



# **PORT LOUIS FUND LTD**



# **ANNUAL REPORT 2021**

Dear Shareholders,

The Board of Directors is pleased to present the Annual Report of Port Louis Fund Ltd for the Financial Year ended 30<sup>th</sup> June 2021.

The Directors' Report was approved by the Board on 15<sup>th</sup> October 2021 and the Audited Financial Statements were approved on 29<sup>th</sup> September 2021.



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



Mr. V. Bhuguth  
Director

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**Corporate data****Directors**

	<b>Date appointed</b>
■ Mr. G. Goburdhun, G.O.S.K.	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

**Company Secretary**

- Prime Partners Ltd  
15th Floor, Air Mauritius Centre,  
6, President John Kennedy Street  
Port Louis  
Republic of Mauritius

**Registrar and Transfer office**

- Prime Partners Ltd.  
15th Floor, Air Mauritius Centre,  
6, President John Kennedy Street  
Port Louis  
Republic of Mauritius

**Website**

- <http://www.portlouisfund.com>

**Auditors**

- Grant Thornton Mauritius  
Ebene Tower  
52 Cybercity  
Ebene 72201  
Republic of Mauritius
- BDO Mauritius (Internal Auditors)  
10 Frère Felix De Valois  
Port Louis  
Republic of Mauritius

**Corporate data (Contd)****Bankers**

- Absa Bank (Mauritius) Limited
- AfrAsia Bank Limited
- Bank of Baroda
- Bank One Limited
- ICICI Bank Ltd (India)
- MauBank Ltd
- SBM Bank (Mauritius) Ltd
- Standard Bank (Mauritius) Ltd
- The Hongkong and Shanghai Banking Corp Ltd
- The Mauritius Commercial Bank Ltd

**Custodians**

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

**Fund Manager**

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

**Foreign Fund Managers**

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

**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**

- Indsec Securities & Finance Ltd
- Arete Securities 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 2021.

### **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 50.

For the year under review, the directors have declared a dividend of Rs 25,073,069 representing Rs 0.50 per share on 25 June 2021 (2020: Rs 19,367,588 representing Rs 0.40 per share).

### **Directors**

The present membership of the Board is set out on page 02.

### **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.

# PORT LOUIS FUND LTD

## 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 2021, the directors received an aggregate amount of Rs 886,000 (2020:Rs 831,161) as fees from the Company.

	2021	2020
	Rs	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. Y. Violette	120,000	65,161
<b>Total director fees</b>	<b>886,000</b>	<b>831,161</b>

\* The Directors' remunerations for Mr. G. Goburdhun 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 2021 (2020:Nil).

### Auditors

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


	2021	2020
	Rs'000	Rs' 000
Audit services (VAT exclusive)	275	260
Tax services (VAT exclusive)*	26	23

\* 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

Date: 29 September 2021



Mr. V. Bhuguth  
Director

## Statutory Disclosures (Contd)

Disclosure as per Sixth schedule of the Securities (Collective Investment Scheme and Close- Ended Funds) Regulations 2008, Securities Act 2005.

<b>Financial Highlights</b>	<b>2019 (Rs'000)</b>	<b>2020 (Rs'000)</b>	<b>2021 (Rs'000)</b>
Net asset value at beginning of year	1,602,481	1,623,550	1,527,681
Total revenue	49,546	52,896	27,581
Total expenses	19,818	22,041	19,675
Realised gains (losses) for the period	571	430	273
Unrealised gains (losses) for the period	28,516	(111,566)	326,254
Total increase (decrease) from operations	59,152	(79,910)	334,831
<b>Total Annual Distributions</b>	<b>35,061</b>	<b>19,368</b>	<b>25,073</b>
Net asset value at end of year prior to share capital adjustment	1,626,572	1,524,272	1,837,439
Net asset value at end of year post share capital adjustment	1,623,550	1,527,681	1,834,188
<b>Key indicators</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Number of shares outstanding	50,122,463	50,232,949	50,152,382
Management expense ratio	1.23%	1.26%	1.07%
Portfolio turnover ratio	7.62%	0.53%	0.31%

## Corporate Governance Report

Port-Louis Fund Ltd (“the Company” or “PLF”) has always been 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 fulfills its duties and responsibilities as defined in the Company’s Constitution and the Companies Act 2001 (the Act).

The Directors of the Company are 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.

#### **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 of the Board meet regularly. The Chairman of the Board presides over the meetings of shareholders.





## Corporate Governance Report (Contd)

### PRINCIPLE 1 - Governance Structure (Contd)

#### Chairman of the Board (Contd)

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

- the Board fulfills its duties;
- Board Members, when appointed, participate in an induction program and, if needed, in supplementary training programs;
- Members receive all the information necessary for them to perform their duties;
- the agenda of board meetings are determined;
- the Board meetings are chaired in an effective manner;
- the Board has sufficient time for deliberation and decision-making;
- minutes of Board and committee meetings are properly recorded and stored;
- the Committees function properly;
- consultations are held with external advisors appointed by the Board;
- the performance of Board Members is evaluated regularly;
- problems related to the performance of individual Board Members are addressed;
- internal disputes and conflicts of interest concerning individual Board Members, including the possible resignation of such members as a result, are addressed; and
- 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 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.

# PORT LOUIS FUND LTD

## 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. is 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 the Company

**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 22 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 also a member of the Association of Chartered Certified Accountants (ACCA). She is also a member of the Mauritius Institute of Professional Accountants (MIPA). She has more than 19 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.S.c 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 10 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 the Company

**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 12 years of experience in the financial sector. He also holds an Investment foundation programme certificate.

**Ms. Umme Salma Nauyock**, Assistant Investment Analyst, joined the investment team in October 2019. She holds a B.Sc. (Hons) in Business Statistics with Finance and has over 6 years of experience in the financial services sector.

**Ms. Vidya Ramchurn**, Assistant Investment Analyst, joined the investment team in November 2019. She holds an M.Sc. in Risk & Finance and a B.Sc. (Hons) in Mathematics with Finance, both awarded by the University of Southampton. She has over 4 years of experience in the financial services sector.

### PRINCIPLE 2 – The Structure Of The Board And Its Board Committees

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

#### Board Structure

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

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

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

Director Name	Role	Category
Mr. Goolabchund Goburdhun, G.O.S.K.	Chairman	Non-Executive
Mr. Yusuf Hassam Aboobaker, S.C., C.S.K.	Member	Independent
Mr. Vijay Bhuguth	Member	Independent
Mr. Veenay Rambarassah	Member	Non-Executive
Mrs. Anista Devi Indira Ramphul-Punchoo	Member	Non-Executive
Mr. Jean Yves Violette	Member	Independent

#### 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.

**Corporate Governance Report (Contd)****PRINCIPLE 2 – The Structure Of The Board And Its Board Committees (Contd)****Board Diversity (Contd)**

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

- Mr. Yusuf Hassam Aboobaker S.C, C.S.K.
- Mr. Vijay Bhuguth
- Mr. Jean Yves Violette

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

Messrs Yusuf Hassam Aboobaker S.C., C.S.K. and Vijay Bhuguth have served on the Board as Independent 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 meetings of the 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.



## Corporate Governance Report (Contd)

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

#### **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 six (6) times during the financial year ended 30 June 2021.

The Board deliberated on a range of issues including:-

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

#### **Board Attendance**

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	6/6
Mr. Y. Aboobaker, S.C. , C.S.K.	Independent	4/6
Mr. V. Bhuguth	Independent	6/6
Mr. V. Rambarassah	Non-Executive	6/6
Mrs. A. D. I. Ramphul Punchoo	Non-Executive	5/6
Mr. J. Y. Violette	Independent	6/6

#### **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.



**Corporate Governance Report (Contd)****PRINCIPLE 2 – The Structure Of The Board And Its Board Committees (Contd)****Board Committees (Contd)**

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.

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.

## Corporate Governance Report (Contd)

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

#### Audit & Risk Committee (Contd)

The Committee met four 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 AML/CFT Compliance Manual of the Company.

#### Members and Attendance

Director	Role	Audit & Risk Committee
Mr. V. Bhuguth	Chairman	4/4
Mr. Y. Aboobaker, S.C ,C.S.K	Member	4/4
Mrs. A.D.I. Ramphul-Punchoo	Member	4/4

#### Corporate Governance Committee

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

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

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

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

The Committee met **twice** during the year. It examined the Corporate Governance report and also reviewed the composition of the Board.

#### Members and Attendance

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

#### 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.

## Corporate Governance Report (Contd)

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

#### Investment Committee (Contd)

##### 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	1/2
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 and Air Mauritius 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.

**Mr. V. Bhuguth** is a Fellow of the Association of Chartered Certified Accountant (FCCA). He reckons 28 years of experience in accounting firms and holds a postgraduate 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 a 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.

**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 Le Grand Casino du Domaine Ltee and Pointe Coton Resort Hotel Co. Ltd.

**Mr. J. Y. Violette** is an Associate Member with a Certified Insurance Professional status (CIP) of the Australian and New Zealand Institute of Insurance and Finance (ANZIFF). He is 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. He escalated positions of Manager, Principal Manager and Senior Manager in the largest insurance group of the island Swan Group. He is also a member of the Motor Vehicle Insurance Arbitration Committee.





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 Puchoo	Mr. V. Bhuguth	Mr. J. Y. Violette
National Investment Trust Limited		√				
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 Ltee	√			√		
SIC Management Services Co. Ltd	√					√
Guibies Holdings Ltd	√					
Guibies Properties Ltd	√					
Domaine Les Pailles Limitee	√					
Prime Real Estate Limited	√			√		
Compagnie Mauricienne D'Hippodromes Limitee	√					
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				√		
SME Equity Fund Ltd	√					
National Real Estate Ltd	√					
Mauritius Cargo Community Services Ltd	√					
Air Mauritius Ltd	√					
Air Mauritius Holdings Ltd	√					
Airports of Mauritius Ltd	√					
Pointe Coton Ltd	√			√		
Ebene CarPark Ltd	√					
Lottotech Ltd	√					
Mauritius Estate Development Corporation Ltd	√					
Mauritius Shipping Corporation Ltd	√					
Beach Casino Ltd				√		
Sun Casino Ltd				√		
Prime Securities Ltd				√		
Rodrigues Educational Development Co. Ltd				√		
National Equity Fund Ltd				√		
Island Resorts Ltd				√		
Eastern and Southern African Trade Fund		√				
Eastern and Southern African Trade and Development Bank		√				

**Corporate Governance Report (Contd)****PRINCIPLE 2 – The Structure Of The Board And Its Board Committees (Contd)****Directorship in other companies**

Mr. G. Goburdhun, G.O.S.K. is a Director of the following listed companies:-

- (i) Lottotech Ltd.
- (ii) Air Mauritius Ltd.

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 are not Directors of Listed Companies.

**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.



## Corporate Governance Report (Contd)

### PRINCIPLE 3 – Directors Appointment Procedures (Contd)

#### 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 in Mauritius, the Risk Management Framework and introduction to key stakeholders. They are also provided with the Company's relevant constitutive documents.

#### Election and Re-election of Directors

Each director is elected by a separate resolution at the Annual Meeting of Shareholders until the next Annual Meeting.

