equity (Contd)

ICICI Bank Ltd (ICICI)

ICICI Bank Ltd is a large private sector bank in India offering a diversified portfolio of financial products and services to retail, SMEs 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 2021/2022 attributed to an increase in interest income and fall in interest expense. The share price grew by 12.0% in MUR terms from 30 June 2021 to 30 June 2022.

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 fell by 10.0% in MUR terms from 30 June 2021 to 30 June 2022.

Housing Development Finance Corporation Ltd (HDFC Ltd)

HDFC Ltd 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 Ltd registered a net profit increase of 20.9% in the fiscal year 2021/2022. The share price fell by 12.6% in MUR terms from 30 June 2021 to 30 June 2022.

GLOBAL ECONOMIC AND MARKET REVIEW

The global economy was in a stage of recovery in first half of the financial year but started to slow down by the end of the first half itself with the Russia and Ukraine tensions. The tensions, which developed into a war in February 2022, resulted in a decline in the global economy output. According to IMF, global output contracted in the fourth quarter of the year, owing to downturns in China and Russia, while US consumer spending undershot expectations. Several shocks hit a world economy already weakened by the pandemic: higher-than-expected inflation worldwide—especially in the United States and major European economies—triggering tighter financial conditions; a worse-than-anticipated slowdown in China, reflecting COVID-19 outbreaks and lockdowns; and further negative spill overs from the war in Ukraine. The decline in the economic activity directly impacted the global stock markets and erased the progress made in the first half of the financial year. The Organisation for Economic Co-operation and Development (OECD) forecasted a global GDP growth of around 3% for end of calendar year 2022, which is expected to remain at a similar pace in 2023. This is well below the pace of recovery projected in December 2021. OECD drew attention to the rising cost of living in its June 2022 economic outlook report. With Russia and Ukraine being important suppliers in many commodity markets, accounting together for about 30% of global wheat exports, 20% for corn, mineral fertilisers and natural gas, and 11% for oil, prices for these commodities rose sharply after the onset of the war.

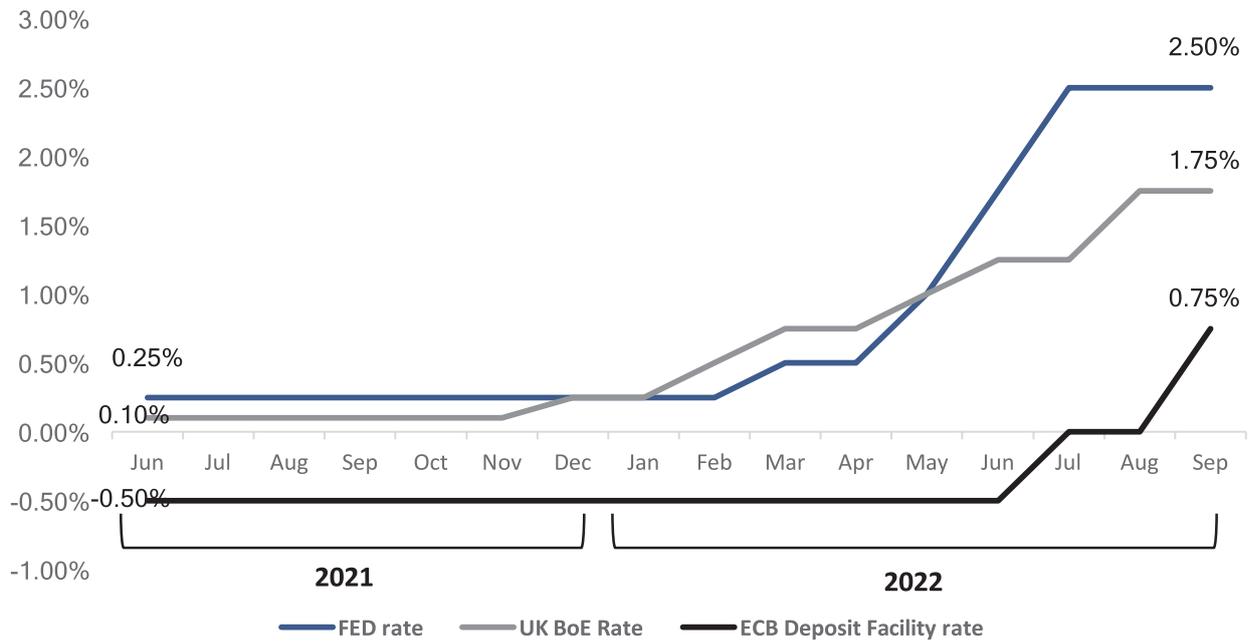
With prices spiking, Central Banks around the world had to shift their strategy from focusing on economic growth to curbing inflation. From January 2022 to September 2022, the Federal Reserve Board (FED) has increased their

DIRECTORS' REPORT

GLOBAL ECONOMIC AND MARKET REVIEW (CONTD)

interest rates from a range of 0.00-0.25% to 2.25-2.50%. Bank of England (BoE) followed suit with a 0.1% rate in December 2021 which now sits at 1.75% and same applied to the European Central Bank (ECB) which was practising negative interest rate on deposit facility whilst it now has a rate of 0.75%. Figure 7 below illustrates the movements in interest rates.

