

MAURITIUS INVESTMENT CORPORATION LTD

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

MAURITIUS INVESTMENT CORPORATION LTD

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MAURITIUS INVESTMENT CORPORATION LTD**COMPANY INFORMATION**

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Date of appointment

CHAIRPERSON	:	Mrs. Catherine Bouvier d'Yvoire Mr Carl Alan Mark Florman	01-Oct-24 (15-Jul-21 – 30-Sept-24)
DIRECTORS	:	Mr Mardayah Kona Yerukunondu Mrs Hemlata Sadhna Sewraj-Gopal Mr Jean Michel Louis Rivalland Mr Swaminathan Ragen Mr Neemalen Gopal Mr Mohamed Swadicq Nuthay	02-Jun-20 02-Jun-20 02-Jun-20 15-Jul-21 15-Jul-21 15-Jul-21
REGISTERED OFFICE	:	Level 5, The Docks 2 United Docks, Business Park Caudan Street Port Louis	(As from August 2023)
		Level 3, Bank of Mauritius Old Building Sir William Newton Street Port Louis	(June 2020 - July 2023)
AUDITORS	:	KPMG KPMG Centre 31 Cybercity Ebène	
BANKER	:	Bank of Mauritius Sir William Newton Street Port Louis	
COMPANY REGISTRATION NUMBER	:	C20172181	

MAURITIUS INVESTMENT CORPORATION LTD**COMMENTARY OF THE DIRECTORS**

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The directors are pleased to present their commentary and the audited separate financial statements ("financial statements") of Mauritius Investment Corporation Ltd ("MIC" or the "Company") for the year ended 30 June 2024.

Principal activities

The principal activities of the Company are:

- (i) to assist systemically large, important and viable companies incorporated in Mauritius which are financially distressed as result of the COVID-19 pandemic;
- (ii) to invest in companies geared towards building self-sufficiency in key basic necessities;
- (iii) to invest in companies enhancing Mauritius as an innovation-driven economy; and
- (iv) to invest the assets under its management to secure key basic necessities and support higher long-term growth of Mauritius.

Results and dividends

The results for the period are shown in the separate statement of profit or loss and other comprehensive income and related notes. The company remitted a dividend amounting to MUR 490 million to its shareholder.

Statement of Directors' responsibilities in respect of the financial statements

Mauritius Companies Act 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 IFRS Accounting Standards have been followed and complied with, 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 comply with the Mauritius Companies Act and the Financial Reporting Act. 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.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

Auditors

The auditors, KPMG, have indicated their willingness to continue in office until the next Annual Meeting.

For and on Behalf of the Board of Directors

MAURITIUS INVESTMENT CORPORATION LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

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PRINCIPLE 1- GOVERNANCE STRUCTURE

The Mauritius Investment Corporation Ltd was established by the Bank of Mauritius (BoM) in June 2020 in line with its mandate to ensure orderly and balanced economic development and maintain financial stability. The MIC, a public interest entity, as defined by the provisions of the Financial Reporting Act 2004, recognises that adherence to good corporate governance practices is crucial for the Company's success and its ability to deliver on its long-term strategy.

The Board stands guided by the National Code of Corporate Governance (2016) (the Code) and ensures that MIC's governance structure complies, as far as possible, with all the requirements of the Code. The Board fosters the principles of integrity and accountability throughout the organization.

This report sets out how the principles of the National Code of Corporate Governance have been applied and reflected throughout the Company.

BOARD CHARTER

The governance structure of MIC is outlined in its Board of Directors Charter, which was approved on 16 May 2022. The Charter provides for the role, function and objectives of the Board of Directors, Board Committees, Chairman, Chief Executive Officer (CEO) and Company Secretary. It also sets out how they interact in order to promote efficient, transparent and ethical functioning/decision-making processes within the company. In line with good governance practices, the Board ensures that regular Board meetings and committee meetings are held throughout the financial year.

The Board may review the Charter as and when required. The Board Charter is available on the MIC's website (www.mic-ltd.mu).

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**5

PRINCIPLE 1- GOVERNANCE STRUCTURE (CONTINUED)**CODE OF ETHICS AND BUSINESS CONDUCT**

The MIC's Code of Ethics and Business Conduct was approved by the Board of Directors on 11 May 2023. It sets out the corporate values and provides a framework for what MIC considers responsible professional and individual behaviour. The Company is committed to conduct its activities and business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations. The Code of Ethics and Business Conduct is available for reference on the MIC's website (www.mic-ltd.mu). The Board of MIC monitors and evaluates compliance with the Code of Ethics.

CONSTITUTION

MIC's Constitution complies with the provisions of the Mauritian Companies Act 2001. There are no clauses of the Constitution deemed material enough requiring specific disclosure.

STATEMENT OF ACCOUNTABILITIES

The Board of the MIC is collectively responsible and accountable for the leadership, oversight and long-term success of the organization. The Company operates within a clearly defined governance framework, which provides for delegation of authority and clear lines of responsibility while enabling the Board to retain effective control.

The Board assumes full responsibility for leading and controlling the MIC to ensure its objectives and all legal and regulatory requirements are met. The Board sets overall direction on investment strategies, objectives, and asset allocation. The Board guides overall investment allocation and risk tolerance and approves or rejects the investment recommendations of the independent Investment Committee. It is collectively responsible for the long-term success of the Company. The Board has approved appropriate job descriptions of senior management positions. A sub-committee of the Board has been established to ensure proper governance within the organization. The statement of accountabilities has been approved by the Board in May 2022.

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES**THE BOARD**

The MIC is led by a committed unitary Board comprising of seven highly experienced Directors: five are Independent Non-Executive Directors and two are Non-Executive Directors. The Board considers that given the size of the Company and its current scope of activities, the current Directors have the adequate set of expertise, appropriate mix of core competencies, knowledge, and skills to manage the Company in an efficient manner to achieve the objectives and implement MIC's strategy. The Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. The recommendation of the Code is to have at least two Executive Directors. The Board is composed of two non-Executive Directors, who are Executive Directors of the parent company, the Bank of Mauritius. The Board may review its composition given the size of the Company and its current scope of activities. The Board considers that the current Directors have the adequate set of expertise, are of appropriate calibre and have the appropriate mix of core competencies, knowledge, skills, objectivity and experience to manage the Company in an efficient manner in order to achieve the objectives and implement MIC's strategy.

As per the Charter of the MIC, a Board member is deemed to be an independent Director where in general, he has no relationship with the company such that his independence could be questioned. The MIC has aligned its criteria to determine the independence of Directors as per the applicable legislations and best practices in force in Mauritius and same is reflected in its Charter. The Board has a sufficient number of Directors who do not have any material business relationship with the organisation and its shareholders.

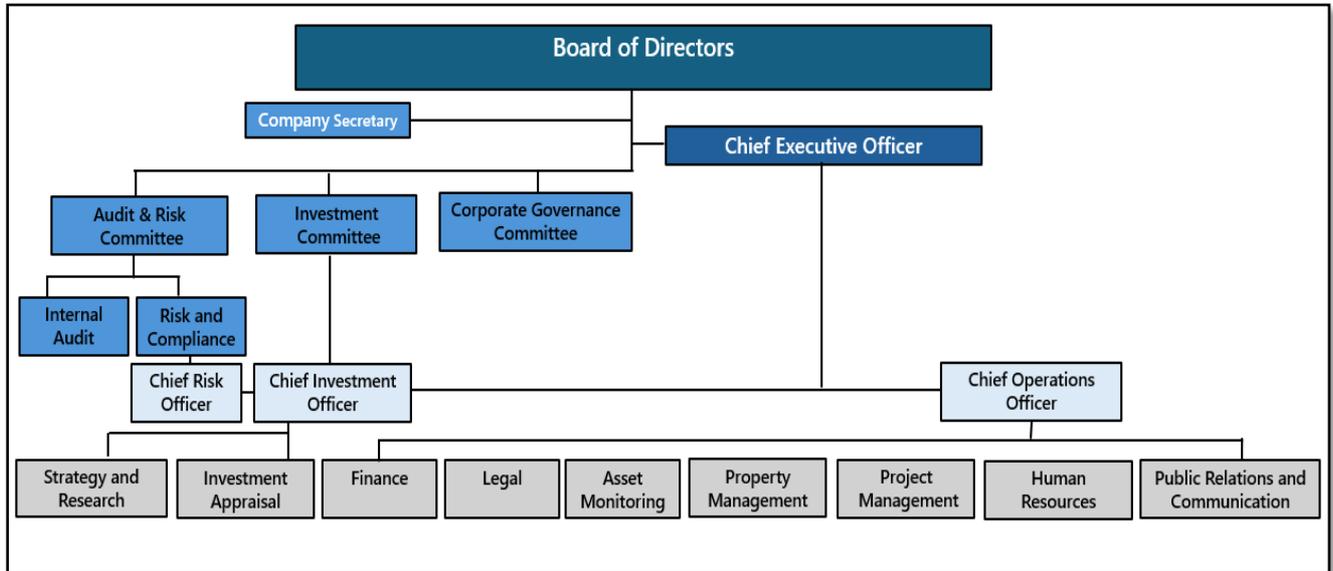
In view to carry out its duties effectively, the Board is supported by two committees, namely the Audit and Risk Committee and the Corporate Governance Committee. Each committee is mandated to advise and provide guidance on matters impacting on MIC's activities. Whilst the responsibility to set the strategic direction of the organization rests with the Board, the operational management and day-to-day running are entrusted to the CEO and the Executive Team.

MAURITIUS INVESTMENT CORPORATION LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES (CONTINUED)

The organizational chart of the MIC is illustrated below:



1.1 Key roles and responsibilities

The roles and responsibilities of the Chairman, Directors and the Company Secretary are set out in the Board Charter. There is a clear segregation of duty between the Chairperson and the CEO.

Chairman	Non-Executive Directors and Independent Directors	CEO
<ul style="list-style-type: none"> Provides overall leadership and guidance Ensures smooth functioning of the Board Encourages active participation of each Director in discussion 	<ul style="list-style-type: none"> Monitor the delivery of the agreed strategy within the risk and control framework set by the Board Constructively challenge the CEO and the management of the Company 	<ul style="list-style-type: none"> Responsible for the day to day running of the Company's operations Works in conjunction with the Chairperson on strategic issues Leads and directs senior management to implement the strategy and policies set by the Board Acts as intermediary between the Board and Management

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES (CONTINUED)**Company Secretary**

The Company Secretary assists the Board on all regulatory matters. The responsibilities of the Company Secretary shall be, amongst others, to:

- Ensure that the Company complies with its Constitution and all relevant statutory and regulatory requirements, and any procedures set by the Board;
- Prepare and circulate agendas of Board, Board Committees and shareholder meetings and any supporting papers in a timely manner;
- Take minutes of meetings and circulate same to members; and
- Ensure meetings and resolutions of the Board are properly held and passed in line with the Company's Constitution.

1.2 Board Meetings

The Board meets on a monthly basis and holds additional meetings as and when it deems appropriate. The agenda of each Board meeting is prepared by the Company Secretary and circulated to the Directors at least 5 days prior the scheduled meetings, to allow them to participate fully. The necessary arrangements are made for Directors who are not able to attend the meeting physically.