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

### PRINCIPLE 4 - Director Duties, Remuneration And Performance

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

#### Legal Duties

All Directors are fully aware of their legal duties as laid out in the 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.

**Corporate Governance Report (Contd)****PRINCIPLE 4 - Director Duties, Remuneration And Performance (Contd)****Conflict of Interest**

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

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

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

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

**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 has also 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 policy in respect of legal action or liability that can arise against its directors and officers. The cover does not provide insurance against fraudulent, malicious or willful acts or omissions.

**Board Evaluation**

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

## Corporate Governance Report (Contd)

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

#### **Board Evaluation (Contd)**

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 in January 2021. 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 on the recent development on Anti-Money Laundering / Combatting the Financing of Terrorism (AML/CFT).

#### **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	Independent	120,000

*\*The Directors' remunerations for Mr. G. Goburdhun and Mrs. A. D. 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.

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 has evaluated the organisation's strategic, financial, operational and compliance risk.



**Corporate Governance Report (Contd)****PRINCIPLE 5 – Risk Governance And Internal Control (Contd)**

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

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

**Financial risk factors**

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

**Solvency risk**

Solvency risk is minimal since the Company has no debt.

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

The Audit & Risk Committee has appointed 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 ensure that proper accounting records are maintained and that the strategies and policies adopted by the Board are being implemented.



## Corporate Governance Report (Contd)

### PRINCIPLE 5 – Risk Governance And Internal Control (Contd)

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

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 and 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 and all existing and new employees as appropriate to their roles within the organisation and has ensured that communication has been effective and understood.

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.

### 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
- Environmental policy

**Corporate Governance Report (Contd)****PRINCIPLE 6- Reporting With Integrity (Contd)**

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

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

**Corporate social responsibility and donations**

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

**Environmental Policy**

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

**Safety and Health Issues**

Management of the Company is outsourced to CAM. We have 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, which comply with International Financial Reporting Standards (IFRS);
- Using appropriate accounting policies supported by reasonable and prudent judgments and estimates;
- Ensuring that adequate accounting records and an effective system of internal controls and risk management have been maintained;
- Ensuring that appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
- Ensuring that the IFRS have been adhered to. Any departure has been disclosed, explained and quantified in the financial statements; and
- Ensuring that the Code of Corporate Governance has been adhered to in all material aspects. Reasons for non-compliance have been provided, where appropriate.

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

**PRINCIPLE 7 – Audit**

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





## Corporate Governance Report (Contd)

### PRINCIPLE 7 – Audit (Contd)

#### 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 Messrs BDO. The latter is a professional firm and its internal audit department is adequately staffed with qualified auditors and certified internal auditors. The internal 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:

(i) AML/CFT Framework Review:

- Assess adequacy of the existing AML/CFT manual for local regulatory compliance.
- Ascertain compliance to the existing AML/CFT manual/procedures.
- Evaluate the correctness of the AML/CFT risk assessment questionnaire.
- Ensure that best practices for a Fund are incorporated.
- Review existing training procedures and records.

(ii) Data Protection Compliance Review:

- Awareness
- Consent
- Data Protection by Design and Data Protection Impact Assessments
- Individual Rights
- Communicating Privacy Information & Data Breaches
- Data retention policy

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 were re-appointed as the External Auditors for the financial year ended 30 June 2021 at the Annual General Meeting held in December 2020. They have been in office for the last 5 consecutive years.

The Audit & Risk Committee ensures that the External Auditors are rotated at least every 7 years. The approach to appointing External Auditors is done through a tendering process. The last tender exercise was conducted in November 2016.

## Corporate Governance Report (Contd)

### PRINCIPLE 7 – Audit (Contd)

#### 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 the 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 Auditors’ communications with the Audit & Risk Committee and the Auditors’ 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 2021.

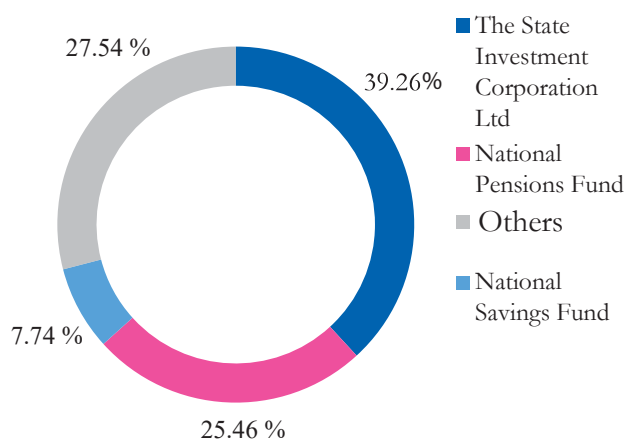
The audit and tax departments of Grant Thornton are separate departments. The manager and signing partner for the provision of each service are different persons.

### PRINCIPLE 8- Relations With Shareholders And Other Key Stakeholders

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

#### SHARE CAPITAL STRUCTURE

The holding structure of Port Louis Fund Ltd as at June 30, 2021 was as follows:-



Shareholder	% of share capital
The State Investment Corporation Ltd	39.26
National Pensions Fund	25.46
National Savings Fund	7.74
Others	27.54
<b>TOTAL</b>	<b>100.00</b>

**Corporate Governance Report (Contd)**
**PRINCIPLE 8- Relations With Shareholders And Other Key Stakeholders (Contd)**
**Shareholders holding more than 5% share capital of the Company as at June 30, 2021:-**

Shareholder	No. of Shares	% of share capital
The State Investment Corporation Limited	19,688,443	39.26%
National Pensions Fund	12,766,470	25.46%
National Savings Fund	3,882,297	7.74%

**Shareholding analysis as at June 30, 2021**

Range (No. of shares)	No. of Shareholders	No. of shares	% of share capital	% of all shareholders
1 – 1,000	2,913	1,162,799	2.32	66.58
1,001 – 5,000	885	2,424,657	4.83	20.23
5,001 – 10,000	322	2,531,883	5.05	7.36
10,001 – 25,000	186	3,027,129	6.04	4.25
25,001 – 50,000	48	1,618,480	3.23	1.10
50,001 – 100,000	11	786,031	1.57	0.25
100,001 – 1,000,000	7	2,264,193	4.51	0.16
Over 1,000,000	3	36,337,210	72.45	0.07
<b>TOTAL</b>	<b>4,375</b>	<b>50,152,382</b>	<b>100.00</b>	<b>100.00</b>

**Category of Shareholders as at June 30, 2021**

Shareholders Type	No. of shareholders	No. of shares	% shareholding
Individuals	4,318	12,066,124	24.06
Corporate Bodies and others	57	38,086,258	75.94
<b>TOTAL</b>	<b>4,375</b>	<b>50,152,382</b>	<b>100.00</b>

**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 Capital Asset Management Ltd (CAM). CAM supplies the necessary skills and expertise to deliver as mandated. A representative of the Fund Manager attends all Board/Committee Meetings of PLF. There exist fair payment practices between the Company and the Fund Manager.

**Corporate Governance Report (Contd)****PRINCIPLE 8- Relations With Shareholders And Other Key Stakeholders (Contd)****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 Company 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.

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.

**Corporate Governance Report (Contd)****PRINCIPLE 8- Relations With Shareholders And Other Key Stakeholders (Contd)****Communication with the Shareholders**

Communication between the Company and its shareholders takes place on a regular basis. At the first level of communication, the Net Asset Value per share of PLF and factsheet detailing the performance are published daily and monthly respectively on its website, [www.portlouisfund.com](http://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 Company. Furthermore, any queries addressed to the Share 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 2021 and appropriate notice of meeting is given to the shareholders.

**Calendar of Important Events**

The following is a schedule of events for the financial year 30 June 2021:

Date	Event
June 25, 2021	Declaration of Dividend
June 30, 2021	End of Financial Year
July 9, 2021	Payment of Dividend
November / December	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, 2021

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:



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



Mr. V. Bhuguth  
Director

Date: 29 September 2021



PLF

**PORT LOUIS FUND LTD**

## **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 2021.

**Prime Partners Ltd  
Company Secretary  
Per Christophe Brette**

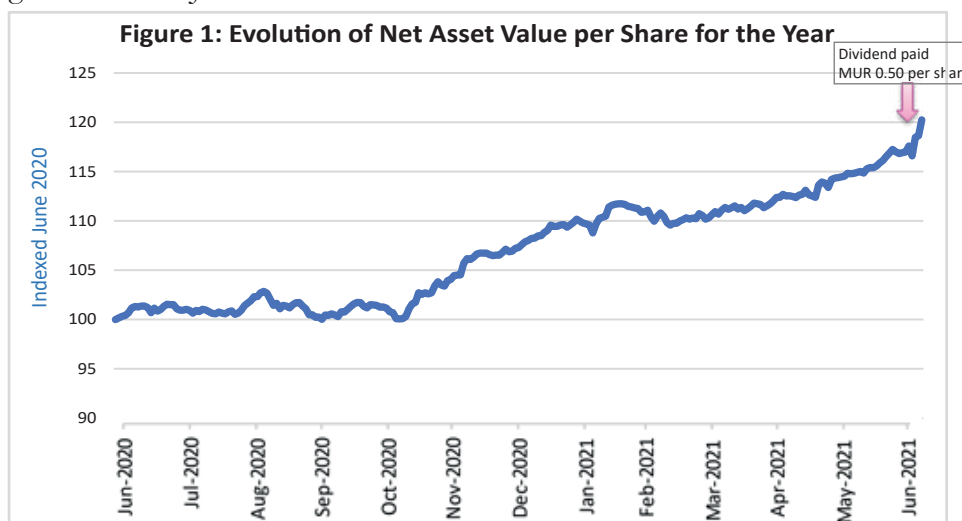
### **Registered office:**

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

Date : 29 September 2021



The Fund achieved a total return of 21.9% for the financial year ended 30 June 2021, after the local and foreign stock markets recovered from the general market downfall of last year caused mainly by the COVID-19 pandemic. The cumulative return of the Fund since its launch in 1997 and assuming that dividends were re-invested totalled 755.3% (annualized return of 9.4%). The Fund paid a dividend of MUR 0.50 per share to all shareholders registered on 25 June 2021.



The Fund's NAV per share reached a new high of MUR 36.57 on 30 June 2021, up from MUR 30.41 on 30 June 2020. The NAV per share has been on a continuous rise since last year's downfall, as the market has regained momentum following the initial administration of COVID-19 vaccines in December 2020. The speedy rollout of COVID -19 vaccines in the developed markets has boosted confidence in the global economy.

The local stock market has partly recovered from last year's drop but has not yet reached its pre- COVID level. The SEMDEX (a proxy for local stock market performance) has risen by 12.2% during the period under review. For the unquoted shares segment, our investments in SICOM were revalued upwards whilst our exposure in GCD and Maurinet experienced a fall in value as a result of the adverse effect of the pandemic. Furthermore, the global equities ascended during the financial year with the MSCI World Index (a proxy for foreign stock market performance) generating a return of 37.0% in USD terms, translating into a return of 46.1% in MUR terms. The appreciation of the foreign currencies against the MUR impacted positively on the foreign portfolio with the USD gaining 6.6% over the year.