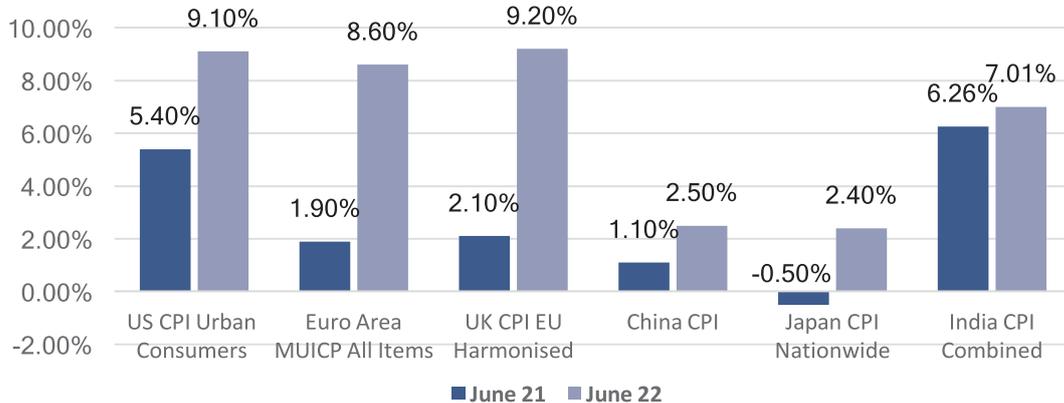
Figure 7: Central Bank Interest Rates



Source: Bloomberg

The challenge is that the aggressive rate hikes may not result in taming inflation immediately. The rate hikes and liquidity squeeze are expected to raise borrowing costs and reduce demand, which, in turn, will ease price pressures. Therefore, the likely consequence of a tighter monetary policy everywhere will be a slowing down of economic activity. Based on a recent study by the World Bank, the world may be edging towards a global recession in 2023.

Figure 8: Inflation Rates Year-on-Year



Source: Bloomberg

DIRECTORS' REPORT

GLOBAL ECONOMIC AND MARKET REVIEW (CONTD)

In the US, the inflation rate year on year stood at 9.1% in June 2022, the largest increase in 40 years. Likewise, in the Euro zone, the Monetary Union Index of Consumer Prices (MUICP) was at a high of 8.6% in June 2022, compared to 1.9% the previous year. On the contrary, emerging countries such as China and India had a tighter grip on their inflation rate. The VIX index which measures the expectation of stock market volatility over the next 30 days for S&P 500 index options, provides a quantifiable measure of market risk and investors' sentiments. For financial year 2022, the VIX Index hit a high of 36.45 on 07 March 2022, while the average for the year was 25.63.

The World Trade Organisation (WTO), on the other hand, expects world merchandise trade volume to grow to 3.0% up to December 2022 (down from 4.7% previously) and 3.4% in 2023, but these figures may be subject to change due to uncertainty about the course of the conflict in Ukraine. World GDP at market exchange rates is expected to increase by 2.8% by the end of 2022 after rising by 5.7% in 2021. Output growth should pick up to 3.2% in 2023, assuming persistent geopolitical and economic uncertainty.

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

Index	Return (Domestic currency)	Return (MUR)
S&P 500	-11.9%	-6.3%
FTSE 100	1.9%	-5.4%
Nikkei 225	-8.3%	-20.3%
MSCI World	-15.6%	-10.2%
MSCI Euro(Excl UK)	-9.0%	-14.5%
MSCI Emerging	-27.2%	-22.6%
BSE SENSEX	1.02%	0.77%

Source: Bloomberg and SBM foreign exchange rate

Focusing on stocks, US equities declined in financial year 2022 as depicted by the S&P 500 in Table 7 above. Russia and Ukraine war resulted into a plethora of strict sanctions from the US and its allies to Russia, prohibiting import of Russian products and targeting the Russian financial system. Energy and utility companies were amongst the strongest performers for the financial year with Energy Select Sector SPDR Fund (XLE), a benchmark for energy sector, registering a performance of 32.7% and outperforming a falling market with negative return.

Technology, communication services and consumer discretionary were amongst the weakest sectors. Eurozone was not spared either with the region having close economic ties with Ukraine and Russia and relying heavily on their oil and gas. For the financial year 2022, the MSCI Europe registered a negative return of 9%. Sectors which have been more affected are consumer discretionary and information technology. UK equities managed to stay afloat of the war with FTSE 100 Index registering a 1.9% gain for the financial year. The gain was mainly driven by energy, utilities, and healthcare sectors.



DIRECTORS' REPORT

GLOBAL ECONOMIC AND MARKET REVIEW (CONTD)

Emerging market equities were greatly affected when the geopolitical tensions took centre stage following Russia's launch of a full-scale invasion of Ukraine. China was deeply behind its peers with the second lockdown in end of March 2022. Regulatory concerns relating to US-listed Chinese stocks also contributed to market volatility. On the other hand, the Latin American markets generated gains, mostly with Brazil market. Russia was removed from the MSCI Emerging Markets Index on 9 March, at a price that is effectively zero.

India also showed resilience despite economic unrest with SENSEX registering a positive gain of 1%. India's economic activity saw small but stable rise in industrial output, record high goods exports, and strong tax receipts. The highest performers of the SENSEX were trading, footwear and manufacturing while media & entertainment, ship building, and telecom sectors were dragged down. Disruptions in global supply chains, increasing commodity prices, particularly crude oil, and capital outflows caused by global policy tightening pose considerable dangers to the Indian balance of payments and the embryonic recovery.