Minutes of Board meetings are prepared by the Company Secretary with details of decisions reached, any concerns raised, and dissenting views expressed. The draft minutes are shared with the Board for review and comments before adoption at the next Board meeting. Once approved by the Board, the minutes are signed by the Chairman.

1.3 Key Focus Area of the Board in 2023-2024

The Board met 12 times during the financial year ended 30 June 2024. A summary of the main issues discussed at these meetings is provided below:

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PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES (CONTINUED)

Regular Agenda Items	<ul style="list-style-type: none"> Approval of previous minutes of the Board and matters arising CEO Report (Activity review, New Investment Proposal, Current Portfolio Exposure)
Strategy	<ul style="list-style-type: none"> Implementation of MIC Strategy Stage 2.0
Financial Items	<ul style="list-style-type: none"> Approval of Financial Statements for the year ended 30 June 2023 Approval of Audit Fees for the year ended 30 June 2023 Approval of the Audit Plan for the year ended 2024 Approval of MIC's Budget for the financial year ending 30 June 2025
Governance	<ul style="list-style-type: none"> Approval of MIC's commitment to the DEI Charter of the NCCG Approval for Board Evaluation
Key projects	<ul style="list-style-type: none"> Approval for MIC to join One Planet Sovereign Wealth Fund as Full Observer Approval for the creation of a Venture Capital Fund to invest in high potential sectors across Mauritius and Africa Approval to become full member of the Sovereign Wealth Fund

1.4 Attendance at Board Meetings

The table below shows the attendance of the Directors who served on the Board of the MIC for the financial year ended 30 June 2024:

Members	Gender	Board Member since	Board status	Country of Residence	Meeting Attendance
Carl Alan Mark Florman (Chairman)	Male	15 July 2021	Independent Non-Executive Director	United Kingdom	11/12
Mardayah Kona Yerukunondu	Male	2 June 2020	Non-Executive Director	Mauritius	10/12
Hemlata Sadhna Sewraj-Gopal	Female	2 June 2020	Non-Executive Director	Mauritius	11/12
Jean Michel Louis Rivalland	Male	2 June 2020	Independent Non-Executive Director	Mauritius	9/12
Mohamed Swadicq Nuthay	Male	15 July 2021	Independent Non-Executive Director	Mauritius	9/12
Neemalen Gopal	Male	15 July 2021	Independent Non-Executive Director	Mauritius	11/12
Swaminathan Ragen	Male	15 July 2021	Independent Non-Executive Director	Mauritius	11/12

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES (CONTINUED)

1.5 Board Committees

To assist the Board in discharging its duties effectively, the following sub-committees were established:

- (i) Audit and Risk Committee; and
- (ii) Corporate Governance Committee.

These committees operate within defined terms of reference and may not exceed the authority delegated to them by the Board. The sub-committees are chaired by experienced professionals who report to the Board on the issues discussed at each committee meeting.

The Board Committees may review the terms of reference as and when deemed necessary to ensure they are operating at maximum effectiveness and recommend any changes considered appropriate to the Board for approval.

The Company Secretary of the MIC also acts as secretary to the Board Committees. Each member of the Board has access to the minutes of Board Committee meetings, regardless of whether the Director is a member of the Board Committee in question or not.

1.5(i) Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities.

It is the Committee's responsibility to review the integrity of the financial statements and the effectiveness of the internal and external auditors.

The Committee is also entrusted with the responsibility to review and approve any conflict of interest and related party transactions.

Composition

The Committee is chaired by Mr. Mohamed Swadicq Nuthay, an Independent Non-Executive Director. The other members of the Committee are Messrs. Neemalen Gopal and Swaminathan Ragen, who are both Independent Non-Executive Directors.

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES (CONTINUED)

1.5(i) Audit and Risk Committee (Continued)

Members	Board status	Meeting Attendance
Mohamed Swadicq Nuthay (Chairperson)	Independent Non-Executive Director	3/3
Neemalen Gopal	Independent Non-Executive Director	3/3
Swaminathan Ragen	Independent Non-Executive Director	2/3

Principal Matters considered in 2023-2024

During the financial year 2023-2024, the Audit and Risk Committee met three times, and the matters discussed included:

- Review of financial statements for the year ended 30 June 2023
- Review and approve audit fees for the year ended 30 June 2023
- Review of Audit plan for the year ended 30 June 2023
- Review of Internal Audit Reports of the MIC

Main Terms of Reference

- Examine and review the integrity of the financial statements before submission to the Board, including the clarity of disclosures and adjustments resulting from the external auditor's recommendations.
- Review significant financial reporting matters and judgements made in connection with the preparation of audited financial statements, interim unaudited financial statements and formal financial-related announcements.
- Review the Company's internal controls, including the systems established to identify, assess, manage and monitor principal risks, and receive reports from Management on the effectiveness of these controls and systems.
- Consider reports from Management of any review performed by internal and/or external auditors on the Company's internal control and risks management systems.
- Review the risks policies applying to the Company, and their adequacy to industry best practices and to the specific business environment.
- Review and approve conflicts of interests and related party transactions of a material nature in line with the applicable policy.

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES (CONTINUED)

- Ensure that the Company has adequate policies and procedures to detect and report any potential conflict of interests and related party transactions before they arise.
- Approve the appointment of the internal auditor; Review and approve the internal audit charter; Monitor and review the effectiveness of the internal audit function; Evaluate and approve the annual internal audit plan, auditable areas covered according to risk trends and consider reports pertaining to findings of internal audits on a periodic basis.
- Recommend the appointment of the external auditors and evaluate the quality and effectiveness of the services provided by the incumbent auditor.
- Approve the terms of engagement, scope of the audit process and remuneration of the external auditor and assess their independence and objectivity.
- Review annually in presence of the external auditor their management letter and report on audit.

1.5.(ii) Corporate Governance Committee

The Corporate Governance Committee advises the Board on matters pertaining to corporate governance and ensures that the principles of the National Code of Corporate Governance are applied.

Composition

The Committee is chaired by Mr. Neemalen Gopal, an Independent Non-Executive Director. The other members of the Committee are Messrs. Jean Michel Louis Rivalland and Swaminathan Ragen, who are both Independent Non-Executive Directors. The CEO may also attend the Committee's meetings as and when required.

ATTENDANCE IN 2023-2024

Members	Board status	Meeting Attendance
Neemalen Gopal (Chairperson)	Independent Non-Executive Director	2/2
Jean Michel Louis Rivalland	Independent Non-Executive Director	2/2
Swaminathan Ragen	Independent Non-Executive Director	2/2

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES (CONTINUED)

Principal Matters considered in 2023-2024

During the financial year 2023-2024, the Corporate Governance Committee met twice, and the main issues discussed included:

- Approval for publication of MIC's Board Charter and Corporate Governance Report on MIC's website
- Implementation of the Diversity, Equity and Inclusion Committee Charter (DEI) at the MIC
- Review of recruitment and remuneration policy at the MIC
- Approval for Board evaluation exercise

1.5.(ii) Corporate Governance Committee

Main Terms of Reference

- Advise the board on all aspects of corporate governance and recommend the adoption of best practices.
- Ensure that all reporting requirements and disclosures made in the annual report are in compliance with the disclosure provisions in the Code of Corporate Governance.
- Review and recommend the implementation of structures and procedures to facilitate the board's independence from management.
- Review annually with the board the size and composition of the board as a whole and recommend, if necessary, measures to be taken so that the board reflects the appropriate balance of diversity, age, skills, gender and experience required for the board as whole.
- Make recommendations to the board with respect to the size and composition of the committees of the board including the corporate governance committee.
- Monitor and evaluate the functioning of committees and make any recommendations for any changes including the creation and elimination of committees.
- Develop charters for any new committees established by the board and review the charters of each existing committee and recommend any amendments to the charters.
- Review all related party transactions and situations involving board members and refer to the board or the shareholders general meeting.
- Oversee the evaluation of the board, its committees and individual Directors. If internal evaluation is being conducted, oversee board performance and report annually to the board with an assessment of the board's performance.
- Ensure that adequate process is in place for the board and senior management to comply with the Mauritian Code of Corporate Governance.
- Ascertain whether potential new Directors are fit and proper.

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES (CONTINUED)**1.6 PROFILES OF THE BOARD OF DIRECTORS****Mrs. Catherine Bouvier d'Yvoire*****Independent Non-Executive Director and Chairman******Non-Resident***

QUALIFICATIONS: Graduated from Ecole Supérieure de Commerce de Paris (ESCP) with a Major in Finance, has a Master degree in English from Sorbonne University and a Master in Business Administration (MBA) from Harvard Business School.

SKILLS AND EXPERIENCE: From 2013 until July 2024, Mrs d'Yvoire was the Managing Director in the Public Sector coverage group at Standard Chartered. Based in Paris, Mrs d'Yvoire was in charge of Continental European and West African francophone Public Sector clients. Working jointly with product partners, Mrs d'Yvoire presented financing and hedging solutions to her sovereign clients. Mrs d'Yvoire was also in charge of Rating Advisory mandates in Africa including Senegal, Ghana, Nigeria, Zambia as well as Indonesia.

Mrs d'Yvoire was formally part of the Public Sector Group at Citigroup (CITI) in Paris, from 2006 to 2012, advising governments globally on international financial issues such as sovereign ratings, credit positioning and access to capital markets as well as debt management and borrowing strategies. She advised Bangladesh on its initial sovereign rating and Indonesia when the country became Investment Grade.

Before Citi, Mrs d'Yvoire worked for over two decades at Lazard Frères in Paris in the Government Advisory Group where she advised numerous Ministries of Finance and Central Banks in Emerging Markets on debt restructuring and borrowing strategies. She advised the Authorities of Costa Rica, Venezuela, Togo, Senegal and Indonesia on the restructuring of their official and commercial debt. She served as long-time trusted advisor to Bank Indonesia and the Economic Ministries of the Republic of Indonesia from 1985 to 2005, advising on their borrowing strategy from multiple funding sources on numerous markets, on LNG/LPG financings and other infrastructure projects, on privatisations, on Initial Public Offerings (IPOs) and Public Private Partnerships (PPPs) as well as economic policies and financial best practices. Mrs d'Yvoire was awarded the title of Chevalier of the French Legion d'Honneur in 2010.

Mrs d'Yvoire is the present Chairperson of the MIC and has been appointed since 01 October 2024.

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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**Mr. Carl Alan Mark Florman*****Independent Non-Executive Director and Chairman******Non-Resident***

QUALIFICATIONS: BSc (Honors) in Economics of Industry and Trade from the London School of Economics.

SKILLS AND EXPERIENCE:

Mr. Florman is the Chairman of Time Partners Ltd, London since 2014. He has been involved in public markets and the growth of the private equity industry for over 35 years, working as an investor and adviser. He specialises in advising institutions in areas of strategy, overall purpose, private capital and long-term investing.

Mr. Florman's early career at the Norther Trust Bank in Chicago saw him co-found the interest rate swap business in America; later advising on corporate restructurings, M&A and equity capital markets. In 1992, Mr. Florman was the co-founder and CEO of the Merchant Banking Group, Maizels Westerberg, which was ranked the number one M&A firm in Europe (1998, 1999), amongst independent firms. Maizels Westerberg advised private equity groups including EQT and IK.