### ASSET CLASS PERFORMANCE

The Net Asset Value of the Fund as at 30 June 2021 stood at MUR 1,834.2M compared to MUR 1,527.7M as at 30 June 2020, representing a growth of 20.1% over the year. Asset allocation is a strategic decision which determines the performance of the Fund to a large extent. The asset allocation is reviewed periodically and adjusted after considering changes in market conditions with a view to balance the risk minimization and return maximization targets. The Fund's asset classes can be broadly classified into three segments: locally listed equity, unquoted shares and foreign investments. The total return of each asset class is summarised in Table 1 below.

**Table 1: Performance Overview (Total Return Decomposition)**

Asset Class	Total Return
Locally Listed Equity	18.6%
Unquoted Shares	8.1%
Foreign Investments	53.3%



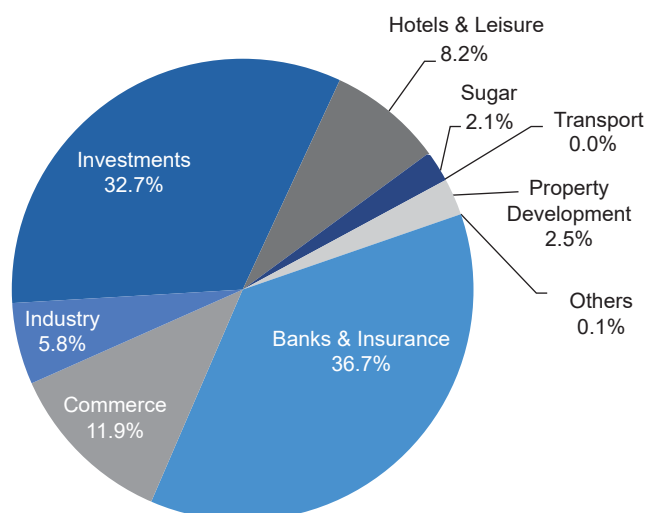


## PERFORMANCE REVIEW (Contd)

## Locally Listed Equity Portfolio

The value of locally listed equity has risen from MUR 385.5M to MUR 448.7M for the period under review, following the part recovery of the local stock market. Total value of securities bought for the year amounted to MUR 2.4M whereas total disposals were MUR 4.4M. Total dividends received from this asset class amounted to MUR 5.6M. The locally listed portfolio is mainly invested in Banking & Insurance, Investments, and Commerce sectors as depicted in Figure 2. (The breakdown by sector are as per SEM classification).

Figure 2 : Locally Listed Equity Sectoral Breakdown



The locally listed equity portion carried an average weight of 24.5% of the total portfolio for the financial year ended 30 June 2021. This segment achieved a growth of 18.6% and contributing to 4.6% of the total portfolio return. As an indication, the SEMDEX and DEMEX registered positive returns of 12.2% and 37.5% respectively, while SEMTRI recorded a gain of 14.0%. The sector breakdown of the locally listed equity portfolio is shown in Table 2.

Table 2 : Sector Breakdown of Locally Listed Equity Portfolio

Sectors	(MUR M)	% of Locally Listed Equity Portfolio	% of SEMDEX	% of Total Portfolio
Banks & Insurance	164.7	36.7%	40.8%	9.0%
Commerce	53.3	11.9%	18.3%	2.9%
Industry	25.9	5.8%	8.9%	1.4%
Investments	146.9	32.7%	24.1%	8.0%
Hotels & Leisure	36.9	8.2%	6.4%	2.0%
Sugar	9.2	2.1%	0.6%	0.5%
Transport	0.0	0.0%	0.3%	0.0%
Property Development	11.4	2.5%	0.4%	0.6%
Others	0.4	0.1%	0.2%	0.0%
<b>Total</b>	<b>448.7</b>	<b>100.0%</b>	<b>100.0%</b>	<b>24.5%</b>

**Unquoted Shares**

The value of unquoted shares rose from MUR 685.5M to MUR 721.8M during the year, as a result of an upward revaluation of investments in SICOM. There was no acquisition of shares during the period under review. However, investment value 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 investments in Maurinet Investment Ltd and Le Grand Casino du Domaine Limitee were revalued downwards by 8.7% and 34% respectively for the period under review. The fall in value is mainly explained by the lack of visibility on the company's operations and profitability decline caused mainly by the COVID-19 pandemic. Overall, the value of the total unquoted securities increased by 5.3% for the year under review. In addition, total dividends of MUR 18.4M were received from this segment during the year, resulting in a total return of 8.1% for this asset class.

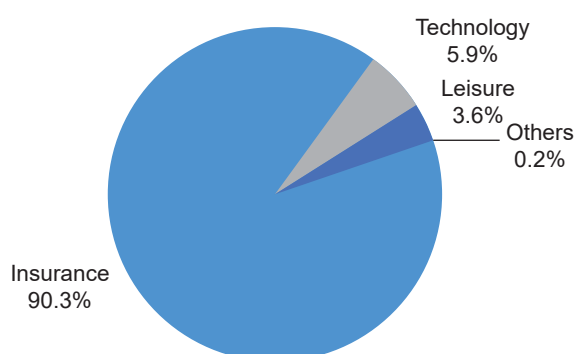
**Figure 3 : Unquoted Shares Sectoral Breakdown**


Figure 3 and Table 3 show the sectoral breakdown and the portfolio details of the investment in unquoted shares.

**Table 3: 2021 Sector Breakdown of Unquoted Securities**

Sectors	Value (MUR M)	% of Unquoted Securities	% of Total Portfolio
Insurance	651.70	90.3%	35.5%
Technology	42.90	5.9%	2.3%
Leisure	25.88	3.6%	1.4%
Others	1.33	0.2%	0.1%
<b>Total</b>	<b>721.80</b>	<b>100.0%</b>	<b>39.4%</b>

**Top 5 local Holdings**

The top five holdings of the Fund amounted to a market value of MUR 908.2M as depicted below in Table 4, representing 77.6% of the local segment and 49.5% of the total portfolio.

**Table 4 : Top 5 Holdings Local Equities**

Securities	Market Value (MUR M)	% of Local Equity	% of Portfolio
SICOM	651.7	55.7%	35.5%
MCB	113.5	9.7%	6.2%
Ascencia	61.7	5.3%	3.4%
Maurinet	42.9	3.7%	2.3%
SBM	38.3	3.3%	2.1%
<b>Total</b>	<b>908.1</b>	<b>77.7%</b>	<b>49.5%</b>

**PERFORMANCE REVIEW (Contd)****The State Insurance Company Ltd (SICOM)**

SICOM is one of the leading insurance providers in Mauritius and its portfolio of activities consists of Life Assurance, General Insurance, Group Life and Pensions, Actuarial Services, Group Medical, Loans, Financial Services and Investment Management. For the period under review, based on management accounts, SICOM Group's total assets climbed by 14.7% from MUR 20.2 Bn to MUR 23.1 Bn. The Group profit after tax reached MUR 936.6M as at 30 June 2021 from MUR 624.5M, representing a growth of 50%. The Fund received a total dividend of MUR 14.8M from SICOM for the period under review.

**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. As at 30 June 2021, its market capitalisation stood at MUR 65.4 Bn representing 28.9% of the SEMDEX. For the financial year ended 30 June 2021, operating income of MCBG grew by 2.4% to Rs 19.7 Bn, whilst its share price ascended by 15.7%.

**Ascencia Ltd**

Ascencia is the largest retail property company in Mauritius, specialising in retail properties. Its main activity is to acquire, invest and hold investments in real estate, primarily located on the island. Its portfolio of properties currently comprises of seven shopping malls, including regional and national facilities like Phoenix Mall and the Bagatelle Mall. Ascencia, listed on the Development & Enterprise Market since 2008, has been admitted on the Official Market of the Stock Exchange of Mauritius since August 2021. Ascencia's share price soared by 79% over the period under review. The Group operating profit and total profit rose by 17.0% and 141% respectively for the nine months ended 31 March 2021 compared to the previous period.

**Maurinet Investment Ltd (Maurinet)**

Maurinet is the holding company of Mauritius Network Services Ltd (MNS). MNS's activities involve development, maintenance, operation and management of 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 2020, the company's turnover fell by 28.4% to MUR 139.9M, while profits dropped by 54.6% to MUR 40.2M as a direct consequence of the COVID-19 crisis and termination of a major contract. Total assets increased marginally by 0.2% to MUR 427.9M over the course of the year. For this financial year, PLF received around MUR 3.5M as dividend from Maurinet.

**SBM Holdings Ltd (SBM)**

SBM is one of the leading banking and 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. As at 30 June 2021, its market capitalisation stood at MUR 13.5 Bn representing 6.0% of the SEMDEX. For the year ended December 2020, the operating income of the Group stood at MUR 11.2 Bn based on audited accounts. For the six months ended 30 June 2021, the operating income of the Group increased by 2.1% to reach MUR 5.7 Bn, compared to the same period last year. The share price of SBM climbed by 15% from end June 2020 to end June 2021 to close at MUR 4.45 on 30 June 2021.

As at 30 June 2021, the Fund had MUR 654.4M invested in foreign markets. The foreign component carried an average weightage of 35% of the total portfolio. Disposals of foreign securities amounted to MUR 1.1M while acquisitions amounted to MUR 2.8M over the course of the year. The foreign portfolio is invested to the tune of 98.5% in equities, 0.4% in bonds and 1.1% in cash & others as highlighted in Figure 4 and Table 5. An amount of MUR 210.7 M (32.2%) was allocated to the Indian stock market and the remainder was spread over the rest of the world.

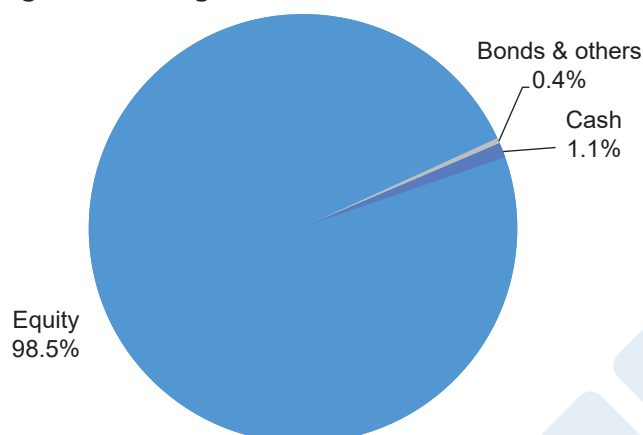
The foreign portfolio achieved a total return of 53.3% for the year ended 30 June 2021, as global equities recovered from the temporary drop caused by the COVID-19 pandemic. As an indication, MSCI World Index gained 37.0% in USD terms, translating into a return of 46.1% in MUR terms and the MSCI Emerging Market Index generated a return of 38.1% in USD terms, translating into a return of 47.3% in MUR terms. Investment in foreign funds is carried out via foreign fund managers, namely, Franklin Templeton, Fidelity Investments, T.Rowe and BlackRock amongst others.

Foreign stock markets rallied as the market regained optimism for economic recovery amid rapid vaccination rollout, businesses reopening, countries ending their lockdowns and consumer spending eagerness after more than a year of restrictions due to the public health crisis. This financial year saw S&P 500 and the Nasdaq set all-time highs, registering returns of 38.6% and 43.3% respectively, whilst FTSE 100 gained 14.1% and Nikkei 225 gained 29.2%.