LOCAL ECONOMIC REVIEW & OUTLOOK

Local Market Review

The Mauritian economy witnessed a significant downturn in the wake of the second nationwide lockdown in March 2021, surge in COVID-19 cases and the significant difficulties confronting economic sectors amidst little visibility on the operating landscape. However, through proactive vaccines inoculation campaign, lifting of sanitary curfew, re-opening of the borders and measures implemented by the government in support of households and businesses, the Mauritian economy grew by 3.9% at constant price in 2021 and is estimated to grow by 6.1% in 2022 and stabilise near 3.3% in future years as shown in Figure 9 below.

Figure 9: GDP Growth at Constant price



Source: IMF



DIRECTORS' REPORT

LOCAL ECONOMIC REVIEW & OUTLOOK (CONTD)

Local Market Review (Contd)

In addition, the successful exclusion of Mauritius from the FATF grey list was a major milestone for the financial services and banking sector and present opportunities for the future. However, some of the uncertainties that still linger on the economy is the downgrade of Mauritius' rating from Baa2 to Baa3 by Moody's Investors Service on 28 July 2022, this rating is just before the threshold of non-investment grade status.

The National Budget 2021/22 was presented with the objective of accelerating the pace of recovery of the Mauritian economy and build resilience to achieve a long-term sustainable growth path. Some of the measures earmarked in the Budget were to stimulate nationwide investments with emphasis laid on construction and infrastructure ventures, support to SMEs, set up of new growth pillars such as biotechnology and pharmaceutical industry, development of circular and green sector with further promotion of digitalization transformation.

Headline inflation increased to 8% in June 2022 (June 2021: 2.2%) and is forecasted to increase to 12.5% in 2023 with expectation that increase in global food and energy prices will cause further inflationary pressures. The war in Ukraine has dealt a major shock to commodity markets. The World Bank's latest Commodity Markets Outlook discusses how the war has disrupted production and trade of several commodities, particularly those where Russia and Ukraine are key exporters, including energy, fertilizers, and grains. As a result, global grains/oilseeds, fertilizers and energy supplies have tightened, and prices have skyrocketed, this will likely have inflationary pressure in the local economy. The revenue losses due to the economic slowdown and along with the support programme to businesses and households have led to a marked deterioration of the country's fiscal position, the gross public sector debt rose to 95% of GDP as of June 2022. On the external front, the sharp decline in FX earnings in the wake of the collapse in exports – notably tourism – triggered a hike in the current account deficit while the balance of payments fell into deficit territory in 2022. The external imbalances are expected to remain elevated this year, although a progressive improvement in line with the gradual pickup in activities is expected.

The local growth outlook is dependent on the extent of the recovery in the tourism sector, pace of implementation of envisioned infrastructure projects and initiatives to further gear up the investment facilitation framework. In early June's 2022-23 budget, the government restated its target of reaching one million tourists in 2022. At industry level, 313,548 tourists visited Mauritius in the first five months of 2022 (44% below pre-COVID level) while tourism earnings amounted to MUR 12.5 Bn in the first quarter 2022, 24% below pre-COVID earnings vis-a-vis the same period in 2019.

Local Fixed Income Review

From a policy perspective, the Monetary Policy Committee (MPC) of the Bank of Mauritius raised the Key Repo Rate by 40 basis point in aggregate to 2.25% in June 2022 with heightened risks to inflation, while continuing to promote conducive macroeconomics conditions for economic recovery. Inflation continues to be influenced by supply side disturbances emanating mostly from external sources, notably higher freight cost and rising prices of energy and commodities resulting from the Russia-Ukraine War.

In the fixed income market, yields started to pick up especially on longer tenors GOM bonds as from May 2021, with 10Yr, 15Yr and 20Yr increasing by 185bps, 190bps and 195bps respectively over the year ended 30 June 2022. The level of excess liquidity in the system remains high during the period (Rs 70 Bn at end of June 2022). The banks' average savings rate (MCB and SBM) has increased to 0.65% over the year under review.

DIRECTORS' REPORT

LOCAL ECONOMIC REVIEW & OUTLOOK (CONTD)

The Mauritian Stock Market

The local stock market has shown relative resilience in the face of the Russian – Ukraine war and other adverse events which caused a drastic fall in stock prices globally. SEMDEX kicked off the year with a positive momentum from last quarter, backed by encouraging earnings releases and improving perspectives for several sectors especially the tourism sector. The index was dragged down by the negative sentiment following the invasion of Ukraine by Russia at the beginning of March 2022. This market dip was, however, quickly reversed and SEMDEX ended the month of June 2022 in green.

For the period ended June 2022, the local stock market continued its upward trajectory, with SEMDEX and the DEMEX being up by 14.04% and 4.06% respectively.