Mr. Florman joined the European private equity firm, Doughty Hanson, in 2001. He was on the board of a number of portfolio companies, chairing their largest investment, LM Glasfiber – the leading designer and manufacturer of wind turbine blades in the world. He led expansion of the wind components business to 20% world market share. At Doughty Hanson, Mark was involved in investing in and developing portfolio companies including The Priority, RHM and Tumi.

Mr. Florman co-founded and chaired The Centre for Social Justice, a UK think-tank leading new research for routes out of poverty, including leading the early work behind the Modern-Day Slavery Act. He also co-founded B Labs (UK), promoting B Corps as a standard for good business practices, and was its first UK Chairman. Mr. Florman co-founded the private equity firm, '8 Miles', alongside Bob Geldof and Kofi Annan, an African private equity fund focused on growing businesses in underserved communities across Africa.

Mr. Florman was a member of the Prime Minister's G8 Social Impact Investment Task Force, working with Sir Ronnie Cohen in the development of the impact investing industry. He was later appointed as Governor of England at the BBC, where he led a new approach to purpose-led reporting and was the Chair of the BBC Service Review for England.

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES (CONTINUED)**1.6 PROFILES OF THE BOARD OF DIRECTORS (CONTINUED)**

Mr. Florman was appointed by the Government to co-lead a review of the Big Lottery Fund in 2013. He joined the board of the UK Home Office in 2018.

Mr. Florman is the author of the External Rate of Return, a method of reporting all external impacts from business. The ERR metric recommendations were published in cooperation with the London School of Economics and King's College, London. He is the Visiting Senior Fellow at the London School of Economics, Visiting Professor at the Policy Institute, King's College, London, and a Distinguished Fellow at INSEAD, lecturing on private capital markets and impact investing.

Mr. Florman has been the Chairman of MIC since 15 July 2021 until 30 September 2024.

Directorship in other companies:

- Commonwealth Education Trust

PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES (CONTINUED)**1.6 PROFILES OF THE BOARD OF DIRECTORS (CONTINUED)****Mr. Mardayah Kona Yerukunondu*****Non-Executive Director***

QUALIFICATIONS: Barrister, LLB (Honours) from the University of London and holds qualifications from the Institute of Statisticians

SKILLS AND EXPERIENCE:

Mr. Mardayah Kona Yerukunondu is the First Deputy Governor of the Bank of Mauritius (Bank). He also sits on the Monetary Policy Committee of the Bank. Prior to his appointment as First Deputy Governor, Mr. Kona Yerukunondu was the country's first Ombudsperson for Financial Services.

Mr. Kona Yerukunondu is a seasoned central banker. He joined the central bank in November 1977. He is a sworn barrister-at-law.

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES (CONTINUED)**1.6 PROFILES OF THE BOARD OF DIRECTORS (CONTINUED)**

Mrs. Hemlata Sadhna Sewraj-Gopal
Non-Executive Director

QUALIFICATIONS: State Scholar, BSc (Honors) in Economics and Social Studies from the University of Manchester and Chartered Accountant from the Institute of Chartered Accountants of England and Wales (ICAEW).

SKILLS AND EXPERIENCE:

Mrs. Sewraj-Gopal is currently the Second Deputy Governor of the Bank of Mauritius. She also sits on the Monetary Policy Committee. Mrs. Sewraj-Gopal joined the Bank in 2003. Prior to her appointment as Second Deputy Governor, she was the Secretary to the Bank of Mauritius. In that capacity, she also acted as Secretary to the Board, Secretary to the Audit Committee, Member of the Investment Committee and Chairperson of the Tender Committee. Mrs. Sewraj-Gopal is also a member of the Board of the Financial Reporting Council and the National Committee on Corporate Governance.



Mr. Jean Michel Louis Rivalland
Independent Non-Executive Director

QUALIFICATIONS: BSc (Honors) in Actuarial Science and Statistics, Post Graduate Diploma in Strategy and Innovation from SAID Business School, University of Oxford and Qualified Actuary from the Institute of Actuaries, UK.

SKILLS AND EXPERIENCE:

Mr. Rivalland is currently the Group Chief Executive of SWAN. He was previously part of the management team of Commercial Union in South Africa and conducted several assignments in Europe. He then worked as Actuary and Consultant at Watson Wyatt Worldwide.

He is a former President of the Joint Economic Council and of the Insurers' Association of Mauritius. He has played an active role in the development of risk management, investments, insurance and pensions in Mauritius having chaired or been part of various technical committees on these areas.

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES (CONTINUED)**1.6 PROFILES OF THE BOARD OF DIRECTORS (CONTINUED)****Directorship in other companies:**

▪ Aprica Investments Co Ltd	▪ Manufacturers' Distributing Station Limited
▪ Processure Compagnie Limitée	▪ Swan Corporate Affairs Ltd
▪ Swan Digital Ltd	▪ Swan Financial Solutions Ltd
▪ Swan Foundation	▪ Swan International Co Ltd
▪ Swan Life Ltd	▪ Swan Pensions Ltd
▪ Swan Reinsurance PCC	▪ Swan Special Risks Co Ltd
▪ Swan Wealth International Ltd	▪ Swan Wealth Managers Ltd
▪ Swan Lending Solutions Ltd	▪ Swan General Ltd

**Mr. Swaminathan Ragen*****Independent Non-Executive Director***

QUALIFICATIONS: Diploma in Public Administration and Management, B. Com, M. Com, PGCE and MSc in Public Sector Management.

SKILLS AND EXPERIENCE:

Mr. Ragen is the Vice-Chairperson of the Central Procurement Board since 20 May 2021. He joined the public service as Assistant Secretary in 1985 and was appointed Permanent Secretary in 2006 and served various Ministries. He acted as Secretary to the Public Service Commission and Disciplined Forces Service Commission from 2005 to 2006 and in 2015.

He also served as Secretary to three Commissions of Enquiry under the Chair of the ex-Senior Puisne Judge and ex Chief Justice. He was promoted to the post of Senior Chief Executive in the Ministry of Education and Human Resources, Tertiary Education and Scientific Research in April 2019 and thereafter to the post of Secretary for Public Service with effect from January 2020. He retired from the public service on 15 May 2021. He is also a director on the board of MIC Smart City Ltd.

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES (CONTINUED)**1.6 PROFILES OF THE BOARD OF DIRECTORS (CONTINUED)****Mr. Swadicq Nuthay*****Independent Non-Executive Director***

QUALIFICATIONS: BSc (Honors) in Economics, MSc in International Business and Finance and is a Member of the CFA institute.

SKILLS AND EXPERIENCE:

Mr. Nuthay has both an economic and investment banking background. He has more than 25 years experience in the financial services industry. He has extensive experience in corporate finance assignments including valuation, capital raising, listing of securities, M&A's and has led various teams to set up of investment banking and private banking platforms, investment funds, asset management and corporate finance firms and other financial services companies. Mr Nuthay was the former CEO of two leading asset management companies in Mauritius and former co-founder of a diversified financial company. He has served as members/ chairperson of several technical (regulatory) committees. He is also a director on the board of MIC Smart City Ltd.

**Mr. Neemalen Gopal*****Independent Non-Executive Director***

QUALIFICATIONS: Scholar, DUEG A (Diplome Universitaire D'Etudes Générales) from the University of Réunion Island, MIAG (Maitrise Informatique Appliquée à la Gestion) from the University of Grenoble, France and a DEA (Diplome des Etudes Approfondies) in Artificial Intelligence from the University of Grenoble.

SKILLS AND EXPERIENCE:

Mr. Gopal is the Managing Director of the IT Cluster at Leal Group since July 2005. He was previously the Executive Director of Leal Communications and Informatics Limited (1998-2005), Manager IT Division at Leal Communications and Informatics Limited (1996-1998), and Adviser to the Minister of Finance (ICT) (1989-1996). He is an experienced Senior Executive with a key focus on Good Corporate Governance and ICT. Mr. Gopal is presently a Fellow Member of the Mauritius Institute of Directors (MIoD) and has been a Board member of the MIOD from November 2015 to October 2019 during which he has served as the Chairperson of that Board from

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PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES (CONTINUED)**1.6 PROFILES OF THE BOARD OF DIRECTORS (CONTINUED)**

October 2017 to October 2019. Mr. Gopal has also been a Council Member of the University of Mauritius (UOM), Board Director UOM Enterprise and Board Director UOM from March 2015 to June 2017.

Mr. Gopal is also a Board Member of Leal Communications and Informatics Ltd and of DistriPC Ltd and Gerant of SOLINFO SARL.

Directorship in other companies:

- Inspire Systems Institute
- SOLINFO SARL-Reunion Island
- Spilog NC - New Caledonia
- Spilog PF -French Polynesia

PROFILE OF THE CHIEF EXECUTIVE OFFICER**Mr. Jitendra Nathsingh Bissessur*****Chief Executive Officer***

QUALIFICATIONS: BA (Hons) in Mathematical Statistics from the University of Delhi, India and a MSc in Applied Economics with specialization in banking and finance from the University of Mauritius.

SKILLS AND EXPERIENCE:

Mr. Bissessur is the Chief Executive Officer of the Mauritius Investment Corporation Ltd (MIC) since March 2021. He was the Officer-in-Charge of the MIC since its inception in June 2020. Mr. Bissessur was previously the Director of the Economic Research and Analysis and Statistics Department of the Bank of Mauritius (2018-2020). He worked as an economist in the African Department of the International Monetary Fund (IMF) (2013-2014).

Mr. Bissessur was a Member of the Bank's Monetary Policy Committee, Statistics Board, and the IMF's Task Force on Special Purpose Entities.

He joined the Research Department of the Bank of Mauritius in January 1991 and has over 30 years of experience in the central banking field. Mr. Bissessur is skilled in macroeconomic policy and statistical analysis and forecasting.

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PRINCIPLE 2- BOARD STRUCTURE AND ITS COMMITTEES (CONTINUED)**1.6 PROFILES OF THE BOARD OF DIRECTORS (CONTINUED)****Mrs Diya Sewraz*****Company Secretary***

QUALIFICATIONS: BSc (Hons) Economics and Mathematics from the University of Cape Town, a Fellow Member of the Association of Chartered Certified Accountants (FCCA) and a Member of the Mauritius Institute of Professional Accountants (MIPA).

SKILLS AND EXPERIENCE:

Mrs. Sewraz has been in the financial sector for almost 10 years. She has served as a fund accountant in a management company and has extensive knowledge in the Global Business. She is currently in charge of the Accounting and Finance Unit of the MIC and is also the Company secretary of the Board and Sub-Committees since 2023.

The profile of the Company Secretary of the MIC will be published on MIC's website in due course.

PRINCIPLE 3- DIRECTOR APPOINTMENT PROCEDURES**NOMINATION, APPOINTMENT AND REAPPOINTMENT PROCESS**

The Board is supported by the Corporate Governance Committee which shall act as Remuneration and Nomination Committee and is responsible for reviewing the Company's structure, board size and composition of the Board. In doing so, it seeks to promote a diverse Board membership in terms of skills, knowledge and experience.

In addition to the candidate's qualifications, experience and satisfying fit and proper criteria, the following criteria are also taken into consideration when appointing a director:

- Skills, knowledge and experience;
- Board diversity in terms of age and gender;
- Time commitment;
- Conflicts of interest; and
- Independence of judgement and mind.