**Table 5: 2021 Foreign Investment Asset Class Breakdown**

Asset Type	Value (MUR'M)	% of Foreign Investments Portfolio	% of Total Portfolio
Equity	644.5	98.5%	35.1%
Bonds & others	2.9	0.4%	0.2%
Cash	7.0	1.1%	0.4%
<b>Total</b>	<b>654.4</b>	<b>100.0%</b>	<b>35.7%</b>

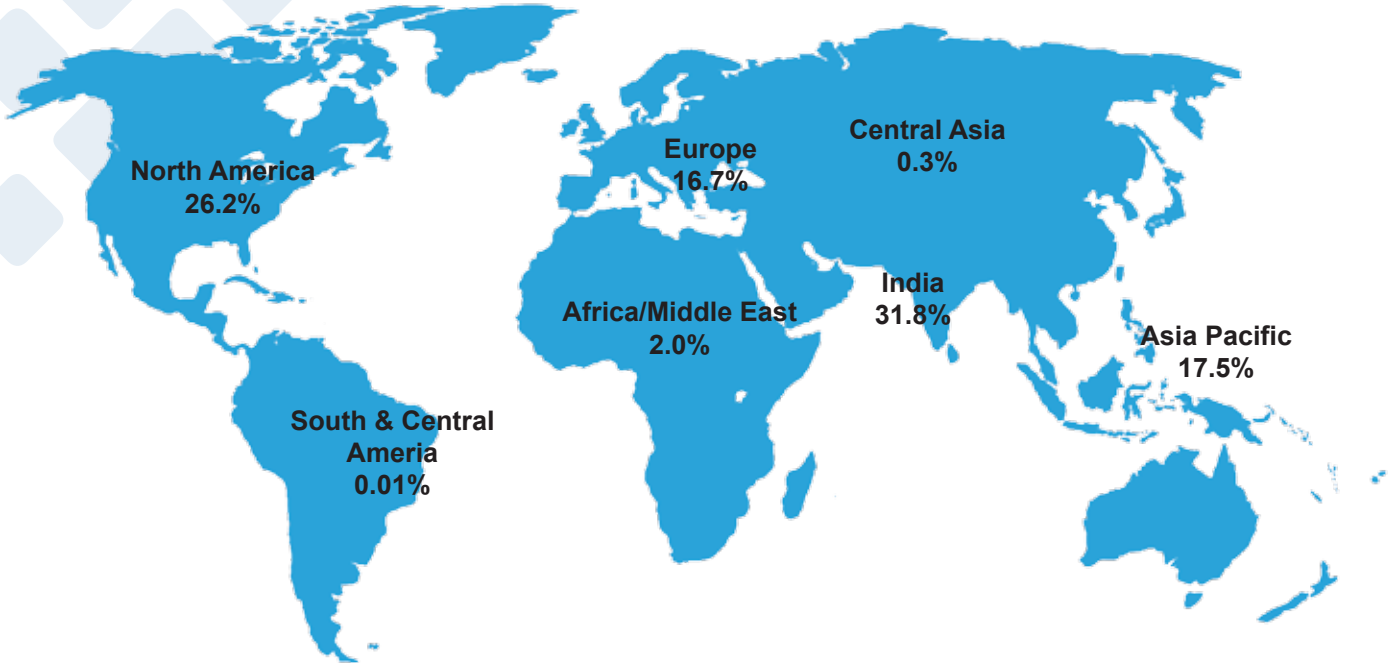
**Figure 4 : Foreign Portfolio Breakdown**





Geographical allocation

Figure 5 : Geographical Breakdown

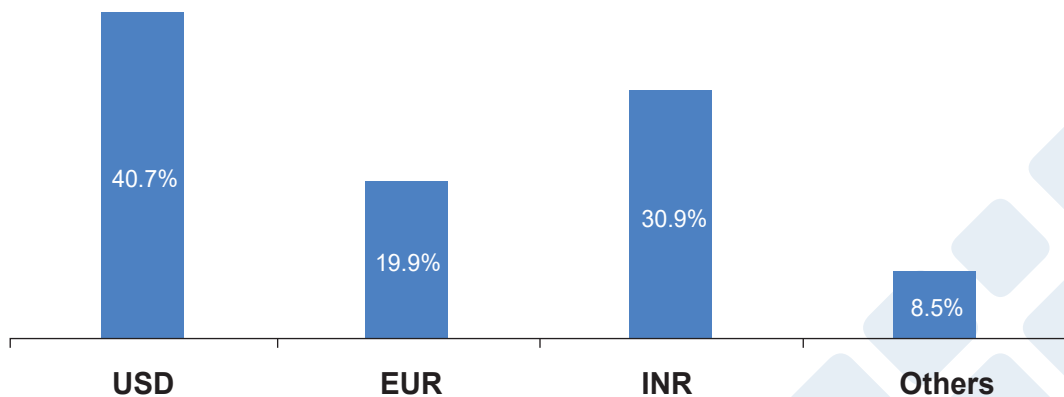


As at end of June 2021, the foreign allocation was largely dominated by exposure in the Indian, USA and Asia Pacific geographical areas constituting approximately 75.6% of the Fund's foreign investments. The geographical exposure of the foreign segment is depicted in Figure 5.

Currency distribution

The foreign portfolio segment of the Fund is managed by adopting a conservative approach leading to exposures to major hard currencies. As a result, the foreign portfolio is mainly exposed to 3 main currencies (USD, EUR and INR) with USD and EUR collectively accounting for more than 60.5% of the total exposure.

Figure 6 : Currency breakdown of Foreign Portfolio



**Top 5 Foreign Holdings**

The top 5 holdings, worth MUR 179.9 M, represented 39.8% of the foreign investments segment (excluding investments in India), translating into 9.8% of the total portfolio as shown in Table 6. This portion of the portfolio is well diversified in terms of geographical distribution, with main exposures to the American, Asia Pacific and European markets.

<b>Table 6: Top 5 Holdings in Foreign Investments</b>			
<b>Securities</b>	<b>Market Value (MUR'M)</b>	<b>% of Foreign Portfolio Excluding India</b>	<b>% of Portfolio</b>
Franklin Templeton- US Opportunity Fund	47.2	10.5	2.6%
T. Rowe Price- US Blue Chip	37.6	8.3	2.0%
T. Rowe Price European Smaller Companies	35.9	7.9	1.9%
Fidelity World Fund	33.3	7.4	1.8%
Fidelity Global Technology Funds	25.9	5.7	1.4%
<b>Total</b>	<b>179.9</b>	<b>39.8</b>	<b>9.8%</b>

**Indian Equity**

The Indian GDP is expected to bounce back by 9.5% in 2021 as per IMF's World Economic Outlook report of October 2021, after a contraction of 7.3% the previous year, despite a devastating second COVID19 wave in March to May 2021. The country's GDP is expected to experience a solid recovery as exports picked up, aided by steady global demand.

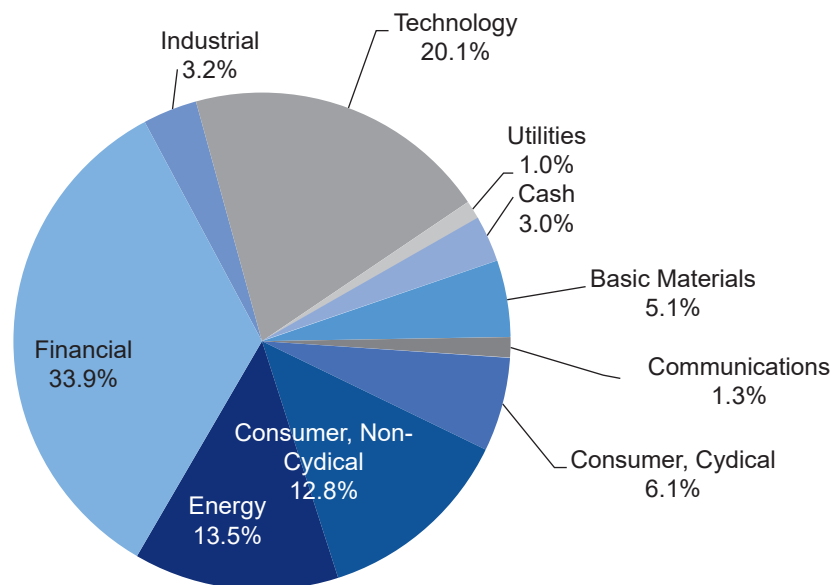
For the period under review, the contraction of the Indian economy was the result of a sharp drop in both industrial and services sectors, whilst Agriculture, Forestry and Fishing expanded by 3.0% (real GVA). Headline inflation rose during 2020-21 and reached a peak of 7.6% in October 2020, the highest level in 6 years and above the target of  $4.0 \pm 2.0\%$  set by the Reserve Bank of India. The rise in headline inflation was mainly due to supply disruptions during the nationwide lockdown, impediments to transportation and excess rain during the harvest season.

The decline in both external and domestic demand conditions amidst the COVID-19 pandemic, led to a fall in imports and a contraction of the trade deficit. The overall impact is likely to be a current account surplus with strong inflows of foreign direct and portfolio investment for the period. The Monetary Policy Committee of the Reserve Bank of India maintained the policy repo rate at 4%. The Indian economy is expected to register a growth rate of 8.5% in 2021-22.

**PERFORMANCE REVIEW (Contd)****DIRECTORS' REPORT**

The Indian equity portion represented 32.2% of the foreign portfolio of the Fund, which carried an average weight of 10.0% of the whole portfolio. This segment of the portfolio was valued at MUR 210.7M (INR 365.6M) as of 30 June 2021. For the year ended 30 June 2021, in MUR terms, the Indian equity portfolio posted a positive return of 63.1%. As a reference, the SENSEX index (a proxy for Indian Stock markets), gained 62.1% in MUR terms over the same period.

The portfolio is well-diversified, as graphically shown below, with a large exposure to the Indian financial sector and technology sector. The top 5 holdings make up to 51.0% of this portion of the portfolio, equating to 5.8% of the total portfolio as detailed in Table 7 below.

**Figure 7 : Indian Equity Sector Breakdown****Table 7: Top 5 Holdings India**

Security	Sector	Market Value (MUR'M)	% of Indian Equity	% of Portfolio
Reliance Industries Ltd	Energy	25.1	12.3%	1.4%
Infosys Ltd	Technology	23.3	11.4%	1.3%
HDFC Bank Ltd	Financial	22.4	11.0%	1.2%
ICICIBC Bank Ltd	Financial	17.6	8.6%	1.0%
HDFC Ltd	Financial	15.7	7.7%	0.9%
<b>Total</b>		<b>104.1</b>	<b>51.0%</b>	<b>5.8%</b>



**Reliance Industries Ltd**

Reliance Industry Ltd (RIL) is India's largest petrochemical firm and also 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 and launch of JioMart and increased network capacity to rapidly grow its customer base. Whilst RIL generated an EBITDA of US\$13.3 billion, representing a fall of 4.6% over last year, its consolidated net profit grew by 34.8% y-o-y to reach US\$7.4 billion for the period 1 April 2020 to 31 March 2021. The share price grew by 34.3% in MUR terms from 30 June 2020 to 30 June 2021.