Figure 10: SEMDEX Evolution (Indexed 30 June 2021)



Table 8: Valuation Ratios

Ratios	2022	2021
Dividend yield	3.19	1.84
Price to earnings ratio	8.73	11.16
Price to book ratio	0.58	0.59

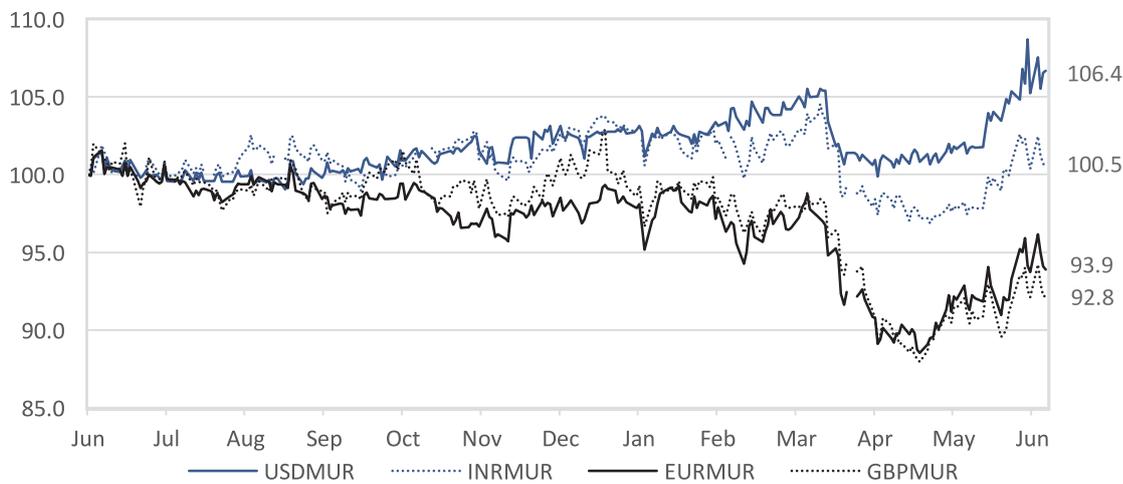
The gain in SEMDEX was on the back of the prevailing optimism towards a return to an economic normality and dividend pay-out announced by most listed companies, in particular MCB. For the period under review, the main contributors for the improvement in SEMDEX were hotel stocks. With the re-opening of borders effective 15 July 2021, the hotel sector stocks picked up strongly delivering, on average, an annual performance of around 14%. Improvement in earnings and dividends declared by other listed companies also helped to drive the market.

DIRECTORS' REPORT

The Foreign Exchange Market

During the financial year ended 30 June 2022, USD appreciated by 6.4% whilst, EUR and GBP depreciated by 6.1% and 7.2% respectively vis-a-vis MUR. Moreover, on the Asian market side, the INR gained 0.5% vis-a-vis the MUR during the year. The depreciation in MUR required the single largest intervention (USD 200 M) of BOM on 13 April 2022 and subsequent interventions for a cumulative amount of USD 125 M till July 2022, providing further support to MUR. The trend of the currencies is depicted in Figure 11.

Figure 11: Normalised foreign exchange against MUR



Source: Bloomberg

PROSPECTS

Behind us lay an eventful financial year of the lingering effect of the ensuing economic repercussion from COVID-19 pandemic, disruption in the supply chain, escalating freight cost, depreciation of MUR vis-a-vis the USD and the recent geopolitical tensions between Ukraine and Russia which have severely impacted the world economy. For the next 6 to 12 months, foreign markets are expected to remain under pressure and volatile. Arguably, the biggest factor causing so much destruction in the markets is the policy pivot by the Federal Reserve as it aims to tackle inflation. The war in Ukraine was one of those exogenous factors that took inflation to the next level. Oil stocks and natural gas stocks have put in strong outperformance in 2022. In addition, China's sweeping "zero Covid" policy is disrupting supply chains, which were already experiencing difficulties. And while the country shows sign of easing its sweeping lockdown measures, a bumpy road may lie ahead.

With the risk of a recession rising, things could get worse for the international stock market before they even get better. As for the Mauritian economy, increased activity level should be driven by the continued pick up in the tourism sector, although tourists' arrival is expected to be lower than pre-covid level. This would create a ripple effect across the related economic activities. A growth in GDP is expected following the budgetary announcements in the green energy sector supported by private sector investment. As for the public sector investment, relative decline is anticipated in the construction sector after the completion of key infrastructure ventures in 2022 while ICT sector is expected to sustain a robust performance.



DIRECTORS' REPORT

PROSPECTS (CONTD)

The ramifications of the war in terms of higher commodity prices and supply disruptions have worsened inflation and the Central Bank is raising interest rates to quell inflationary pressure. In the 2023-2025 financing plan, the Government of Mauritius expects to reduce the issuance of Treasury bills over the coming 12 months and cover most of its borrowing needs through medium and long-term bonds. Central banks reaffirmed their commitment to fighting inflation with Federal Reserve System (FED), European Central Bank (ECB) and Bank of England (BoE) all raised interest rates. UK's new government announced a fiscal package in September which was poorly received by markets and was retracted. GBP and USD were trading near parity during end of September 2022, requiring BoE to increase its interest rate by 50 bps on 23 September 2022.

From end-June 2022 to mid-October 2022, all major markets and SEMDEX have registered negative returns with the exception of the Indian market. India was among the few ones posting positive return, with SENSEX registering a gain of 11.4% in local currency from 30 June 2022 to 18 October 2022. The main factors that resulted in such resilience was mainly the role of the Indian government on several reforms and policies focusing on economic growth which provided investors with confidence.

The operating environment remains highly uncertain, with the risk of a global recession imminent amidst aggressive interest rate hikes worldwide in response to elevating inflation. However, a positive momentum has been observed on the local front attributable to recovery in the tourism sector. In this volatile climate, we are adopting a cautious approach through diligent execution of our diversification strategy across international markets and products.

A handwritten signature in black ink, appearing to read 'G. Goburdhun', is written over a thin, curved line.