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PRINCIPLE 3- DIRECTOR APPOINTMENT PROCEDURES (CONTINUED)**Board Induction**

All new directors receive a comprehensive induction programme upon joining the Board in order to enable them to develop a good understanding of the Company. As per the Board Charter, each newly appointed Director receives an induction pack containing documents pertaining to his or her role, duties and responsibilities.

Board Evaluation

The Board recognises the need to undertake a regular review of its performance and effectiveness, as well as that of its committees and individual members. The Corporate Governance Committee oversees the evaluation of the board, its committees and individual directors. During the financial year, a Board evaluation exercise was undertaken.

Time Commitments

Board members are expected to dedicate such time as is necessary for them to effectively discharge their duties. Each Director is expected to act in the best interests of the Company and ensure that his or her other responsibilities do not interrupt on his or her responsibilities as a Director of the MIC.

Succession Planning and Directors Service Contract

The objective of succession planning is to ensure that the Company continues to operate successfully when individuals occupying critical positions and hard to replace competencies depart. The Board is responsible for succession planning for directorship and key management roles in order to develop current and future leaders to ensure business continuity. A Director shall hold office for a minimum period of 3 years and shall be eligible for re-appointment for another term, therefore, a maximum period of 6 years. The contracts of the Directors are governed by the Mauritius labour law.

Professional Development and Advice

The Directors of the MIC are encouraged to follow appropriate training courses and to keep track of the latest office trend and professional practices to continuously update their skills and knowledge so that they fulfill their role effectively on the Board and its committees. The costs are to be borne by the Company.

The Directors, either individually or as a group, who in the discharge of their duties, may require professional advice shall inform the Company Secretary who can assist them in obtaining independent professional advice at the Company's expense. The Company Secretary may also require his/her continuous development program.

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PRINCIPLE 4- DIRECTOR'S DUTIES, REMUNERATION AND PERFORMANCE**Directors' Duties**

The directors are made aware of their legal duties upon their appointment through the induction provided to them. The training seeks to provide them with a better understanding of the Company's strategy, corporate governance structure, business operations and the associated opportunities and challenges.

Conflicts of Interests

The Directors have a statutory duty to avoid any instances that may give rise to conflicts of interests, or which may be perceived by others as conflicting situations. The Board Charter contains provisions which require the Directors to disclose and manage any potential conflict of interest.

A conflict of interest and related party transaction policy applicable to directors and employees is provided in the Code of Ethics and Business Conduct of the MIC available on its website.

Interest Register

Any disclosure of interest as required under the Mauritius Companies Act 2001 is recorded in an interest register. The conflicts of interests of Directors are generally updated on an annual basis and is maintained by the Company Secretary. The register is available for inspection during normal office hours upon written request made to the Company Secretary. No Director has any interest in the Company.

Remuneration

The Company always ensures that the remuneration of the Directors is in line with market practices and the remuneration reflects the demands, competencies and efforts based on the scope of their work. Directors are remunerated in accordance with the fee schedule approved by the sole shareholder of the Company. The Directors of the Board and Sub-Committees received a monthly fixed fee during the financial year 2023-24. No Director has received any remuneration in the form of share options or bonuses associated with the Company's performance.

The table below highlights the remuneration received by the Directors for their involvement in the Board and Sub-Committees during the financial years 2023 and 2024 respectively:

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PRINCIPLE 4- DIRECTOR'S DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)**Board Fees**

Board Members	Year ended 30 June 2023	Year ended 30 June 2024
Chairman	GBP 78,000	GBP 78,000
Non-Executive Directors	MUR 960,000	MUR 1,200,000
Independent Non-Executive Directors	MUR 1,920,000	MUR 2,400,000

Directors	Board Fees in FY 2024
Carl Alan Mark Florman	GBP 78,000
Mardayah Kona Yerukunondu	MUR 600,000
Hemlata Sadhna Sewraj-Gopal	MUR 600,000
Jean Michel Louis Rivalland	MUR 600,000
Mohamed Swadicq Nuthay	MUR 600,000
Neemalen Gopal	MUR 600,000
Swaminathan Ragen	MUR 600,000

Sub-Committee Fees

- Corporate Governance Fees**

Corporate Governance Members	Year ended 30 June 2023	Year ended 30 June 2024
Independent Non-Executive Directors	MUR 110,000	MUR 65,000

Corporate Governance Members	Corporate Governance Fees in FY 2024
Neemalen Gopal	MUR 25,000
Jean Michel Louis Rivalland	MUR 20,000
Swaminathan Ragen	MUR 20,000

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PRINCIPLE 4- DIRECTOR'S DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

- Audit and Risk Committee Fees**

Audit Risk Committee	Year ended 30 June 2023	Year ended 30 June 2024
Independent Non-Executive Directors	MUR 195,000	MUR 175,000

Audit Risk Committee Members	Audit Risk Committee Fees in FY 2024
Mohamed Swadicq Nuthay	MUR 75,000
Neemalen Gopal	MUR 60,000
Swaminathan Ragen	MUR 40,000

Information Technology Security Policy

The MIC complies with the Information Technology Policy, IT and Information Security Policy, of its shareholder, the Bank of Mauritius and those are published on its website. The policy includes appropriate organizational and technical precautions for access control, access rights, virus protection and data protection. The policy is regularly reviewed by the Board of the Bank of Mauritius to ensure it is up to date with changes in technology and security standards. The Board approves all major IT expenditures as a point of control to ensure the investments are necessary. The Company is also embracing technological change and is actively pursuing upgrades to their information systems to support its growth strategy.

Data Protection

The Data Protection Act 2017, which came into effect in January 2018, brought a major change in Mauritius' legal landscape. The Board of the MIC ensures that it complies with the Data Protection Act 2017 and ensures that all its operations are compliant with the data protection regulations.

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 5- RISK GOVERNANCE AND INTERNAL CONTROLS

The Board considers it important to have a regular and systematic approach to the management of risks in order to provide assurance that the strategic and operational goals can be met, and MIC's reputation is protected.

RISK GOVERNANCE AND INTERNAL CONTROL

The Board has the ultimate responsibility for risk governance and internal control systems as well as determining the nature and extent of the principal risks it is willing to take to achieve its strategic objectives.

The Audit and Risk Committee of the MIC is responsible for reviewing the Company's internal controls, including the systems established to identify, assess, manage and monitor principal risks; and receive reports from management on the effectiveness of these controls and systems; reviewing the risks policies applying to the Company, and their adequacy to industry best practices and to the specific business environment; monitor the risk heat map and risk register maintained by Management on a periodic basis to identify, assess, manage and monitor principal risks and, ensure that same is updated on a regular basis and that remedial actions are taken accordingly.

The structures and processes in place for the identification and management of risks at the Company is outlined in the Risk Report. The Risk Report also outlines the systems and processes in place for implementing, maintaining and monitoring the internal controls.

Risk Report

Risk Management is a fundamental function of MIC's strategy, business decisions and operations. The MIC is committed to nurturing a strong risk culture within the organisation, supported by an Enterprise Risk Management (ERM) framework, which is thoroughly integrated within all the business units of the company. The Risk Management strategy plays an active role in managing risk exposures by taking a universal view of the inherent risks pertaining to our strategy and operations. The Company is reinforcing its ERM framework and risk management function and the systematic monitoring of the organization's investment portfolio, whilst ensuring the resilience of the control mechanisms in view of the changing operating landscape.

RISK GOVERNANCE

At the MIC, the Board has the overall responsibility for risk management, setting of risk tolerance levels as well as the implementation of the risk management policy. The Company recognises the importance of identifying and managing financial and non-financial risks faced by the business.

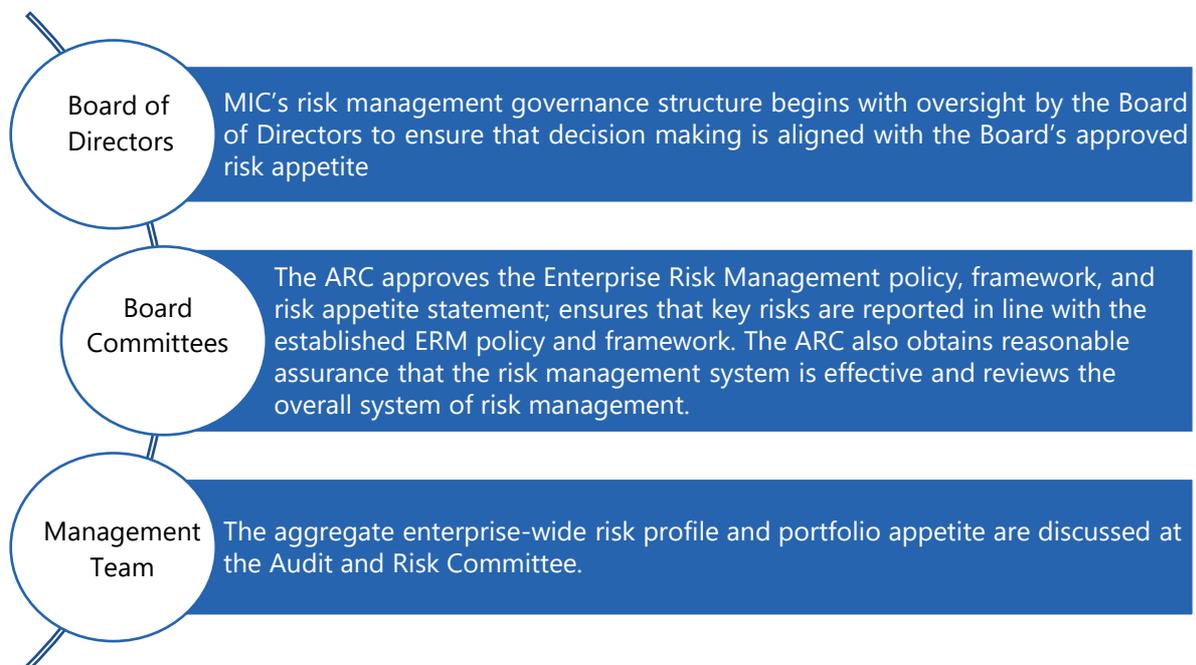
MAURITIUS INVESTMENT CORPORATION LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE 5- RISK GOVERNANCE AND INTERNAL CONTROLS (CONTINUED)

In response to this, it has developed a rigorous risk management framework designed to identify and assess the likelihood and consequences of risks, and to manage the actions necessary to mitigate their impact. Our risk identification processes seek to identify risks from both a top-down strategic approach and a bottom-up operational perspective.

The framework enables the business units to identify opportunities within defined risk limits. As such, the Audit and Risk Committee’s (“ARC”) objective is to encourage best risk management practices across the Company, together with a culture of regulatory compliance and ethical behaviour. The governance structure and associated lines of communication at MIC are illustrated below:



Principal Risks

MIC continuously reviews its principal risks to ensure an appropriate understanding of the overall operating environment. As part of its investment process, a client risk assessment is performed whereby the investee companies’ shareholders’/ultimate beneficial owner AML/CFT risks, their credit history, nature of business is assessed prior onboarding. Moreover, the investee’s business risk assessment is also assessed by analysing its leverage ratios and the company’s credit history. After analysing these early warning indicators, the risk profile of the counterparty is compared against our risk appetite.