**Infosys Ltd**

Infosys established in 1981 is the first Indian IT company to be listed on the NASDAQ. Infosys Limited 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, and telecommunication and manufacturing sectors. For the fiscal year 2020-2021, the profit after tax grew by 16.6%. The share price spiked by 132.9% in MUR terms for the period June 2020 to June 2021.

**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 2020/2021, the Bank has maintained its leadership position and delivered consistent growth across a majority of its key financial parameters. Its net profit saw an ascension of 18.5% despite COVID-19 related disruptions. For the period 30 June 2020 to 30 June 2021, the share price of HDFC Bank Ltd rose by 52.3% in MUR terms.

**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, SME and corporate customers. The Bank is at the forefront of leveraging technology and offers services through digital channels like mobile and internet banking. Net profits of the bank grew by 104.2% in MUR terms during fiscal year 2020-21 attributed to an increase in interest income and fall in interest expense. Its share price ascended by 94.5% in MUR terms from June 2020 to June 2021.

**Housing Development Finance Corporation Ltd (HDFC Ltd)**

HDFC Ltd provides housing finance in India. The company provides long-term housing loans to low and middle-income individuals, as well as to corporations. 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 loss of 32.2% as in the last fiscal year. The share price shot up by 52.8% in MUR terms from June 2020 to June 2021.





## Global Economic and Market Review

## DIRECTORS' REPORT

The global economy was nearly at a halt last year. According to IMF's World Economic Outlook (WEO), the US economy contracted by 3.5%, whilst the Euro Area saw a contraction of 6.6% in 2020. The same trend was noted in other major economies such as the United Kingdom and India for instance, which plunged by 9.9% and 7.3% respectively. China was the only country among the big ones that registered a GDP expansion last year. The decline in economic activity has directly impacted the global stock markets, with the major indexes contracting by up to 25% in the first half of the calendar year 2020. However, in the third quarter of the year, the major stock market indices such as the S&P500, the Nikkei, DAX and the SENSEX rose steadily to finally register substantial gains in the last quarter of 2020 and this spree continued in early 2021.

According to the International Labour Organisation, compared to 2019, total unemployment rose by 114 million as a result of workers becoming unemployed or dropping out of the labour force. The total job losses during the year taking into consideration the number of jobs that would have been created if there was no pandemic, indicated a global rise in unemployment equivalent to 144 million jobs lost in 2020. Global labour income, excluding government transfers and benefits, was 8.3% lower in 2020 than it would have been in the absence of the pandemic.

The Federal Reserve's Open Market Committee has kept the target range for the Federal Funds rate at 0 - 0.25% since June 2020 and expects to maintain an accommodative stance by keeping this target range until labour market conditions have reached levels consistent with its assessments of maximum employment. Inflation has risen to 2% and is on track to moderately exceed 2% for some time. On the other hand, the monetary policy Committee of the European Central Bank has kept the interest rate on the main refinancing operations, on the marginal lending facility and the deposit facility unchanged at 0.00%, 0.25% and -0.50% respectively since June 2020.

In the US, the inflation rate stood at 1.2% in 2020, down from 1.8% in 2019. Likewise, in the Euro zone, the Consumer Price Index was at a low of 0.3% in 2020, compared to 1.4% the previous year. The global drop in inflation rates was mainly due to the collapse of oil prices as the pandemic was rapidly spreading in advanced economies, leading to a drastic drop in oil demand. As economies are reopening, the inflation rates for 2021 and 2022 are forecasted to rise to 2.2% and 1.7% for the euro area, and 4.3% and 3.5% for the United States, respectively.

The VIX index measures the expectation of stock market volatility over the next 30 days for S&P 500 index options. The index provides a quantifiable measure of market risk and investors' sentiments. For 2020, the VIX Index hit an all time high of 82.7 on 16 March 2020, hitting an average of 29.2 for the year. It was the first time it surpassed the 20 level in the past decade.

On the other hand, the World Trade Organisation estimated that world trade in goods and services declined by 12% to reach USD 22 trillion in 2020, compared to the previous year. The most severe global impact was felt in the second quarter of 2020, which registered a fall of 30% in the services sector and 23% decline in trade of goods

The MSCI World Index gained 46.1% in MUR (37.0% in USD terms) for the year ended 30 June 2021. After last year's downturn, the MSCI World Index went on an upstream during this financial year supported by the performance of US and Eurozone equities driven mostly by gains in information technology and financial sectors, with the S&P 500 reaching a new all-time high in late June 2021. The MSCI Emerging Market index generated a return of 47.3% in MUR terms (38.1% in USD terms) for the year under review. BSE SENSEX recorded a gain of 62.1% in MUR. The Reserve Bank of India maintained the repo rate to 4% with a view to continue the accommodative stance of the Monetary Policy Committee in order to revive and sustain growth on a durable basis.

After the severe second wave of COVID from March 2021 to May 2021, India's growth prospects have been reduced and confidence is expected to slowly recover from this setback. The 5 ASEAN countries (Indonesia, Malaysia, Philippines, Thailand and Vietnam) have similar developments and the recent wave of infections is dragging down activities. At the same time, due to reduced public investment and general financial support, China's forecast for 2021 has been revised down to 8.0% and 5.6% in 2022.

The performance of the main international stock market indices are shown below.

**Table 8: Performance of main international indices over the financial year**

Index	Return (Domestic Currency)	Return (MUR)
S&P 500	38.62%	47.25%
FTSE 100	14.06%	36.19%
Nikkei 225	29.18%	33.45%
MSCI World	37.04%	46.10%
MSCI Emerging	38.14%	47.28%
BSE SENSEX	50.31%	62.14%

## Local Economic and Market Review

The Mauritian economy is projected to rebound by 5.4% in 2021 after a severe contraction of 14.9% in 2021 due to COVID-19 pandemic, as per the latest National Accounts Estimates published by Statistics Mauritius. The projected estimate is based on information gathered on key sectors of the economy, performance observed in the first quarter of 2021, measures announced in the budget 2021/2022 and the rapid rollout of COVID-19 vaccination campaign for the local population to attain herd immunity.

In his budget speech, the Minister of Finance forecasts the Mauritian economy to rebound by 9% to Rs 500 Bn at the end of FY 2021/2022, supported by the Public Sector Investment Program (PSIP) with Rs 142 Bn committed over the next 3 years and measures to boost private investments. Based on Economic Development Board's investment multiplier, this additional Rs 142 Bn investment will contribute an average 15% to GDP annually over the next three years; with subsequent growth effects beyond the three years as additional capital stock enhances productivity growth over time.

After more than 16 months of closure, borders have been reopened since 01 October 2021 and many of the restrictions have been lifted to boost the tourism sector. Around 650,000 tourist arrivals are forecasted for the financial year 2021/2022. A revival of the tourism sector will have a ripple effect on the overall local economy, covering sectors such as hospitality, wholesale & retail trade, accommodation and food service activities. The final consumption expenditure of households are expected to pick up after the downturn of last year.

On a 12-month average period, headline inflation stood at 2.2% as at June 2021 compared to 1.8% as at June 2020. Year-on-year inflation worked out to 5.9% in June 2021, compared to 1.7% in June 2020.

## Sectoral analysis 2020/2021

Financial Services and ICT were the only economic pillars that grew in 2020, with a performance of 1.0% and 5.9% respectively. These two sectors are forecasted to grow at a faster rate this year at 3.8% and 7.0% respectively, as economic activity resumes locally and on global scale.

On the other hand, the construction sector is expected to continue its ascension to the tune of 25.2% in 2021, after 2020's decline of 25.8%. A pick-up in private construction projects such as smart city projects, morcellement projects, Property Development Scheme (PDS) projects and Rs 65 Bn earmarked by the government; namely Rs 12 Bn for a National Flood Management Programme, construction of 12,000 social housing units for an estimated Rs 12 Bn and Rs 22 Bn for land transport projects including roads and the Metro Express will provide an impetus to this sector.



Local Economic and Market Review (Contd)

DIRECTORS' REPORT

These injections will cause economic activity around the construction sector to pick up significantly, creating more jobs along the way.

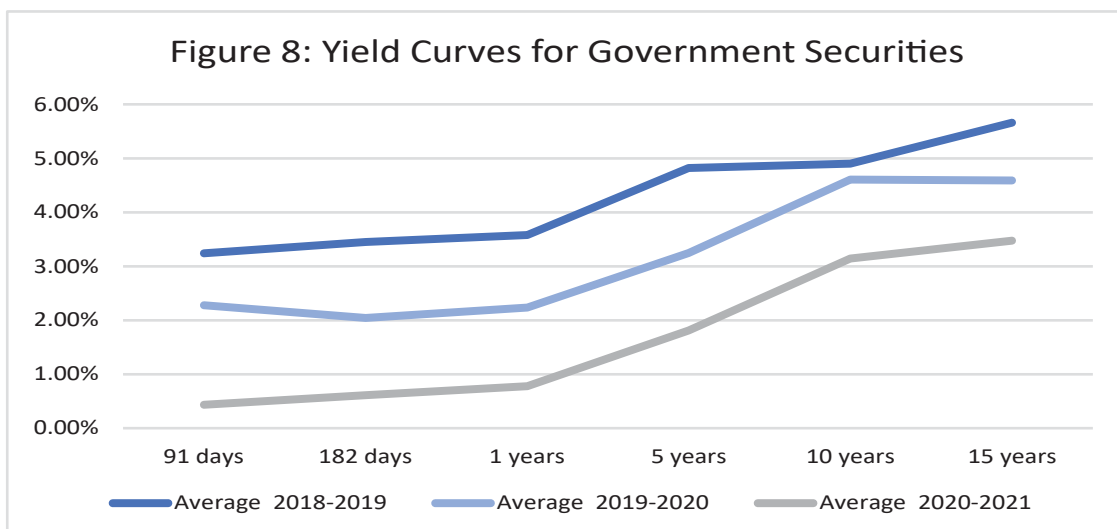
Likewise, the manufacturing sector is also forecasted to rebound by 11.3%, after a dip of 17.8% in 2020. Sugar milling is expected to grow by 3.0% based on a local sugar production of around 275,000 tonnes and an increase in production of special sugar for exports. In addition, textile manufacturing is expected to bounce back by 18.5%, after a decline of 28.6% last year. Activities of Export Oriented Enterprises are also expected to expand by 15.0%, after three consecutive years of negative growth.

Moreover, the agricultural sector is forecasted to perform better by 6.8% this year, after a decline of 2.5% last year on the back of an increase in sugarcane production amongst others. The accommodation and food service industry expects a growth of 4.0%, based on forecasted tourist arrivals of around 325,000 in the last two quarters in 2021. Scientific and technical activities is projected to grow by 5.2% from a contraction of 14.4% in 2020. Government's extension of the Wage Assistance Scheme (GWAS) and Self-Employed Assistance Scheme for operators in the tourism sector till December 2021 will further provide support.

Local Fixed Income Market

Figure 8 indicates the yield curve for the last 3 years. The weighted average yields for 91-day fell from 2.28% to 0.43% whereas the 182-day Treasury bills decreased from 2.04% to 0.61% on a year to year basis. The yields on the 5-year and 15-year tenures government bonds in FY 2021 were 1.81% and 3.47% whereas in FY 2020, they stood at 3.25% and 4.59% respectively as shown in Table 9.