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



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 2022, 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 53 to 84 give a true and fair view of the financial position of the Company as at 30 June 2022 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 described 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 ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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

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



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

Report on the Audit of the Financial Statements (Contd)

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:

- 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.



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)

- 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.

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.



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

Report on Other Legal and Regulatory Requirements (Contd)

Financial Reporting Act 2004

In accordance with the requirements of the Financial Reporting Act 2004, we report as follows:

- our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance (the “Code”) disclosure in the annual report and assess the explanations given for non-compliance with any requirements of the Code.
- we have obtained all the information and explanations that we have required regarding the compliance with the requirements of the Code of Corporate Governance.
- From our assessment of the disclosures made on Corporate Governance in the annual report, the Company has pursuant to section 75 of the Financial Reporting Act 2004, complied with requirements of the Code, except for those non-compliance as stated in the Statement of Compliance.

Grant Thornton

Grant Thornton
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Junaid Hajee Abdoula', with a long, sweeping horizontal stroke extending to the right.

JUNAIID HAJEE ABDOULA, FCCA
Licensed by FRC

Date: 28 September 2022

Ebene 72201, Republic of Mauritius



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2022 Rs'000	2021 Rs'000
ASSETS			
Non-current			
Portfolio of domestic securities	7	764,064	731,538
Portfolio of foreign securities	8	470,682	650,729
Non-current assets		1,234,746	1,382,267
Current			
Portfolio of domestic securities	7	490,099	448,699
Portfolio of foreign securities	8	4,027	3,715
Other receivables	9	21,149	3,328
Current tax asset	12	85	-
Cash and cash equivalents	19(b)	108,544	29,810
Current assets		623,904	485,552
Total assets		1,858,650	1,867,819
LIABILITIES			
Other payables	11	5,024	4,473
Bank overdrafts	19(b)	676	56
Dividend payable	18	29,529	29,059
Current tax liability	12	-	43
Total liabilities excluding net assets attributable to holders of redeemable shares		35,229	33,631
Net assets attributable to holders of redeemable shares		1,823,421	1,834,188
Total liabilities		1,858,650	1,867,819
Net asset value per share	20	36.42	36.57

Approved by the Board of Directors on 28 September 2022 and signed on its behalf by:

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

Mr. V. Bhuguth
Director

The notes on pages 57 to 84 form an integral part of these financial statements.



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 Rs'000	2021 Rs'000
Income			
Investment income	13	42,821	27,581
Net gain on disposal of securities		-	273
Net increase in fair value of financial assets through profit or loss	7, 8 & 14	-	326,812
Other income		2,922	398
Total income		45,743	355,064
Expenditure			
Net decrease in fair value of financial assets through profit or loss	7, 8 & 14	(678)	-
Management fees	15	(17,074)	(14,709)
Registry costs	16	(1,208)	(1,208)
Other operating expenses	17	(4,518)	(3,624)
Forex Loss		(1,010)	-
Net loss on disposal of securities		(2,967)	-
Total expenditure		(27,455)	(19,541)
Profit before tax	17	18,288	335,523
Tax expense	12	(14)	(134)
Profit for the year		18,274	335,389
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	(410)	(558)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
		-	-
Other comprehensive income for the year, net of tax		(410)	(558)
Total comprehensive income for the year		17,864	334,831

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

The notes on pages 57 to 84 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 2022

	2022 Rs'000	2021 Rs'000
Net assets attributable to holders of redeemable shares at 01 July	1,834,188	1,527,681
Proceeds from issue of redeemable shares	15,406	5,982
Payments on redemption of redeemable shares	(18,969)	(9,233)
Dividends distribution to holders of redeemable shares	(25,068)	(25,073)
Transactions with the shareholders	(28,631)	(28,324)
Profit for the year	18,274	335,389
Other comprehensive income for the year	(410)	(558)
Total comprehensive income for the year	17,864	334,831
Net assets attributable to holders of redeemable shares at 30 June	1,823,421	1,834,188

The notes on pages 57 to 84 form an integral part of these financial statements.



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 Rs'000	2021 Rs'000
Net cash used in operating activities *	19 (a)	(35,090)	(20,315)
Investing activities			
Purchase of investments		(26,306)	(5,215)
Proceeds from disposal of investments		115,285	5,485
Proceeds from maturity of fixed deposit		14,000	-
Investment in Fixed Deposit		-	(14,000)
Dividends received		36,290	21,048
Interest received		931	671
Net cash from investing activities		140,200	7,989
Financing activities			
Redemption of shares		(18,969)	(9,233)
Issue of shares		15,406	5,982
Dividend paid to holders of redeemable shares		(23,433)	-
Net cash used in financing activities		(26,996)	(3,251)
Net change in cash and cash equivalents		78,114	(15,577)
Cash and cash equivalents, at beginning of the year		29,754	45,331
Cash and cash equivalents, at the end of the year		107,868	29,754
Cash and cash equivalents made up of:			
Bank overdrafts		(676)	(56)
Cash at bank		108,544	29,810
Total	19 (b)	107,868	29,754
*Non-cash transaction			
Dividend reinvested		660	624

The notes on pages 57 to 84 form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

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 Companies Act 1984, now replaced by the 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 2021

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 2021:

IFRS 16, COVID-19-Related Rent Concessions (Amendment to IFRS 16)

The pronouncement amended IFRS 16 Leases to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021.