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PRINCIPLE 5- RISK GOVERNANCE AND INTERNAL CONTROLS (CONTINUED)

Principal Risks (Continued)

After disbursement of the investment funds, the risk management approach includes monitoring of the financial performance of the investees on a quarterly basis, with particular emphasis on profitability, leverage, efficiency and liquidity ratios, and a risk rating is assigned accordingly. Post disbursement, financial covenants as per Subscription Agreements binding the counterparty to the Company are scrupulously verified.

The risk profile of the investees is reported to the Board on a quarterly basis. Our business decisions are taken with the objective of managing the reputational risk of the Company.

The MIC has strengthened its internal control functions by appointing an Internal Auditor who shall provide added assurance to the Board of Directors that a system of internal control has been adequately implemented and is operating effectively.

The table below outlines the main risks faced by MIC and the mitigation action to those risks:

Principal Risk	Description	Mitigation Action
Operational Risk	Operational risk is the risk of loss suffered as a result of the inadequacy of, or failure in, internal processes, people and/or systems or from external events.	MIC has an effective operational risk management program, which includes the three lines of defence (business units as the first line, risk and compliance as the second line and internal audit as the third line of defence), operational risk policies and procedures, and risk identification, assessment, monitoring and reporting processes as per the Enterprise Risk Management Framework. The Audit and Risk Committee continuously assesses the controls in place to ensure that any control weakness is promptly identified and addressed, which are regularly reported to the Board.

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PRINCIPLE 5- RISK GOVERNANCE AND INTERNAL CONTROLS (CONTINUED)

Principal Risk	Description	Mitigation Action
Strategic Risk	Strategic risks threaten an organisation's ability to deliver expected outcomes and harm the organisation's ability to grow and prosper. An example of strategic risk is non-payment of interests due on bonds. A force majeure event (e.g., flood, cyclone, fire) increases the systematic risk of our portfolio leading to disruption in business and operations of the investee companies, hence negatively impacting MIC's portfolio.	The strategic risks are mitigated through monitoring of the interests' payments, financial performance of our investee companies and keeping track of market news and trends.
Interest Rate Risk	The risk arising from changes in interest rates or the prices of interest rate-related securities impacts on the Company's earnings.	MIC manages its interest rate risk by aiming to maximise the risk-adjusted net interest income within the tolerable level. The interest rate risk is closely monitored and the impact on earnings is assessed in the event of changes in rates or the squeezing of the net interest margin due to a rise in the cost of funds or lower interest rates on bonds subscribed. Rising interest rates affect future cash flows or the fair values of financial instruments, especially floating rate bonds. Through our diversification strategy, MIC is aiming to invest in a range of financial instruments, across different strategic regions and sectors.
Credit Risk	MIC takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.	Changes in the counterparties' credit risk are monitored by observing the default and loss experience. The Company uses the probability of default/loss given default approach to calculate any expected credit losses on financial assets at amortized cost. Furthermore, the financial performance of the investees, their credit history and indebtedness levels are closely monitored.

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 5- RISK GOVERNANCE AND INTERNAL CONTROLS (CONTINUED)

Principal Risk	Description	Mitigation Action
Concentration Risk	MIC's investment portfolio consists mainly of exposures in the aviation, accommodation and food service activities and manufacturing sectors.	MIC's investment portfolio is actively being diversified through the Future Generations and Infrastructure portfolios by investing in other sectors, financial instruments and geographical regions.
Information Technology Risk	A cyber-attack or serious failure in our systems could result in failure to operate and/or the loss of data. The Company is heavily dependent on technology for the smooth functioning of our activities. This occurrence could result in reputational loss, revenue loss and financial penalties. This is the most significant factor in the Company's business continuity planning.	Stringent policies surrounding security, user access, change control and the ability to download and install software have been put in place. Use of antivirus and malware software, firewalls, email scanning and internet monitoring is an integral part of our security plan.
Price Risk	It is the risk of unfavorable changes in fair values of financial assets at FVTPL as the result of changes in the value of individual bonds and land held by MIC.	The Company's policy is to manage price risk through diversification of the investment portfolio through a selection of securities and various financial instruments within the specified limits set by its investment policy.
Liquidity Risk	Liquidity risk is defined as the risk that an entity, although solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms. An asset's liquidity may change over time, depending on outside market influences.	The liquidity risk of the portfolio is mitigated through investment in various financial instruments.

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 5- RISK GOVERNANCE AND INTERNAL CONTROLS (CONTINUED)

Principal Risk	Description	Mitigation Action
Market Risk	Market risk is the risk of a change in the market value, actual or effective earnings, or future cash flows of a portfolio of financial instruments caused by adverse movements in market variables such as equity and bond prices, currency exchange and interest rates.	Economic forecasts show that the economy has been recovering from the sharp contraction in 2020 due to the pandemic. Real sector developments are picking up, unemployment levels are falling, tourist arrivals and earnings are gradually stabilizing. As such, our investee companies are improving their performance which is expected to bring a favorable change in our risk profile.

INTERNAL CONTROL

The MIC has an in-house audit function. The Internal Auditor of the Company is responsible for providing additional assurance to the Board and Senior Management on the adequacy and operational effectiveness of the internal control, risk management and governance system and processes in place. The risks that the Company faces are discussed in the Risk Report.

The Board is also responsible for:

- Identifying and assessing key risk areas of the organization and ensure appropriate measures are taken to mitigate those risks
- Ensuring that effective internal control systems are in place to safeguard the Company's assets and review the effectiveness of the applicable systems and controls from time to time
- Ensuring compliance with laws and regulations, including risk management and corporate governance practices and disclosure requirements
- Ensuring that the procedures and practices are in place that protect the Company's assets and reputation
- Setting appropriate policies in respect of risk and operations of the Company
- Ensure that clear lines of responsibility and accountability exist and are enforced throughout the Company; and
- the Company's strategy and business risk, the management's assessment of the internal risk management and control systems, and any significant changes to such systems once a year.

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 5- RISK GOVERNANCE AND INTERNAL CONTROLS (CONTINUED)**WHISTLEBLOWING POLICY**

The MIC has approved a whistleblowing policy which is included in the Code of Ethics and Business Conduct of the Company.

This policy aims to provide a means for issues to be raised in good faith, concerning potential breaches of laws, rules, regulation or compliance.

The whistleblowing mechanism is intended to encourage responsible behavior that upholds MIC's reputation.

PRINCIPLE 6- REPORTING WITH INTEGRITY**DIRECTORS' RESPONSIBILITY**

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

The provisions of the Mauritius Companies Act 2001 further require the Directors to prepare financial statements for each financial year in accordance with IFRS Accounting Standards and ensure that they are free from material misstatements, whether due to oversight or error.

The Directors affirm their responsibilities in preparing the Annual Report and the Financial Statements of the Company, which comply with IFRS Accounting Standards, the Companies Act and the Financial Reporting Act 2004.

The Board considers that taken as a whole, the financial statements are fair, balanced, understandable and provide the relevant information allowing the shareholder and other stakeholders to assess MIC's position, performance, and outlook. The full set of financial statements of the Company shall be published on the MIC's website.

ENVIRONMENTAL POLICY AND INITIATIVES

The Company duly adheres to sustainability principles towards making a sound and sustained contribution to the economy, environment and communities in which it operates. A sustainability framework has been developed showing MIC commitment to invest in a responsible manner, considering environmental, social and governance (including business integrity) ("ESG") matters. Effective management of such matters reduces risks to employees, the environment, local communities and other stakeholders.

The implementation of good ESG practices is associated with a wide range of business benefits including access to markets, reduced staff turnover, cost efficiencies in production and enhanced stakeholder relations.

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 7- AUDIT**INTERNAL AUDIT**

Internal Audit is an independent in-house function designed to add value to, and improve, MIC's operations. It helps the Company to accomplish its objectives by taking a systematic and disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes.

The Company has recently set up its in-house audit function in view of the growing nature of business and the Internal Auditor of the Company is responsible for providing additional assurance to the Board and Senior Management on the adequacy and operational effectiveness of the internal control, risk management and governance system and processes in place.

The independent activities of the Internal Audit of the Company have been planned such as to cover the operational, financial and compliance aspects. Focus is placed on areas where the risks are anticipated to be significant.

The Audit and Risk Committee is comforted that the Internal Audit functions cover all key areas of the organisation, and that no restriction is placed on the rights of access of the Internal Auditor with regards to records, management or employees. The qualifications of the Internal Auditor will be published on MIC's website.

EXTERNAL AUDIT

The Audit and Risk Committee is responsible for evaluating the independence, effectiveness and eligibility of the external auditor before making a recommendation to the Board on their appointment and retention to ensure overall adequacy of the Company's internal control framework.

For the year ended 30 June 2024, the Board has approved the appointment of Messrs. KPMG as external auditor. The total duration of the audit assignment is for a period of one year with the possibility of reappointing the selected firm annually, subject to regulatory provisions and approval at the Annual Meeting of Shareholders of MIC Ltd.

Regarding the external audit function, the Audit and Risk Committee is responsible for:

- Recommending the appointment of the external auditors to the Board for further recommendation to the Shareholder at the annual meeting.
- Approving the terms of engagement, scope of the audit process and remuneration of the auditor for audit and non-audit services.
- Assessing, on an annual basis, the independence and objectivity of the external auditors taking into account relevant professional and regulatory requirements.

MAURITIUS INVESTMENT CORPORATION LTD**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024**

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PRINCIPLE 7- AUDIT**EXTERNAL AUDIT (CONTINUED)**

- Assessing the effectiveness of the audit process.
- Reviewing annually in presence of the external auditor their management letter and report on audit; monitor management's responsiveness and actions to the findings and recommendations contained therein.

The external auditor has direct access to the Committee should they wish to discuss any matters privately. Any instruction to external auditor to provide non-audit services is closely reviewed and approved by the Board, on the recommendation of the Audit and Risk Committee, thereby ensuring the auditor's independence. During the period under review, the external auditor did not provide any other non-auditing services to the MIC. The Audit and Risk Committee has discussed accounting principles with the external auditor prior approval of the Financial Statements.

AUDITOR'S INDEPENDENCE

The Audit and Risk Committee is responsible for monitoring the external auditor's independence, objectivity and compliance with ethical, professional and regulatory requirements.

Audit fees payable, amounting to MUR 1,947,000 (exclusive of VAT), are commensurate with the audit services provided to ensure that an effective audit is carried out.