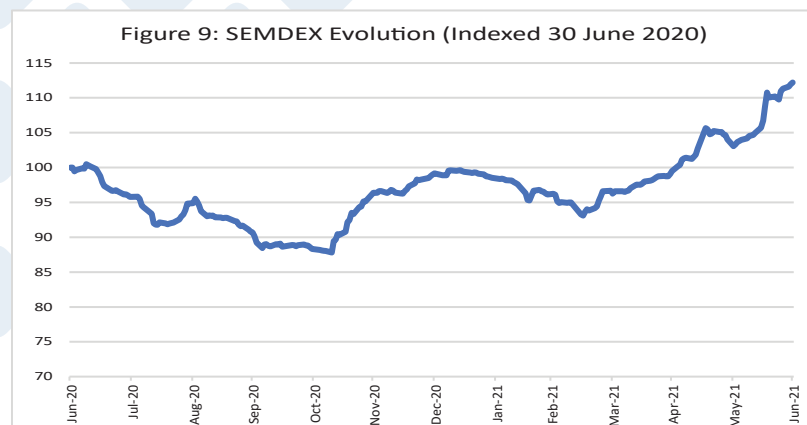
The Key Repo Rate (KRR) has been constant since 16 April 2020 at 1.85% as the Monetary Policy Committee considers that the current monetary policy stance is appropriate to ensure economic recovery. The accommodative stance adopted by the Bank of Mauritius has resulted in a substantial fall in the weighted yield of all government issued papers. For instance, the yield on 1-year treasury bill was around 0.78% as at end of June 2021 compared to 2.24% last year.



	91 days	182 days	1 year	5 years	10 years	15 years
Average 2018-2019	3.24%	3.45%	3.58%	4.82%	4.90%	5.66%
Average 2019-2020	2.28%	2.04%	2.24%	3.25%	4.61%	4.59%
Average 2020-2021	0.43%	0.61%	0.78%	1.81%	3.14%	3.47%

### Local Economic and Market Review (Contd)

#### The Mauritian Stock Market



**Table 10: Valuation Ratios**

Ratios	2021	2020
Dividend Yield (%)	1.84	5.22
P/E (x)	11.16	26.44
P/B (x)	0.59	0.73

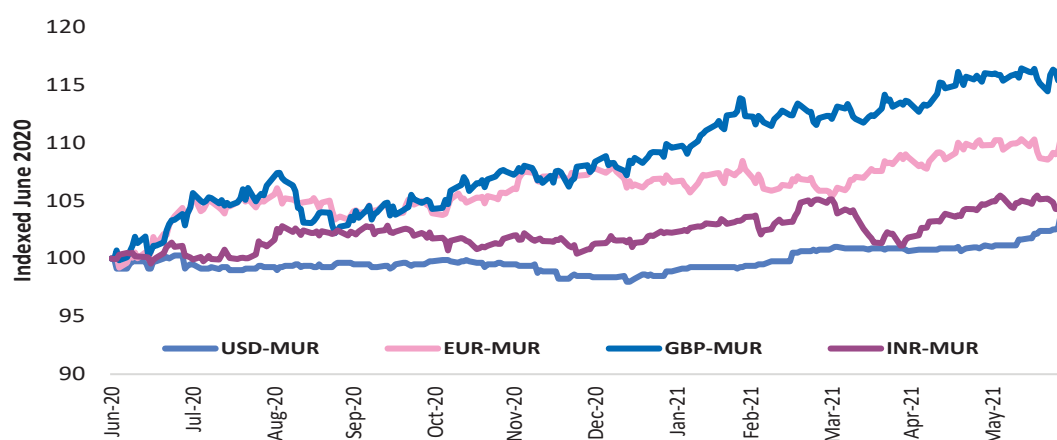
The SEMDEX gained 12.2% and closed at 1,865.19 points whilst DEMEX closed at 284.4 points with a gain of 37.5% for the financial year ended 30 June 2021. The market capitalisation of the SEMDEX rose by 12.1% to stand at MUR 226.1 Bn on 30 June 2021 compared to MUR 201.7 Bn as at 30 June 2020. The local stock market indices have partly recovered from last year's decline.

The SEMDEX is back on an upward trend after the fall attributed mainly to the COVID-19 pandemic, though it has not yet reached its pre-COVID level, most listed companies experienced upward trend in their share prices. For the period under review, the top leaders on the SEMDEX were Alteo (+69.7%), Ciel (+46.6%) and Gamma (+39.7%) whilst the main laggards were Bluelife (-45.7%), Harel Mallac Ltd (-44.4%) and MCFI (-25.0%).

On a comparable basis for SEMDEX, the Dividend Yield slipped from 5.22% in June 2020 to 1.84% in June 2021, Price to Earnings ratio fell from 26.44x to 11.16x during the same period. The Price to Book ratio decreased from 0.73x to 0.59x. The ratios have been summarised in Table 10.

#### The Foreign Exchange Market

**Figure 10 :Evolution of the MUR-FX Rates Indexed 30 June 2020**



During the financial year ended 30 June 2021, all the major hard currencies namely the USD, EUR and GBP appreciated against the MUR, by 6.39%, 12.72% and 19.02% respectively. This occurred mainly owing to shortage in the supply of foreign currencies as several foreign currency generating sectors such as tourism and export were badly affected by the pandemic. Moreover, on the Asian market side, the INR gained 4.16% vis a vis the MUR during the year.



## Prospects

As the global and local economies are recovering and adapting to the new normal, the effects of the pandemic are projected to last longer. The pace of the economic recovery will differ among economies, owing to the availability and rapidity of the vaccination campaigns and emergence of new COVID-19 variants. Although global trade and global tourism have gained momentum, the pre-COVID levels have not yet been attained.

Governments around the world have been providing stimulus packages to limit the adverse shocks of the pandemic. Likewise, the Mauritian government has put in place measures to maintain the resilience of the local economy. The Mauritius Investment Corporation Ltd and other institutions have been supporting hotels, manufacturing companies, other businesses and entrepreneurs to sustain these hard times. The re-opening of our borders will revive the tourism sector, with positive repercussions on other sectors and that will boost overall confidence. With economic activities in the country likely to pick up, we expect relatively high economic growth in the near term which will translate into marked improvements in the local stock market.

The World Economic Outlook (WEO) published in October 2021 projects this year's global output to grow by 5.9% and 4.9% in 2022, as a result of a speedy vaccine rollout that has enabled economies to re-open. Forecasts for advanced economies have been revised upwards whilst that for emerging market and developing economies have been marked down for 2021 as compared to earlier expectations. Global growth is expected to moderate to 3.3% over the medium term reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labour force growth in advanced economies and some emerging market economies. The strength of the projected recovery varies across countries, depending on the severity of the health crisis, the extent of domestic disruptions to activity, the exposure to cross-border spill overs, and the effectiveness of policy support to limit persistent damage. The US is likely to surpass its pre-COVID GDP level this year, whereas many other advanced economies will not return to pre-COVID levels until 2022. Adversely, many other emerging markets are not likely to do so until well into 2023.

On the global forefront, advanced economies are expected to recover faster than emerging economies. The foreign segment of our portfolio remains well diversified in terms of currency, geography, and sector exposures. We will continue to monitor prospects on international markets targeting favourable risk-reward profile investments. Specific countries/sectors with long-term growth potential and a favourable outlook will be targeted. We will take a cautious approach in this volatile climate, with a more active management strategy and proper risk control parameters.

Although the foreign stock markets have attained new highs during this financial year, the local stock market has relatively slacked. On the local front, we will concentrate our efforts on companies with strong profitability and consistent growth profile. The asset allocation also will be revisited in light of the economic and market outlook.

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

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



**Independent auditors' report****To the members of Port-Louis Fund Ltd****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **Port-Louis Fund Ltd**, the “Company”, which comprise the statement of financial position as at 30 June 2021, 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 49 to 80 give a true and fair view of the financial position of the Company as at 30 June 2021 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, with the exception of the information provided below.



**Independent auditors' report (Contd)****To the members of Port-Louis Fund Ltd****Report on the Audit of the Financial Statements (Contd)****Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information") (Contd)****Corporate Governance Report**

Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirements of the Code. 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, complied with the requirements of the Code.

**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.

**Independent auditors' report (Contd)****To the members of Port-Louis Fund Ltd****Auditors' Responsibilities for the Audit of the Financial Statements (Contd)**

We also :

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Other matter**

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

**Independent auditors' report (Contd)****To the members of Port-Louis Fund Ltd****Report on Other Legal and Regulatory Requirements****Mauritius Companies Act 2001**

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

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

*Grant Thornton*

**Grant Thornton**

Chartered Accountants

**JUNAID HAJEE ABDOULA, FCCA**

Licensed by FRC

Date: 29 September 2021

Ebene 72201, Republic of Mauritius

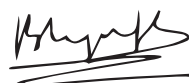
**Statement of financial position as at 30 June**

	Notes	2021 Rs'000	2020 Rs'000
<b>ASSETS</b>			
<b>Non-current</b>			
Portfolio of domestic securities	7	731,538	695,777
Portfolio of foreign securities	8	650,729	423,028
<b>Non-current assets</b>		<b>1,382,267</b>	<b>1,118,805</b>
<b>Current</b>			
Portfolio of domestic securities	7	448,699	385,507
Portfolio of foreign securities	8	3,715	4,385
Other receivables	9	3,328	878
Current tax asset	12	-	56
Cash and cash equivalents	19(b)	29,810	45,541
<b>Current assets</b>		<b>485,552</b>	<b>436,367</b>
<b>Total assets</b>		<b>1,867,819</b>	<b>1,555,172</b>
<b>LIABILITIES</b>			
Other payables	11	4,473	4,269
Bank overdrafts	19(b)	56	210
Dividend payable	18	29,059	23,012
Current tax liability	12	43	-
<b>Total liabilities excluding net assets attributable to holders of redeemable shares</b>		<b>33,631</b>	<b>27,491</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>1,834,188</b>	<b>1,527,681</b>
<b>Total liabilities</b>		<b>1,867,819</b>	<b>1,555,172</b>
<b>Net asset value per share</b>	<b>20</b>	<b>36.57</b>	<b>30.41</b>

Approved by the Board of Directors on 29 September 2021 and signed on its behalf by:



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



Mr. V. Bhuguth  
Director

The notes on pages 53 to 80 form an integral part of these financial statements.