Various, Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

These amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

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, amendments to existing standards and interpretation 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 new standards, amendments and interpretations is provided below:



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

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 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.

IFRS 17, Insurance Contracts

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 2021.

IFRS 4, Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)

The amendments change the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9, Financial Instruments, so that entities will be required to apply IFRS 9 for annual periods beginning on or after 01 January 2023 (instead of 01 January 2021).

IFRS 1, IFRS 9, IFRS 16 and IAS 41, Annual Improvements to IFRS Standards 2018-2020 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:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

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 1, IFRS 9, IFRS 16 and IAS 41, Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41) (Contd)

- 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.

IFRS 17, Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments 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.

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



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

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) (Contd)

- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

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

In May 2021 the Board issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The amendments were issued in response to a recommendation from the IFRS Interpretations Committee. Research conducted by the Committee indicated that views differed on whether the recognition exemption applied to transactions, such as leases, that lead to the recognition of an asset and liability. These differing views resulted in entities accounting for deferred tax on such transactions in different ways, reducing comparability between their financial statements. The Board expects that the amendments will reduce diversity in the reporting and align the accounting for deferred tax on such transactions with the general principle in IAS 12 of recognising deferred tax for temporary differences.

Management has yet to assess the impact of the above Standards, amendments to existing Standards and Interpretation 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.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

3. Summary of accounting policies (Contd)

3.3 Share capital (Contd)

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

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

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.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

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

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.

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.

Financial assets are accounted for at FVOCI if the assets meets 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 investment 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

3. Summary of accounting policies (Contd)

3.4 Financial instruments (Contd)

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.

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 2022

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 CSR (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 2022

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 2022

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 2022

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 World Health Organisation ("WHO") declared the new coronavirus ("COVID-19") outbreak to be a pandemic on 11 March 2020. The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time.

The Directors acknowledge the current outbreak 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 June 2022. 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 2022

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 2022	FVTPL Rs'000	FVOCI Rs'000	Amortised cost Rs'000	Total 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
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 excludes prepayments.

** Other payables excludes PAYE.

30 June 2021	FVTPL Rs'000	FVOCI Rs'000	Amortised cost Rs'000	Total Rs'000
Financial assets				
Non-current				
Portfolio of domestic securities	721,807	9,731	-	731,538
Portfolio of foreign securities	650,729	-	-	650,729
Current				
Portfolio of domestic securities	448,699	-	-	448,699
Portfolio of foreign securities	3,715	-	-	3,715
Other receivables*	-	-	3,185	3,185
Cash and cash equivalents	-	-	29,810	29,810
Total financial assets	1,824,950	9,731	32,995	1,867,676



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

4. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

Financial assets and financial liabilities (Contd)

30 June 2021	FVTPL Rs'000	FVOCI Rs'000	Amortised cost Rs'000	Total Rs'000
Financial liabilities				
Current				
Net assets attributable to holders of redeemable shares	1,834,188	-	-	1,834,188
Bank overdrafts	-	-	56	56
Other payables**	-	-	4,467	4,467
Dividend payable	-	-	29,059	29,059
Total financial liabilities	1,834,188	-	33,582	1,867,770

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 2022 and 2021.

	Financial assets 2022 Rs'000	Financial assets 2021 Rs'000
United States Dollar (USD)	57,218	266,362
Euro (EUR)	20,143	129,529
Indian Rupee (INR)	2,191	210,529
Others	147	54,709
Total	79,699	661,129



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

4. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

4.1 Market risk analysis

Foreign currency sensitivity

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 exchange rates for the year ended 30 June 2022, 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 2022 (2021: 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% (2021: 2%), then this would have the following impact:

	2022		2021	
	Profit Rs'000	Net assets attributable to holders of redeemable shares Rs'000	Profit Rs'000	Net assets attributable to holders of redeemable shares Rs'000
INR	1,144	1,144	4,211	4,211
EURO	403	403	2,591	2,591
USD	44	44	5,327	5,327
Others	3	3	1,094	1,094

If the MUR had strengthened by 2% (2021: 2%), then this would have the following impact:

	2022		2021	
	Profit Rs'000	Net assets attributable to holders of redeemable shares Rs'000	Profit Rs'000	Net assets attributable to holders of redeemable shares Rs'000
INR	(1,144)	(1,144)	(4,211)	(4,211)
EURO	(403)	(403)	(2,591)	(2,591)
USD	(44)	(44)	(5,327)	(5,327)
Others	(3)	(3)	(1,094)	(1,094)

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 loss would have been Rs 1,690 (2021: Rs 140) lower/higher.

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.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

4. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

4.2 Price risk sensitivity (Contd)

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	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
Designated at fair value through other comprehensive income	-	-	466	487
Designated at fair value through profit or loss	85,978	91,248	-	-

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:

	2022 Rs'000	2021 Rs'000
Financial assets		
Non-current		
Portfolio of domestic securities	764,064	731,538
Portfolio of foreign securities	470,682	650,729
	1,234,746	1,382,267
Current		
Portfolio of domestic securities	490,099	448,699
Portfolio of foreign securities	4,027	3,715
Other receivables	21,112	3,185
Cash and cash equivalents	108,544	29,810
	623,782	485,409
Total	1,858,528	1,867,676



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

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.