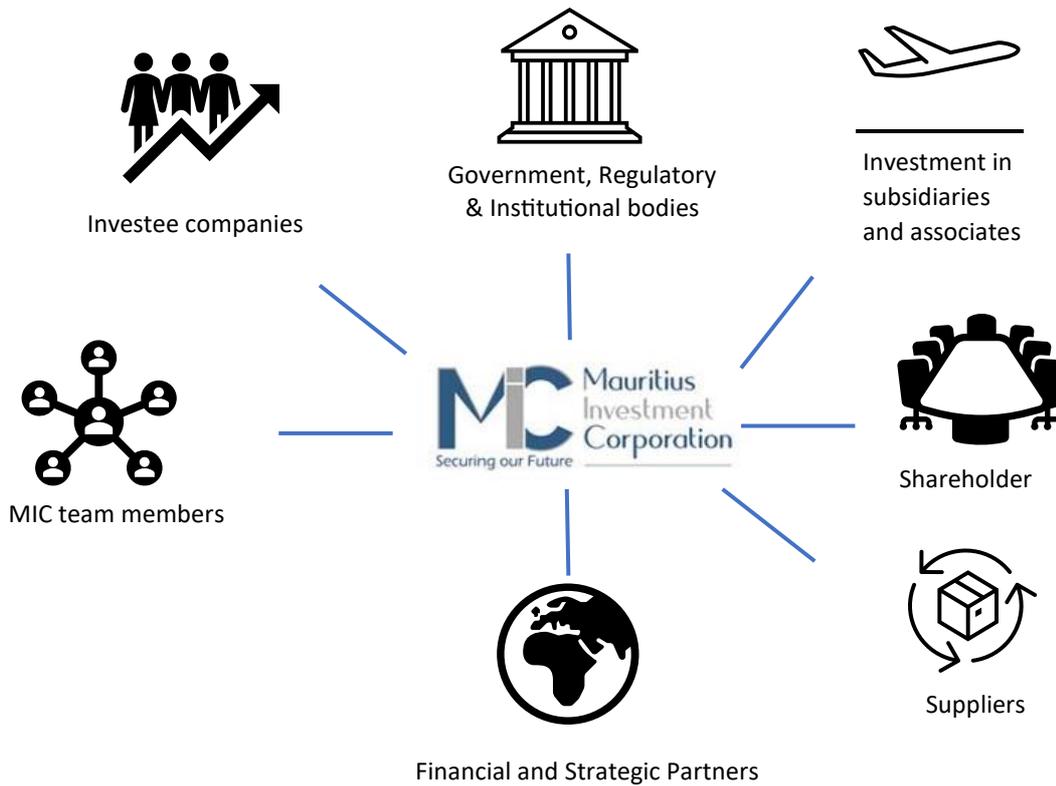
The Auditor should ensure that it observes the highest standards of business and professional ethics and, in particular, that its independence is not impaired in any manner.

MAURITIUS INVESTMENT CORPORATION LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE 8- RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

MIC's key stakeholders



SHAREHOLDING STRUCTURE

As at 30 June 2024, MIC has 8,100,000 Ordinary Shares in issue, representing 100% ownership by the Bank of Mauritius.

COMMUNICATION (MEETING) WITH STAKEHOLDERS

This financial year was significant for the MIC, as a member of the Africa Sovereign Investors Forum (ASIF). The company had the opportunity to host the third ASIF's annual conference which became the main platform for ASIF's key members and partners to shed the light on how African stakeholders' efforts, drive and support sustainable targets.

This event explored the role and collaboration that innovative financing solutions can play to reflect the African sovereign investors journey in catalyzing development in their home countries and across the continent. It is to be noted that the event was honored by the presence of high-level representatives from ASIF members, international and regional stakeholders across Mauritius' institutions.

MAURITIUS INVESTMENT CORPORATION LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPLE 8- RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONTINUED)

The MIC has also had interactive sessions with selective key stakeholders three times during the financial year 2023-24. The key stakeholders consisted of Business Mauritius, Mauritius Bankers Association, the British High Commission, Economic Development Board, Association of Hoteliers and Restaurants in Mauritius, Agence Française de Développement, Proparco, British International Investment, Mauritius Export Association and MIC’s investees

The aims of these sessions were mainly to collect collaborative ideas and opinions from stakeholders, to consider the upcoming challenges in Mauritius and to consider rooms for improvements.

COMMUNICATION WITH KEY STAKEHOLDERS

The Board of MIC is committed to promoting an open and transparent communication with its stakeholders to ensure that they receive the correct and adequate information while upholding trustworthy relationships with them.

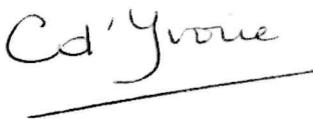
It tries to maintain an ongoing dialogue with its shareholder by updating them of all material business developments that influence the Company in a transparent and timely manner through various communication channels.

The Company provides a quarterly review of its activities to its sole shareholder and a review of its performance and outlook.

MIC’s website provides for an adapted and comprehensive self-service interface.

Shareholder’s Information and Calendar of Events

Event	Date
<i>Financial year end</i>	30 June
<i>Annual meeting of shareholder</i>	December
<i>Publication of financial year results</i>	December



Chairperson of the Board



Chairperson of the Corporate Governance Committee

MAURITIUS INVESTMENT CORPORATION LTD

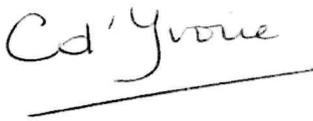
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

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STATEMENT OF COMPLIANCE BY DIRECTORS ON CORPORATE GOVERNANCE REPORT

Throughout the year ended 30 June 2024, to the best of the Board's knowledge the Company has complied with the Corporate Governance Code for Mauritius (2016).

The Company has applied all the principles set out in the Code and explained how these principles have been applied.



Chairperson of the Board



Chairperson of the Corporate Governance Committee

Date: 29 October 2024

Date: 29 October 2024

MAURITIUS INVESTMENT CORPORATION LTD

**SECRETARY'S CERTIFICATE TO THE MEMBERS OF MAURITIUS INVESTMENT CORPORATION LTD
UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001**

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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 Mauritius Investment Corporation Ltd (the "Company") under the Mauritius Companies Act 2001 during the financial year ended 30 June 2024.



Secretary

Date: 29 October 2024

Registered Office:

Level 5, The Docks 2
United Docks, Business Park



KPMG
KPMG Centre
31, Cybercity
Ebène
Mauritius
Telephone +230 406 9999
Telefax +230 406 9988
BRN No. F07000189
Website www.kpmg.mu

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF MAURITIUS INVESTMENT CORPORATION LTD

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of MAURITIUS INVESTMENT CORPORATION LTD (the Company), which comprise the separate statement of financial position as at 30 June 2024 and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and the notes to the financial statements, comprising material accounting policies, as set out on pages 43 to 84.

In our opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of MAURITIUS INVESTMENT CORPORATION LTD as at 30 June 2024, and of its separate financial performance and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in compliance with the requirements of the Mauritius Companies Act and Financial Report Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Company Information, Commentary of the Directors, Corporate Governance Report, Statement of Compliance, Secretary's Certificate but does not include the separate financial statements and our auditors' report thereon, which we obtained prior to the date of the auditors' report, and the Annual Report, which is expected to be made available to us after that date.



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF MAURITIUS INVESTMENT CORPORATION LTD

Report on the Audit of the Separate Financial Statements

Other Information (Continued)

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

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

Responsibilities of Directors for the Separate Financial Statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in compliance with the requirements of the Mauritius Companies Act and Financial Reporting Act, and for such internal control as the directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate 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.



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF MAURITIUS INVESTMENT CORPORATION LTD

Report on the Audit of the Separate Financial Statements

Auditors' Responsibilities for the Audit of the Separate Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate 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 separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Use of our Report

This report is made solely to the Company's shareholder, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's shareholder, those matters that we are required to state 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 shareholder, for our audit work, for this report, or for the opinions we have formed.



**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDER OF MAURITIUS INVESTMENT CORPORATION LTD**

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Company other than in our capacity as auditors. We have obtained all the information and explanations we have required.

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

Financial Reporting Act

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 requirement 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.

Initial
KPMG

KPMG
Ebène, Mauritius

Date: **30 October 2024**

Signed by:
Mervyn Lam Hung
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Mervyn Lam Hung
Licensed by FRC

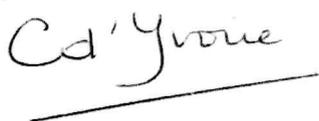
MAURITIUS INVESTMENT CORPORATION LTD

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

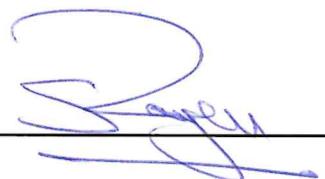
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	Notes	30 June 2024 MUR'000	30 June 2023 MUR'000
ASSETS			
Non-current assets			
Plant and equipment	6	6,847	2,956
Intangible assets	7	1,438	293
Investment properties	8	4,992,573	4,026,925
Investment in subsidiaries	9	7,441,265	4,964,122
Investment in associate	10	23,221,118	25,000,000
Financial assets at fair value through profit or loss (FVTPL)	11	20,738,871	17,357,776
Rental deposit	12	1,844	1,344
Total non-current assets		56,403,956	51,353,416
Current assets			
Receivables	13	34,570	21,121
Cash and cash equivalents		26,445,813	31,579,039
Total current assets		26,480,383	31,600,160
TOTAL ASSETS		82,884,339	82,953,576
CURRENT LIABILITY			
Other payables	14	31,198	11,155
EQUITY			
Stated capital	15	81,000,000	81,000,000
Retained earnings		417,577	1,012,437
Reserves	15	1,435,564	929,984
TOTAL EQUITY		82,853,141	82,942,421
TOTAL LIABILITY AND EQUITY		82,884,339	82,953,576

Authorised and approved for issue by the Board of Directors on 29 October 2024 and signed on its behalf by:



Mrs. Catherine Bouvier d'Yvoire
(Chairperson)



(Director)



Mr Jitendra Bissessur
(Chief Executive Officer)

The notes on pages 47 to 84 form part of these separate financial statements.
Independent auditors' report on pages 39 to 42.

MAURITIUS INVESTMENT CORPORATION LTD**SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024**

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	Notes	For the year ended 30 June 2024	For the year ended 30 June 2023
		MUR'000	MUR'000
Revenue			
Interest income on bonds and notes		1,347,372	639,164
Front-end, legal and registration fees	16(a)	19,683	12,372
Other income	17	29,242	20,902
Dividend Income		490,250	-
Total revenue		1,886,547	672,438
Expenses			
Professional, legal and registration costs	16(b)	42,028	18,691
General expenditure	18	105,395	20,084
Cane management fees		18,409	11,474
Staff salaries and other benefits		35,354	21,001
Directors' fees	19	8,123	7,160
Overseas meeting, training and conferences		6,094	4,539
Depreciation	6&7	2,965	2,218
Impairment of investment in associate	10	1,778,882	-
Investment committee fees		1,080	1,080
Total operating expenses		1,998,330	86,247
Profit before changes in fair value of financial assets at FVTPL		(111,783)	586,191
Changes in fair value of financial assets at FVTPL (bonds and notes)	11	326,661	(784,827)
Changes in fair value of investment properties	8	107,175	236,825
Changes in fair value of investment in subsidiaries	9	78,917	174,287
Profit after changes in fair value of financial assets at FVTPL		400,970	212,476
Income tax expense	24	-	-
Profit for the year		400,970	212,476

The notes on pages 47 to 84 form part of these separate financial statements.
Independent auditors' report on pages 39 to 42.