**Statement of comprehensive income for the year ended 30 June**

	Notes	2021 Rs'000	2020 Rs'000
<b>Income</b>			
Investment income	13	27,581	52,896
Net gain on disposal of securities		273	430
Net increase in fair value of financial assets through profit or loss	7, 8 & 14	326,812	-
Other income		398	371
<b>Total income</b>		<b>355,064</b>	<b>53,697</b>
<b>Expenditure</b>			
Net decrease in fair value of financial assets through profit or loss	7, 8 & 14	-	(111,844)
Management fees	15	(14,709)	(14,669)
Registry costs	16	(1,208)	(1,208)
Other operating expenses	17	(3,624)	(6,004)
<b>Total expenditure</b>		<b>(19,541)</b>	<b>(133,725)</b>
<b>Profit/(loss) before tax</b>	17	<b>335,523</b>	<b>(80,028)</b>
Tax expense	12	(134)	(160)
<b>Profit/(loss) for the year</b>		<b>335,389</b>	<b>(80,188)</b>
<b>Other comprehensive income:</b>			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
(Decrease)/increase in fair value of financial assets at FVOCI	7	(558)	278
<i>Items that will not be reclassified subsequently to profit or loss</i>			
		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(558)</b>	<b>278</b>
<b>Total comprehensive income for the year</b>		<b>334,831</b>	<b>(79,910)</b>

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

The notes on pages 53 to 80 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**

	2021 Rs'000	2020 Rs'000
Net assets attributable to holders of redeemable shares at 01 July	<b>1,527,681</b>	1,623,550
Proceeds from issue of redeemable shares	<b>5,982</b>	18,674
Payments on redemption of redeemable shares	<b>(9,233)</b>	(15,265)
Dividends distribution to holders of redeemable shares	<b>(25,073)</b>	(19,368)
Transactions with the shareholders	<b>(28,324)</b>	(15,959)
Profit/(loss) for the year	<b>335,389</b>	(80,188)
Other comprehensive income for the year	<b>(558)</b>	278
Total comprehensive income for the year	<b>334,831</b>	(79,910)
<b>Net assets attributable to holders of redeemable shares at 30 June</b>	<b>1,834,188</b>	1,527,681

The notes on pages 53 to 80 form an integral part of these financial statements.



**Statement of cash flows for the year ended 30 June**

	Notes	2021 Rs'000	2020 Rs'000
<b>Net cash used in operating activities *</b>	<b>19 (a)</b>	<b>(20,315)</b>	(16,718)
<b>Investing activities</b>			
Purchase of investments		(5,215)	(21,063)
Proceeds from disposal of investments		5,485	8,327
Investment in Fixed Deposit		(14,000)	-
Dividends received		21,048	50,316
Interest received		671	928
<b>Net cash from investing activities</b>		<b>7,989</b>	38,508
<b>Financing activities</b>			
Redemption of shares		(9,233)	(15,265)
Issue of shares		5,982	18,674
Dividend paid to holders of redeemable shares		-	-
<b>Net cash from/(used in) financing activities</b>		<b>(3,251)</b>	3,409
<b>Net change in cash and cash equivalents</b>		<b>(15,577)</b>	25,199
<b>Cash and cash equivalents, at beginning of the year</b>		<b>45,331</b>	20,132
<b>Cash and cash equivalents, at the end of the year</b>		<b>29,754</b>	45,331
<b>Cash and cash equivalents made up of:</b>			
Bank overdrafts		(56)	(210)
Cash at bank		29,810	45,541
<b>Total</b>	<b>19 (b)</b>	<b>29,754</b>	45,331
<b>*Non-cash transaction</b>			
Dividend reinvested		624	440

The notes on pages 53 to 80 form an integral part of these financial statements.

**Notes to the financial statements****For the year ended 30 June 2021****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 2020**

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 2020:

**IFRS 3, Definition of a Business (Amendments to IFRS 3)**

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term ‘outputs’ is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

**IAS 1 and IAS 8, Definition of Material (Amendments to IAS 1 and IAS 8)**

The changes in ‘Definition of Material’ (Amendments to IAS 1 and IAS 8) relate to a revised definition of ‘material’ which states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

**IFRS 9, IAS 39 and IFRS 7, Interest Rate Benchmark Reform (IBOR)**

The IASB has issued amendments to IFRS 9, IAS 39 and IFRS 7 that provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

## Notes to the financial statements

For the year ended 30 June 2021

### 2. Application of new and revised IFRS (Contd)

#### 2.1 New and revised standards that are effective for annual periods beginning on 01 July 2020 (Contd)

##### 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.

Management has assessed the impact of these new and revised standards and interpretation and concluded that these standards and interpretation did not have any impact on these financial statements.

#### 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:

##### 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.

##### 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.

**Notes to the financial statements**

For the year ended 30 June 2021

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

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

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

**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.

## Notes to the financial statements

For the year ended 30 June 2021

### 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 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).

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

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

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

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 2021

**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 2021

### 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 ('FVOCI')*

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 2021

**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 2021

### 3. Summary of accounting policies (Contd)

#### 3.5 Foreign currency

##### Functional and presentation currency

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

##### Foreign currency transactions and balances

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

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

#### 3.6 Revenue

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

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

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

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

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

#### 3.7 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax, current tax and CSRF<sup>F</sup> (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 2021

**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 2021

### 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 2021

**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 30 June 2021. 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 2021

### 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 2021	FVTPL Rs'000	FVOCI Rs'000	Amortised cost Rs'000	Total Rs'000
<b>Financial assets</b>				
<b>Non-current</b>				
Portfolio of domestic securities	721,807	9,731	-	731,538
Portfolio of foreign securities	650,729	-	-	650,729
<b>Current</b>				
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
<b>Total financial assets</b>	<b>1,824,950</b>	<b>9,731</b>	<b>32,995</b>	<b>1,867,676</b>
<b>Financial liabilities</b>				
<b>Current</b>				
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
<b>Total financial liabilities</b>	<b>1,834,188</b>	<b>-</b>	<b>33,582</b>	<b>1,867,770</b>

\* Other receivables excludes prepayments.

\*\* Other payables excludes PAYE.

30 June 2020	FVTPL Rs'000	FVOCI Rs'000	Amortised cost Rs'000	Total Rs'000
<b>Financial assets</b>				
<b>Non-current</b>				
Portfolio of domestic securities	685,488	10,289	-	695,777
Portfolio of foreign securities	423,028	-	-	423,028
<b>Current</b>				
Portfolio of domestic securities	385,507	-	-	385,507
Portfolio of foreign securities	4,385	-	-	4,385
Other receivables*	-	-	840	840
Cash and cash equivalents	-	-	45,541	45,541
<b>Total financial assets</b>	<b>1,498,408</b>	<b>10,289</b>	<b>46,381</b>	<b>1,555,078</b>

**Notes to the financial statements**

For the year ended 30 June 2021

**4. Financial instrument risk (Contd)**
**Risk management objectives and policies (Contd)**
**Financial assets and financial liabilities (Contd)**

30 June 2020	FVTPL Rs'000	FVOCI Rs'000	Amortised cost Rs'000	Total Rs'000
<b>Financial liabilities</b>				
<b>Current</b>				
Net assets attributable to holders of redeemable shares	1,527,681	-	-	1,527,681
Bank overdrafts	-	-	210	210
Other payables**	-	-	4,246	4,246
Dividend payable	-	-	23,012	23,012
<b>Total financial liabilities</b>	<b>1,527,681</b>	<b>-</b>	<b>27,468</b>	<b>1,555,149</b>

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 2021 and 2020.

	Financial assets 2021 Rs'000	Financial assets 2020 Rs'000
United States Dollar (USD)	266,362	183,658
Euro (EUR)	129,529	86,537
Indian Rupee (INR)	210,529	129,971
Others	54,709	36,752
<b>Total</b>	<b>661,129</b>	<b>436,918</b>

## Notes to the financial statements

For the year ended 30 June 2021

### 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 exchanges rates for the year ended 30 June 2021, 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 2021 (2020: 3%). 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% (2020: 3%), then this would have the following impact:**

	2021		2020	
	Net assets attributable to holders of redeemable shares		Net assets attributable to holders of redeemable shares	
	Profit Rs'000	Rs'000	Loss Rs 000	Rs'000
INR	<b>4,211</b>	<b>4,211</b>	5,510	5,510
EURO	<b>2,591</b>	<b>2,591</b>	2,596	2,596
USD	<b>5,327</b>	<b>5,327</b>	3,899	3,899
Others	<b>1,094</b>	<b>1,094</b>	1,103	1,103

**If the MUR had strengthened by 2% (2020: 3%), then this would have the following impact**

	2021		2020	
	Net assets attributable to holders of redeemable shares		Net assets attributable to holders of redeemable shares	
	Profit Rs'000	Rs'000	Loss Rs'000	Rs'000
INR	<b>(4,211)</b>	<b>(4,211)</b>	(5,510)	(5,510)
EURO	<b>(2,591)</b>	<b>(2,591)</b>	(2,596)	(2,596)
USD	<b>(5,327)</b>	<b>(5,327)</b>	(3,899)	(3,899)
Others	<b>(1,094)</b>	<b>(1,094)</b>	(1,103)	(1,103)

##### 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 140 (2020: Rs 525) 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 2021

**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	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Designated at fair value through other comprehensive income	-	-	487	514
Designated at fair value through profit or loss	55,157	40,646	-	-

**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:

	2021	2020
	Rs'000	Rs'000
<b>Financial assets</b>		
<b>Non-current</b>		
Portfolio of domestic securities	731,538	695,777
Portfolio of foreign securities	650,729	423,028
	<b>1,382,267</b>	<b>1,118,805</b>
<b>Current</b>		
Portfolio of domestic securities	448,699	385,507
Portfolio of foreign securities	3,715	4,385
Other receivables	3,185	840
Cash and cash equivalents	29,810	45,541
	<b>485,409</b>	<b>436,273</b>
<b>Total</b>	<b>1,867,676</b>	<b>1,555,078</b>

**Notes to the financial statements**

For the year ended 30 June 2021

**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 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
<b>Total</b>	<b>1,867,770</b>	<b>1,867,770</b>	<b>1,834,188</b>	<b>33,582</b>

**Notes to the financial statements**

For the year ended 30 June 2021

**4. Financial instrument risk (Contd)**
**Risk management objectives and policies (Contd)**
**4.4 Liquidity risk analysis**

30 June 2020	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	1,527,681	1,527,681	1,527,681	-
Bank overdrafts	210	210	-	210
Other payables	4,246	4,246	-	4,246
Dividend payable	23,012	23,012	-	23,012
<b>Total</b>	<b>1,555,149</b>	<b>1,555,149</b>	<b>1,527,681</b>	<b>27,468</b>

**4.5 Concentration risk**

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

**5. Capital management policies and procedures**

The Company's capital management objectives are:

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

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

The Company was not geared for the years ended 30 June 2020 and 30 June 2021 as it had an excess cash balance compared to its debt which comprise of only bank overdraft.