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 2022	Carrying amount	Contractual cash flows	On demand	Less than 1 year
	Rs'000	Rs'000	Rs'000	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



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

4. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

4.4 Liquidity risk analysis

30 June 2021	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	1,834,188	1,834,188	1,834,188	-
Bank overdrafts	56	56	-	56
Other payables	4,467	4,467	-	4,467
Dividend payable	29,059	29,059	-	29,059
Total	1,867,770	1,867,770	1,834,188	33,582

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 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 2021 and 30 June 2022 as it had an excess cash balance compared to its debt which comprised of only bank overdraft.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

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	Level 1	Level 2	Level 3	Total
30 June 2022	Rs'000	Rs'000	Rs'000	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 assets	Level 1	Level 2	Level 3	Total
30 June 2021	Rs'000	Rs'000	Rs'000	Rs'000
Designated at fair value through profit or loss	1,103,143	720,475	1,332	1,824,950
Designated at fair value through other comprehensive income	-	9,731	-	9,731
Total	1,103,143	730,206	1,332	1,834,681

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

Financial liabilities	Level 1	Level 2	Level 3	Total
30 June 2021	Rs'000	Rs'000	Rs'000	Rs'000
Net assets attributable to holders of redeemable shares	-	-	1,834,188	1,834,188



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

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 2022

7. Portfolio of domestic securities (Contd)

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

	2022	2021
	Rs'000	Rs'000
Financial assets at fair value through profit or loss	1,244,842	1,170,506
Financial assets at fair value through other comprehensive income	9,321	9,731
	1,254,163	1,180,237

Analysed as:

Non-current assets:

Financial assets at fair value through profit or loss	754,743	721,807
Financial assets at fair value through other comprehensive income	9,321	9,731
	764,064	731,538

Current assets

Financial assets at fair value through profit or loss	490,099	448,699
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Total	1,254,163	1,180,237
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Following the application of IFRS 9, Financial Instruments, Available-for-sale financial assets have been classified at FVTPL or FVOCI where applicable.

Financial assets at fair value through profit or loss

30 June 2022	Listed on	Listed on	Unquoted	Total
	SEM	DEM		
	Rs'000	Rs'000	Rs'000	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

30 June 2021	Listed on	Listed on	Unquoted	Total
	SEM	DEM		
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2020	360,768	24,738	685,489	1,070,995
Additions	2,373	-	-	2,373
Disposals	(4,373)	-	-	(4,373)
Movement in fair value	64,544	650	36,317	101,511
At 30 June 2021	423,312	25,388	721,806	1,170,506



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

7. Portfolio of domestic securities (Contd)

Financial assets at fair value through other comprehensive income

	2022	2021
	Total	Total
	Rs'000	Rs'000
At 01 July	9,731	10,289
Movement in fair value	(410)	(558)
At 30 June	9,321	9,731

(b) At 30 June 2022

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	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

At 30 June 2021

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at fair value through profit or loss	448,699	720,475	1,332	1,170,506
Financial assets at fair value through OCI	-	9,731	-	9,731
At 30 June 2021	448,699	730,206	1,332	1,180,237

(c) The table below shows the changes in level 3 instruments

	2022	2021
	Rs'000	Rs'000
At 01 July	1,332	1,289
Increase in fair value	11	43
At 30 June	1,343	1,332

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.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

8. Portfolio of foreign securities (Contd)

	2022 Rs'000	2021 Rs'000
Financial assets at fair value through profit or loss	474,709	654,444
Analysed as:		
Non-current assets:		
Financial assets at fair value through profit or loss	470,682	650,729
Current assets		
Financial assets at fair value through profit or loss	4,027	3,715
Total	474,709	654,444
Financial assets at fair value through profit or loss		
	2022 Rs'000	2021 Rs'000
At 01 July	654,444	427,413
Additions	22,731	2,842
Disposals	(118,995)	(1,112)
Increase in fair value	(83,471)	225,301
At 30 June	474,709	654,444

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

	2022 Rs'000	2021 Rs'000
Level 1	474,709	654,444

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

	2022 Rs'000	2021 Rs'000
US Dollar	159,360	266,068
Euro	71,416	129,524
GBP	6,243	-
INR	210,437	204,299
Other currencies	27,253	54,553
Total	474,709	654,444



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

9. Other receivables

	2022	2021
	Rs'000	Rs'000
Dividend receivable	5,032	3,178
Funds receivable from disposal of foreign securities	16,079	-
Prepayment	38	150
Total	21,149	3,328

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

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.

	2022	2021
	Rs'000	Rs'000
Authorised		
120,000,000 redeemable shares of Rs 10 par value	1,200,000	1,200,000

	2022	2021
Issued and fully paid (Number of shares in thousands)		
At 01 July	50,152	50,233
Issue of shares	410	206
Redemption of shares	(494)	(287)
At 30 June	50,068	50,152

11. Other payables

	2022	2021
	Rs'000	Rs'000
Amount due to related party	4,563	3,893
Other payables	461	580
Total	5,024	4,473

- (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 2022

12. Taxation

12.1 Income tax expense

The Company is liable to income tax at the rate of 15% (2021: 15%) and at 30 June 2022 it had income tax asset of Rs 84,899 (2021: tax liability of Rs 43,176). 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

	2022 Rs'000	2021 Rs'000
At 01 July	43	(56)
Tax refunded/(paid)	(43)	56
Tax liability for the year	-	120
CSR	16	14
Tax paid under APS	(101)	(91)
Current tax (asset)/liability	(85)	43

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

	2022 Rs'000	2021 Rs'000
Income tax on adjusted profit	-	120
CSR	16	14
Foreign tax refund	(2)	-
Tax expense	14	134

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

	2022 Rs'000	2021 Rs'000
Profit before tax	18,288	335,523
Tax at 15%	2,743	50,328
Exempt income	(7,536)	(53,074)
Non-allowable expenses	4,208	2,866
CSR	16	14
Withholding tax on dividend income	583	-
Tax expense	14	134



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

13. Investment income

	2022	2021
	Rs'000	Rs'000
Dividend income	41,890	26,397
Interest income	931	699
Foreign exchange gain	-	485
Total	42,821	27,581

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

	2022	2021
	Rs'000	Rs'000
Domestic and foreign securities (Note 7 and 8)	(678)	326,812

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.