MAURITIUS INVESTMENT CORPORATION LTD

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SEPARATE STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2024

	Stated Capital	Revaluation reserve	Fair valuation reserve	Retained earnings	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Balance as at 30 June 2022	81,000,000	300,325	1,003,374	426,246	82,729,945
Profit for the year	-	-	-	212,476	212,476
Change in fair value of financial assets at FVTPL (bonds and notes)	-	-	(784,827)	784,827	-
Revaluation of investment properties	-	236,825	-	(236,825)	-
Change in fair value of investment in subsidiary	-	-	174,287	(174,287)	-
Balance as at 30 June 2023	81,000,000	537,150	392,834	1,012,437	82,942,421
Balance as at 30 June 2023	81,000,000	537,150	392,834	1,012,437	82,942,421
Profit for the year	-	-	-	400,970	400,970
Change in fair value of financial assets at FVTPL (bonds and notes)	-	-	326,661	(326,661)	-
Revaluation of investment properties	-	107,175	-	(107,175)	-
Change in fair value of investment in subsidiary	-	-	78,917	(78,917)	-
Transfer from revaluation reserve to retained earnings due to sales of land	-	(7,173)	-	7,173	-
<i>Transactions with shareholders</i>					
Dividend paid to shareholder	-	-	-	(490,250)	(490,250)
Balance as at 30 June 2024	81,000,000	637,152	798,412	417,577	82,853,141

The notes on pages 47 to 84 form part of these separate financial statements.
Independent auditors' report on pages 39 to 42.

MAURITIUS INVESTMENT CORPORATION LTD

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SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Year ended 30 June 2024 MUR'000	Year ended 30 June 2023 MUR'000
Cash flows from operating activities			
Cash generated from operations		(111,783)	586,191
<i>Adjustments for non-cash items:</i>			
- Depreciation	6&7	2,965	2,218
- Impairment	10	1,778,882	-
- Interest income		(1,347,372)	(639,164)
- Gain on disposal		(3,423)	-
- Dividend income		(490,250)	-
- Other payables	14	20,043	(4,296)
- Receivables	13	(13,449)	(21,121)
- Rental Deposit	12	(500)	(1,344)
		(164,887)	(77,516)
- Interest received		857,938	428,007
- Dividend received		490,250	-
Net cash flows generated from operating activities		1,183,301	350,491
Cash flows from investing activities			
Acquisition of financial assets at fair value through profit or loss	11	(2,895,000)	(3,305,000)
Redemption of financial assets at fair value through profit or loss	11	330,000	65,000
Acquisition of subsidiary	9	(2,398,226)	-
Acquisition of investment properties	8	(875,000)	(511,075)
Proceeds from sales of investment properties		19,950	-
Acquisition of plant and equipment and intangible assets	6&7	(8,001)	(3,085)
Net cash flows used in investing activities		(5,826,277)	(3,754,160)
Cash flows from financing activities			
Dividend paid		(490,250)	-
Net cash flows used in financing activities		(490,250)	-
Net decrease in cash and cash equivalents		(5,133,226)	(3,403,669)
Cash and cash equivalents at start of year		31,579,039	34,982,708
Cash and cash equivalents at 30 June 2024		26,445,813	31,579,039

The notes on pages 47 to 84 form part of these separate financial statements.
Independent auditors' report on pages 39 to 42.

MAURITIUS INVESTMENT CORPORATION LTD

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1 GENERAL INFORMATION

The Mauritius Investment Corporation Ltd (the "Company") was incorporated on 2 June 2020 as a private limited company and is fully owned by the Bank of Mauritius. The Company's mission is to support and accelerate the economic development of Mauritius, to ensure that domestic systemic economic operators that are affected as a result of the COVID-19 pandemic are kept afloat. The Company's registered office is at Level 5, The Docks 2, United Docks Business Park, Caudan, Port Louis.

The main objectives of the Company are:

- to support and accelerate the economic development of Mauritius and build a savings base for the citizens of Mauritius;
- to assist systemically large, important and viable companies incorporated in Mauritius which are financially distressed as result of the COVID-19 pandemic;
- to invest in companies geared towards building self-sufficiency in key basic necessities;
- to invest in companies enhancing Mauritius as an innovation-driven economy; and
- to invest the assets under its management to secure key basic necessities and support higher long-term growth of Mauritius.

2 BASIS OF PREPARATION**(a) Statement of compliance**

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as adopted by International Accounting Standard Board (IFRS Accounting Standards) and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

(b) Basis of measurement

The financial statements have been prepared using the going concern principle under the historical cost basis, except for financial assets and liabilities at fair value through profit or loss, investment in subsidiary and investment properties, which are measured at fair value.

(c) Functional and presentation currency

The financial statements of the Company are presented in Mauritian Rupee ("MUR"), rounded to the nearest thousand rupees, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

MAURITIUS INVESTMENT CORPORATION LTD

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2 BASIS OF PREPARATION (CONTINUED)**(d) Use of estimates and judgements (continued)**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2024, as well as critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are provided in Note 4.

(e) Going concern

The Board at the time of approving the financial statements is not aware of any uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in the financial statements.

Plant and Equipment**Recognition and Measurement**

Items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of plant or equipment have different useful lives, then they are accounted for as separate items (major components) of plant and equipment.

Any gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income in profit or loss.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is calculated to write off the cost of items of plant and equipment less their estimated residual values over their estimated useful lives as follows:

- Motor Vehicles - 25%
- Office Equipment - 10% per annum
- Computer Equipment - 20% per annum

Depreciation methods, useful lives and residual values if not insignificant, are reviewed at each reporting date and adjusted as appropriate.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)***Plant and Equipment (continued)***

There has been a change in depreciation rate of MIC compared to last year in order to align the rate with the parent company which was altered during the financial year of June 2024.

Intangible Assets

Intangible assets are stated at cost, net of accumulated amortisation and any accumulated impairment losses. Amortisation is provided on a straight-line basis at the rate of 20% per annum so as to write off the depreciable value of the assets over their estimated useful lives. Amortisation methods, useful lives and residual values if not insignificant, are reviewed at each reporting date and adjusted as appropriate.

There has been a change in amortisation rate of MIC compared to last year in order to align the depreciation policy of the company with that of its parent company which was effective as from 01 July 2023.

Investment properties**Recognition and Measurement**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains and losses arising from changes in fair values of investment properties are included in profit or loss in the year/period in which they arise. Fair values are determined based on an annual valuation performed by an accredited external independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investments in subsidiaries and associate**Subsidiaries**

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Associates

Associates are those entities in which the Company has significant influence, but have no control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Company holds 20% or more of the voting power of another entity.

Accounting for subsidiaries and associates

Investments in subsidiaries are measured at fair value through profit or loss. Investments in associates are measured at cost less impairment.

MAURITIUS INVESTMENT CORPORATION LTD

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)***Investments in subsidiary and associate (continued)*****Consolidation and equity method accounting exemption**

The Company has not consolidated its investment in subsidiaries and not applied the equity method to its investment in associate given that it is exempt from preparing the consolidated financial statements based on the following:

- (a) The Company is a wholly owned subsidiary of the Bank of Mauritius, which has been informed about, and does not object to the following:
 - the Company not presenting the consolidated financial statements for its investments in subsidiaries.
 - the Company not applying the equity method for its investments in associates.
- (b) The Company's debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);
- (c) The Company did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation, for the purpose of issuing any class of instruments in a public market; and
- (d) The ultimate or any intermediate parent of the Company produces financial statements available for public use that comply with IFRS Accounting Standards, in which subsidiaries are consolidated or are measured at FVTPL.

Based on the above criteria, the Company is exempted from the preparation of consolidated financial statements and equity accounting of its associate as the ultimate holding company, the Bank of Mauritius, prepares the consolidated financial statements in accordance with IFRS Accounting Standards and is available for public use. The registered office of the Bank of Mauritius is Sir William Newton Street, Port Louis, Mauritius. The consolidated financial statements of the Bank of Mauritius are publicly available on its website [<https://www.bom.mu/>].

Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets (continued)

Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in prior periods are assessed at each balance sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Recognition and initial measurement

Financial assets at fair value through other comprehensive income (FVOCI) (debt instruments) are recognised initially when they are originated.

Other financial assets and liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost or fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI).

Financial assets at FVTPL

Financial assets which are managed and whose performance is evaluated on a fair value basis and which are not classified as measured at amortised cost or FVOCI as described below are measured at FVTPL. This includes investments in equity securities.

The Company has not elected to designate equity instruments at FVOCI at the time of initial recognition.

Financial assets at FVTPL include bonds and notes and investment in subsidiaries.

MAURITIUS INVESTMENT CORPORATION LTD

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)***Financial instruments (continued)****(ii) Classification (continued)*Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

This category includes cash and cash equivalents and receivables.

Debt instruments at FVOCI

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets, to collect contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Business Model assessment

In making an assessment of the objective of the business model in which a financial asset is held at a portfolio level, the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- periods, the reasons for such sales and expectations about future sales activity.
- how managers of the businesses are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

MAURITIUS INVESTMENT CORPORATION LTD

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)*****Financial instruments (continued)***Business Model assessment (continued)

The Company has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents and receivables. These financial assets are held to collect contractual cash flows.
- Other business model: These financial assets are managed, and their performance is evaluated, on a fair value basis. This includes financial assets at fair value through profit or loss and investment in subsidiaries.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse loans); and
- features that modify consideration of the time value of money (e.g., periodical reset of interest rates).

(iii) Subsequent measurement

Category	Subsequent measurement
Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses are recognised in the separate statement of profit or loss as 'change in fair value of financial assets at fair value through profit or loss'. Interest income on such instruments has been disclosed as a separate line item in the separate statement of profit or loss and other comprehensive income.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. Impairment is recognised as 'impairment loss on financial assets at amortised cost' and is recognised as a separate line item in the statement of profit or loss. Any gain or loss on derecognition and modification is also recognised in the separate statement of profit or loss and other comprehensive income.
Financial liabilities at amortised cost	These financial liabilities are subsequently measured at amortised cost using the effective interest method.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)***Financial instruments (continued)****(iv) Fair value measurement*

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable input and minimize the use of unobservable input. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred. The fair value of the financial instruments that are not traded in active markets is determined by using valuation techniques. The Company has used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the reporting date. The principles of the International Private Equity and Venture Capital Valuation Guidelines have been used for the valuation of the financial assets at FVTPL. Note 21 provides details of the valuation techniques that the Company has applied.

(v) Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability at initial recognition.

When calculating the effective interest rate, the Company estimates the future cash flows considering all contractual terms of the financial instruments but not the future credit losses.

(vi) Impairment

The Company recognises loss allowances for Expected Credit Losses ("ECLs") on financial assets measured at amortised cost.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)***Financial instruments (continued)****(vi) Impairment (continued)*

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default:

- when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising assets (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)***Financial instruments (continued)****(vi) Impairment (continued)**Credit-impaired financial assets*

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer
- it is probable that the borrower will enter bankruptcy or other financial reorganisation
- the underlying project is put on hold
- breach of contract such as a default or being more than 90 days past due

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(vii) Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Financial liabilities comprise of other payables. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)***Financial instruments (continued)****(viii) Derecognition and modification*

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. Realised gain is calculated based on proceeds realised on disposal of investments less its cost. The cost is based on an average cost.

In transactions in which the Company neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

The Company recalculates the gross carrying amount of financial assets and recognises a modification gain or loss in profit or loss when the contractual cash flows are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset.

The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate.

(ix) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

There is no offsetting of financial instruments applied as on reporting in the separate statement of financial position.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)***Financial instruments (continued)****(x) Specific instruments*Cash and cash equivalents

Cash comprises current deposits with the Central Bank and petty cash. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company has elected to present the separate statement of cash flows using the direct method.

Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of tax effects.

Other payables

Other payables are initially stated at their fair values and subsequently measured at amortised cost using the effective interest method.