## Notes to the financial statements

For the year ended 30 June 2021

### 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:

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

<b>Financial assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>30 June 2020</b>	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>
Designated at fair value through profit or loss	812,920	684,202	1,286	1,498,408
Designated at fair value through other comprehensive income	10,289	-	-	10,289
<b>Total</b>	<b>823,209</b>	<b>684,202</b>	<b>1,286</b>	<b>1,508,697</b>

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

<b>Financial liabilities</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>30 June 2020</b>	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>
Net assets attributable to holders of redeemable shares	-	-	1,527,681	1,527,681

**Notes to the financial statements**

For the year ended 30 June 2021

**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 2021

**7. Portfolio of domestic securities (Contd)**

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

	2021 Rs'000	2020 Rs'000
Financial assets at fair value through profit or loss	<b>1,170,506</b>	1,070,995
Financial assets at fair value through other comprehensive income	<b>9,731</b>	10,289
	<b>1,180,237</b>	1,081,284

**Analysed as:****Non-current assets:**

Financial assets at fair value through profit or loss	<b>721,807</b>	685,488
Financial assets at fair value through other comprehensive income	<b>9,731</b>	10,289
	<b>731,538</b>	695,777

**Current assets**

Financial assets at fair value through profit or loss	<b>448,699</b>	385,507
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<b>Total</b>	<b>1,180,237</b>	1,081,284
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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 2021	Listed on SEM Rs'000	Listed on DEM Rs'000	Unquoted Rs'000	Total Rs'000
At 01 July 2020	<b>322,343</b>	<b>63,164</b>	<b>685,488</b>	<b>1,070,995</b>
Additions	<b>2,373</b>	-	-	<b>2,373</b>
Disposals	<b>(4,373)</b>	-	-	<b>(4,373)</b>
Impairment	-	-	-	-
Movement in fair value	<b>64,428</b>	<b>766</b>	<b>36,317</b>	<b>101,511</b>
At 30 June 2021	<b>384,771</b>	<b>63,930</b>	<b>721,805</b>	<b>1,170,506</b>

30 June 2020	Listed on SEM Rs'000	Listed on DEM Rs'000	Unquoted Rs'000	Total Rs'000
At 01 July 2019	425,069	73,834	706,675	1,205,578
Additions	14,586	5,231	-	19,817
Disposals	(1,928)	(2,550)	-	(4,478)
Impairment	(2,176)	-	-	(2,176)
Movement in fair value	(113,208)	(13,351)	(21,187)	(147,746)
At 30 June 2020	322,343	63,164	685,488	1,070,995

# PORT LOUIS FUND LTD

## Notes to the financial statements

For the year ended 30 June 2021

### 7. Portfolio of domestic securities (Contd)

#### Financial assets at fair value through other comprehensive income

	2021 Total Rs'000	2020 Total Rs'000
At 01 July	10,289	10,011
Movement in fair value	(558)	278
At 30 June	<b>9,731</b>	10,289

#### (b) At 30 June 2021

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total 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	<b>448,699</b>	<b>730,206</b>	<b>1,332</b>	<b>1,180,237</b>

#### At 30 June 2021

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Financial assets at fair value through profit or loss	385,507	684,202	1,286	1,070,995
Financial assets at fair value through OCI	-	10,289	-	10,289
At 30 June 2021	385,507	694,491	1,286	1,081,284

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

	2021 Rs'000	2020 Rs'000
At 01 July	1,289	1,277
Increase in fair value	43	9
At 30 June	<b>1,332</b>	1,286

### 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 2021

**8. Portfolio of foreign securities (Contd)**

	2021 Rs'000	2020 Rs'000
Financial assets at fair value through profit or loss	<b>654,444</b>	427,413

**Analysed as:**
**Non-current assets:**

Financial assets at fair value through profit or loss	<b>650,729</b>	423,028
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**Current assets**

Financial assets at fair value through profit or loss	<b>3,715</b>	4,385
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<b>Total</b>	<b>654,444</b>	427,413
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Financial assets at fair value through profit or loss	2021 Rs'000	2020 Rs'000
At 01 July	<b>427,413</b>	393,986
Additions	<b>2,842</b>	1,246
Disposals	<b>(1,112)</b>	(3,434)
Increase in fair value	<b>225,301</b>	35,615
At 30 June	<b>654,444</b>	427,413

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

	2021 Rs'000	2020 Rs'000
<b>Level 1</b>	<b>654,444</b>	427,413

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

	2021 Rs'000	2020 Rs'000
US Dollar	<b>266,068</b>	179,557
Euro	<b>129,524</b>	86,510
INR	<b>204,299</b>	124,728
Other currencies	<b>54,553</b>	36,618
<b>Total</b>	<b>654,444</b>	427,413

# PORT LOUIS FUND LTD

## Notes to the financial statements

For the year ended 30 June 2021

### 9. Other receivables

	2021 Rs'000	2020 Rs'000
Dividend receivable	3,178	840
Prepayment	150	38
<b>Total</b>	<b>3,328</b>	<b>878</b>

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.

	2021 Rs'000	2020 Rs'000
<b>Authorised</b>		
120,000,000 redeemable shares of Rs 10 par value	1,200,000	1,200,000

	2021	2020
<b>Issued and fully paid (Number of shares in thousands)</b>		
At 01 July	50,233	50,122
Issue of shares	206	576
Redemption of shares	(287)	(465)
<b>At 30 June</b>	<b>50,152</b>	<b>50,233</b>

### 11. Other payables

	2021 Rs'000	2020 Rs'000
Amount due to related party	3,893	3,496
Other payables	580	773
<b>Total</b>	<b>4,473</b>	<b>4,269</b>

- (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 2021

### 12. Taxation

#### 12.1 Income tax expense

The Company is liable to income tax at the rate of 15% (2020: 15%) and at 30 June 2021 it had income tax liability of Rs 43,176 (2020: tax asset of Rs 56,085). 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

	2021	2020
	Rs'000	Rs'000
At 01 July	(56)	-
Tax refunded	56	-
Tax liability for the year	120	111
CSR	14	31
Tax paid under APS	(91)	(198)
Current tax liability/(asset)	43	(56)

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

	2021	2020
	Rs'000	Rs'000
Income tax on adjusted profit	120	111
CSR	14	31
Foreign tax paid for prior year	-	18
Tax expense	134	160

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:

	2021	2020
	Rs'000	Rs'000
Profit/(loss) before tax	335,523	(80,028)
Tax at 15%	50,328	(12,004)
Exempt income	(53,074)	(7,883)
Non-allowable expenses	2,866	19,998
CSR	14	31
Foreign tax paid for prior year	-	18
Tax expense	134	160

**Notes to the financial statements**

For the year ended 30 June 2021

**13. Investment income**

	2021 Rs'000	2020 Rs'000
Dividend income	26,397	51,155
Interest income	699	928
Foreign exchange gain	485	813
<b>Total</b>	<b>27,581</b>	<b>52,896</b>

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

	2021 Rs'000	2020 Rs'000
Domestic and foreign securities (Note 7 and 8)	<b>326,812</b>	(111,844)

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.

	2021	2020
<b>Annual Fund Return</b>		
Up to 27%	<b>0.90%</b>	0.90%
27% - 35%	<b>1.00%</b>	1.00%
Above 35%	<b>1.25%</b>	1.25%

**16. Registry costs**

Registry costs are payable to Prime Partners Ltd on a quarterly basis. For the year ended 30 June 2021, Rs 301,875 was accrued per quarter.

**Notes to the financial statements**

For the year ended 30 June 2021

**17. Profit/(loss) before tax**

	2021 Rs'000	2020 Rs'000
<i>The above is stated after (charging)/ crediting:</i>		
Net increase/(decrease) in fair value through profit or loss financial assets	<b>326,812</b>	(111,844)
<i>Dividend income</i>		
- Listed (local)	<b>5,617</b>	19,710
- Foreign	<b>2,377</b>	2,925
- Unquoted	<b>18,403</b>	28,520
Other income	<b>398</b>	371
Interest income	<b>699</b>	928
Foreign exchange gain	<b>485</b>	813
<i>Major components of expenditure:</i>		
Directors' fee	<b>(886)</b>	(831)
Management fees	<b>(14,709)</b>	(14,669)
Registry cost	<b>(1,208)</b>	(1,208)
Custodian and brokerage fees	<b>(609)</b>	(834)
Impairment on investment	-	(2,176)

**18. Dividends**

The Board of Directors has declared a dividend of Rs 25,073,069 representing **Rs 0.50** per share on 25 June 2021 (2020: Rs 19,367,588 representing Rs 0.40 per share).

Dividend of Rs 3,985,806 (2020: Rs 3,644,210) declared in prior years has not been claimed by shareholders. These dividends have been reclassified under current liabilities.

# PORT LOUIS FUND LTD

## Notes to the financial statements

For the year ended 30 June 2021

### 19. Notes to the statement of cash flows

#### (a) Cash used in operations

	2021 Rs'000	2020 Rs'000
Profit/(loss) before tax	335,523	(80,028)
<i>Adjustments for:</i>		
Dividend income	(26,397)	(51,155)
Interest income	(699)	(928)
Net decrease/ (increase) in fair value of financial assets at FVTPL	(326,812)	111,844
Impairment on investment	-	2,176
Dividend reinvested	624	440
Profit on disposal of investments	(273)	(430)
<b>Total adjustments</b>	<b>(18,034)</b>	61,947
<i>Net changes in working capital:</i>		
Change in trade and other receivables	(2,450)	2,026
Change in trade and other payables	204	(465)
<b>Total changes in working capital</b>	<b>(2,246)</b>	1,561
Tax refund	56	-
Tax paid	(91)	(198)
<b>Net cash used in operating activities</b>	<b>(20,315)</b>	(16,718)

#### (b) Cash and cash equivalents

	2021 Rs'000	2020 Rs'000
Cash at bank	29,810	45,541
Bank overdraft	(56)	(210)
<b>Total</b>	<b>29,754</b>	45,331

### 20. Net asset value per share

	2021 Rs'000	2020 Rs'000
Net asset value	1,834,188	1,527,681
Number of redeemable shares in issue (Note 10)	50,152	50,233
Net asset value per share	36.57	30.41

**Notes to the financial statements**

For the year ended 30 June 2021

**21. Related party transactions**

For the year ended 30 June 2021, the Company entered into the following transactions with related parties:

	2021 Rs'000	2020 Rs'000
<b>Transactions with common shareholders</b>		
Management fee expenses – Capital Asset Management Ltd	<b>14,709</b>	14,669
<b>Transactions with secretary</b>		
Registry costs – Prime Partners Ltd	<b>1,208</b>	1,208
Brokerage fees – Prime Partners Ltd	<b>67</b>	220
Secretarial fees – Prime Partners Ltd	<b>110</b>	110
<b>Key management personnel</b>		
Short term benefits – Director fees	<b>886</b>	831
<b>Balances</b>		
Amount payable to related party – Capital Asset Management Ltd	<b>(3,893)</b>	(3,496)

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

**22. 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 2021.

**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
DAX	Deutscher Aktien Index
DEMEX	Development and Enterprise Market Index
D/Y	Dividend Yield
ECB	European Central Bank
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
IFRS	International Financial Reporting Standards
INR	Indian Rupee
KRR	Key Repo Rate
MPC	Monetary Policy Committee
MSCI	Morgan Stanley Capital International
MUR	Mauritian Rupee
NASDAQ	National Association of Securities Dealers Automated Quotations
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&P500	Standard & Poor's 500 Index
SEMTRI	Stock Exchange of Mauritius Total Return Index
USD	US Dollar
VIX	Chicago Board Options Exchange Volatility Index
VAT	Value Added Tax





**PORT-LOUIS FUND LTD**

15<sup>th</sup> Floor, Air Mauritius Centre,

6, President John Kennedy St., Port-Louis 11302, Mauritius

Email: [info@portlouisfund.com](mailto:info@portlouisfund.com) / Website: [www.portlouisfund.com](http://www.portlouisfund.com)

Tel: (230)213 2727 - (230)210 1006 / Fax: (230) 213 2730 - (230) 210 1005