	2022	2021
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 2022, Rs 301,875 was accrued per quarter.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

17. Profit before tax

	2022	2021
	Rs'000	Rs'000
<i>The above is stated after (charging)/ crediting:</i>		
Net (decrease)/increase in fair value through profit or loss financial assets	(678)	326,812
<i>Dividend income</i>		
- Listed (local)	19,498	5,617
- Foreign	3,234	2,377
- Unquoted	19,158	18,403
Other income	2,922	398
Interest income	931	699
Foreign exchange gain	-	485
<i>Major components of expenditure:</i>		
Directors' fee	(819)	(886)
Forex exchange loss	(1,010)	-
Management fees	(17,074)	(14,709)
Registry cost	(1,208)	(1,208)
Custodian and brokerage fees	(996)	(609)

18. Dividends

The Board of Directors has declared a dividend of **Rs 25,067,659** representing Rs 0.50 per share on 25 June 2022 (2021: Rs 25,073,069 representing Rs 0.50 per share).

Dividend of **Rs 4,461,164** (2021: Rs 3,985,806) declared in prior years has not been claimed by shareholders. These dividends have been reclassified under current liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

19. Notes to the statement of cash flows

(a) Cash used in operations

	2022 Rs'000	2021 Rs'000
Profit before tax	18,288	335,523
<i>Adjustments for:</i>		
Dividend income	(41,890)	(26,397)
Interest income	(931)	(699)
Net decrease/ (increase) in fair value of financial assets at FVTPL	678	(326,812)
Dividend reinvested	660	624
Disinvestment of security	(2,524)	-
Net loss/(gain) on disposal of investments	2,967	(273)
Total adjustments	(22,752)	(18,034)
<i>Net changes in working capital:</i>		
Change in trade and other receivables	(12,747)	(2,450)
Change in trade and other payables	551	204
Total changes in working capital	(12,196)	(2,246)
Tax refund	2	56
Tax paid	(144)	(91)
Net cash used in operating activities	(35,090)	(20,315)

(b) Cash and cash equivalents

	2022 Rs'000	2021 Rs'000
Cash at bank	108,544	29,810
Bank overdraft	(676)	(56)
Total	107,868	29,754

20. Net asset value per share

	2022 Rs'000	2021 Rs'000
Net asset value	1,823,421	1,834,188
Number of redeemable shares in issue (Note 10)	50,068	50,152
Net asset value per share	36.42	36.57



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

21. Related party transactions

For the year ended 30 June 2022, the Company entered into the following transactions with related parties:

	2022 Rs'000	2021 Rs'000
Transactions with common shareholders		
Management fee expenses – Capital Asset Management Ltd	17,074	14,709
Transactions with secretary		
Registry costs – Prime Partners Ltd	1,208	1,208
Brokerage fees – Prime Partners Ltd	186	67
Secretarial fees – Prime Partners Ltd	110	110
Key management personnel		
Short term benefits – Director fees	819	886
Balances		
Amount payable to related party – Capital Asset Management Ltd	(4,261)	(3,893)
Amount payable to related party – Prime Partners Ltd	(302)	-

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

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

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 2022.



LIST OF ABBREVIATIONS

AGM	Annual General Meeting
BOM	Bank of Mauritius
Bn	Billion
CAM	Capital Asset Management Ltd
CIS	Collective Investment Scheme
CSR	Corporate Social Responsibility
DEMEX	Development and Enterprise Market Index
D/Y	Dividend Yield
EPS	Earnings Per Share
EUR	Euro
FED	Federal Reserve
FT	Franklin Templeton Investments
FTSE 100	Financial Times Stock Exchange 100 Index
FY	Financial Year
GBP	British Pound
GDP	Gross Domestic Product
GOM	Government of Mauritius
IFRS	International Financial Reporting Standards
INR	Indian Rupee
KRR	Key Repo Rate
M	Million
MPC	Monetary Policy Committee
MSCI	Morgan Stanley Capital International
MUR	Mauritian Rupee
NAV	Net Asset Value
NIKKEI	Stock market index for the Tokyo Stock Exchange
P/B	Price to book ratio
P/E	Price earnings ratio
PAT	Profit after tax
PIE	Public Interest Entity
PLF	Port -Louis Fund Ltd
SEM	Stock Exchange of Mauritius
SEMDEX	Stock Exchange of Mauritius Official Index
SENSEX	Bombay Exchange Sensitive Index
S&P 500	Standard & Poor's 500 Index Stock
SEMTRI	Exchange of Mauritius Total Return Index
USD	US Dollar
VIX	Chicago Board Options Exchange Volatility Index
VAT	Value Added Tax





PLF

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