Revenue and expenditure Recognition

Income and expenditure are recognised as they are earned or incurred and are recorded in the financial statements on an accruals basis to accurately reflect the period to which they relate.

Interest income is recognised in profit or loss as it accrues.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgements in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition, therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgements that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)***Critical judgement areas****Determination of functional currency*

'Functional currency' is the currency of the primary economic environment in which the Company operates. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

Management has determined that the functional currency of the Company is Mauritian Rupees ("MUR").

Estimates and assumptions*Determination of fair value of investment property*

The Company carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The Company engaged independent valuation specialists to determine fair value as at 30 June 2024. The valuer used a valuation technique based on sales comparison approach and residual method of valuation. More details are provided in Note 8.

Fair valuation of financial assets at fair value through profit or loss

The Company may, from time to time, hold financial instruments that are not quoted in active markets, such as its financial assets at fair value through profit or loss. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by experienced personnel at the Company's management. The management's evaluation takes into consideration a business review of the underlying investments (performance development compared with plans) and the actual and planned transactions in the investments.

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in Note 21.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of estimation depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at a exercise price.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)***Estimates and assumptions (continued)****Fair valuation of financial assets at fair value through profit or loss (continued)*

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Asset lives and residual values

Plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

Depreciation policies

Plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Company would currently obtain from the disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life. The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the asset at the end of their expected useful lives.

Fair value of investment in subsidiaries not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Company using valuation techniques including third party values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Company would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments. This results in management exercising significant assumption on the unobservable inputs being used for fair valuation.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)***Estimates and assumptions (continued)****Going concern*

The directors are of the opinion that the Company has adequate resources to continue operations for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the Company's financial statements. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient funding facilities to meet its foreseeable cash requirements.

Impairment of investment in associate

The Company tests annually whether the investments in associate has suffered impairment as prescribed in the accounting policies set out in Note 3. Based on the assessment, the directors believe that the investment in associate has not been impaired as at 30 June 2024.

5 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS**(a) Standards, amendments and interpretations effective for the current period**

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amendments to IFRS Accounting Standards that were relevant to the Company's financial statements and were effective as from 01 July 2023.

Those which may be relevant to the Company are set out below:

Definition of accounting estimates (Amendments to IAS 8)

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The IASB clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

5 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS**(a) Standards, amendments and interpretations effective for the current period (continued)****Definition of accounting estimates (Amendments to IAS 8) (continued)**

- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged. The amendments are effective for periods beginning on or after 01 January 2023, with earlier application permitted. The amendments did not have a material impact on the Company's financial statements.

Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the IASB.

The IASB has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements;
- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material. The amendments are effective from 01 January 2023 but may be applied earlier. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

5 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (CONTINUED)**a) Standards, amendments and interpretations effective for the current period (continued)****Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)**

Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments required the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information in the financial statements.

The directors reviewed the accounting policies and made updates to the information disclosed in Note 3 Material Accounting Policies (2023: Significant accounting policies) in line with amendments.

Other Amendments

The following new and amended standards are effective during the year and did not have a material impact on the Company:

- Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12 Income Taxes)
- IFRS 17 Insurance Contracts.

(b) Standards, amendments and interpretations not yet effective**Classification of liabilities as current or non-current (Amendments to IAS 1)**

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. Additional disclosure is also required for non-current liabilities subject to future covenants. The amendments also clarify how an entity classifies a liability that can be settled in its own shares.

The amendment is effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. The amendments are to be applied retrospectively from the effective date.

The amendments are not expected to have a material impact on the Company.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

6 PLANT AND EQUIPMENT

	Office equipment	Computer equipment	Motor Vehicle	Total
	MUR'000	MUR'000	MUR'000	MUR'000
<u>COST</u>				
At 01 July 2022	4	1,302	3,775	5,081
Additions during the year	-	2,646	-	2,646
At 30 June 2023	4	3,948	3,775	7,727
At 01 July 2023	4	3,948	3,775	7,727
Additions during the year	622	4,515	1,425	6,562
At 30 June 2024	626	8,463	5,200	14,289
<u>ACCUMULATED DEPRECIATION</u>				
At 01 July 2022	-	434	2,265	2,699
Charge for the year	1	1,316	755	2,072
At 30 June 2023	1	1,750	3,020	4,771
At 01 July 2023	1	1,750	3,020	4,771
Charge for the year	52	1,538	1,081	2,671
At 30 June 2024	53	3,288	4,101	7,442
<u>NET BOOK VALUE</u>				
At 30 June 2024	573	5,175	1,099	6,847
At 30 June 2023	3	2,198	755	2,956

7 INTANGIBLE ASSETS

	Computer Software
	MUR'
<u>COST</u>	
At 01 July 2022	-
Additions during the year	439
At 30 June 2023	439
At 01 July 2023	439
Additions during the year	1,439
At 30 June 2024	1,878
<u>ACCUMULATED AMORTISATION</u>	
At 01 July 2022	-
Charge during the year	146
At 30 June 2023	146

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

7 INTANGIBLE ASSETS (CONTINUED)

At 01 July 2023	146
Charge for the year	294
At 30 June 2024	<u>440</u>

NET BOOK VALUE

At 30 June 2024	<u>1,438</u>
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At 30 June 2023	<u>293</u>
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8 INVESTMENT PROPERTIES

	<u>2024</u>	<u>2023</u>
<u>Fair value model</u>	MUR'000	MUR'000
At start of year/period	4,026,925	3,279,025
Additions	875,000	511,075
Disposal	(16,527)	-
Change in fair value	107,175	236,825
At end of year/period	<u>4,992,573</u>	<u>4,026,925</u>

Changes in fair value are recognised as gains or losses in profit or loss. All gains or losses are unrealised.

Investment properties have been fair valued on 30 June 2024 by Elevante Property Services Ltd, an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value was determined on an open-market basis by reference to market evidence of transaction prices for similar properties or on a discounted cash flow basis. Details of the Company's investment properties and information about the fair value hierarchy are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	MUR'000	MUR'000	MUR'000	MUR'000
30 June 2024				
Land	-	-	4,992,573	4,992,573
	<u>-</u>	<u>-</u>	<u>4,992,573</u>	<u>4,992,573</u>
30 June 2023				
Land	-	-	4,026,925	4,026,925
	<u>-</u>	<u>-</u>	<u>4,026,925</u>	<u>4,026,925</u>

There were no transfers between the levels during the year.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**8 INVESTMENT PROPERTIES (CONTINUED)**

The sales comparison approach and residual method of valuation have resulted in an increase of MUR 107M in the fair value of the carrying amount of investment property as at 30 June 2024. The assumptions used in the models are based on certain inputs and data prevailing as at 30 June 2024.

Valuation technique and assumptions

The investment properties were valued on 30 June 2024 by a qualified independent professional valuer; Elevante Property Services Ltd. The sales comparison approach involves the assessment of the properties based on sales comparable in the neighbourhood and adjusted to reflect their location, characteristics and size. The residual method of valuation involves a discounted cash flow analysis.

The fair value of the investment properties is based on its market value, which is defined as intended to mean the estimated amount for which an asset or liability should be exchanged on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion. On the basis of current economic and property environment, the directors are satisfied that the carrying amount of the investment property reflects the fair value at the reporting date.

The following table shows the significant unobservable inputs used and the sensitivity of these inputs on the fair value:

2024	Fair value hierarchy	Significant unobservable input	Range of unobservable input
Agricultural land	Level 3	Price per Arpent MUR 4.67million	4.4 – 4.9 ±5%
2023			
Agricultural land	Level 3	Price per Arpent MUR 4.52million	4.3 – 4.7 ±5%

9 INVESTMENT IN SUBSIDIARIES

	2024	2023
<i>Fair value model</i>	MUR'000	MUR'000
At start of year/period	4,964,122	4,789,835
Addition	2,398,226	-
Change in fair value	78,917	174,287
At end of year	7,441,265	4,964,122

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

9 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of subsidiary	Type of shares	Principal place of business	Percentage of equity held	
			2024	2023
MIC Smart City Ltd	Equity	Mauritius	100%	100%
EastCoast Hotel Investment Ltd	Equity	Mauritius	70%	-

The Company acquired 100% of the shares and voting interests in MIC Smart City Ltd during the period ended 30 June 2021.

MIC Smart City Ltd (the "Subsidiary") is a private company incorporated and domiciled in Mauritius. The subsidiary is involved in real estate and property development in the context of the smart city scheme.

On 07 June 2024, MIC acquired 70% shareholding of EastCoast Hotel Investment Ltd representing 1,596 Class B Shares, from Apavou for a total price of EUR 48 million.

EastCoast Hotel Investment Ltd (the "Subsidiary") is a private company incorporated and domiciled in Mauritius. The subsidiary is involved in hospitality business and owns a group of hotels.

The investment properties of the subsidiaries were valued on 30 June 2024 by Elevante Property Services Ltd. The Company valued the investment in subsidiaries using the net asset valuation method. The directors have made an assessment and are of the opinion that the carrying amount of investment approximates its fair value.

The investment has been classified as level 3 under the fair value estimation described under Note 21.

	Level 1	Level 2	Level 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
30 June 2024				
Investment in subsidiaries	-	-	7,441,265	7,441,265
			7,441,265	7,441,265
30 June 2023				
Investment in subsidiary	-	-	4,964,122	4,964,122
	-	-	4,964,122	4,964,122

There were no transfers between the levels during the year.

More details on the valuation technique, assumptions, inputs and data used have been included in Note 21.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

10 INVESTMENT IN ASSOCIATE

(a) Details of the associate are as follows:

	2024	2023
	MUR'000	MUR'000
At start of year/period	25,000,000	25,000,000
Impairment loss	(1,778,882)	-
At end of year/period	23,221,118	25,000,000

Name of associate	Type of shares	Principal place of business	Percentage of equity held	
			2024	2023
Airport Holdings Limited	Equity	Mauritius	49%	49%

(b) The investment in associate is accounted for at cost less impairment.

(c) Dividend amounting to Rs 490M was remitted to the company on 28 June 2024 for its investment in the associate.

(d) Management has assessed the recoverable amount of the investment at 30 June 2024 and recognised an impairment loss of Rs 1,779M based on the unaudited results of the associate at 30 June 2024.

Summarised information extracted from the unaudited financial statements of the associate as at 30 June 2024 is given below:

	2024	2023
	MUR'000	MUR'000
Current assets	14,729,839	16,704,936
Non-current assets	82,536,286	83,745,043
Current liabilities	21,912,598	17,312,995
Non-current liabilities	27,595,355	30,996,166
Net assets	47,758,172	52,140,818
Revenue	39,057,257	31,292,599
Total comprehensive income	(2,658,833)	3,910,235

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	2024	2023
	MUR'000	MUR'000
(a) CONVERTIBLE BONDS		
At start of the year	17,105,405	14,438,980
Additions during the year	2,845,000	3,305,000
Redemptions during the year	(330,000)	(65,000)
Interest receivable	1,334,598	626,664
Interest received	(845,442)	(415,507)
Change in fair value	323,383	(784,732)
At end of year	20,432,944	17,105,405
(b) FIXED SECURED NOTES		
At start of the year	252,371	252,466
Interest receivable	12,534	12,500
Interest received	(12,496)	(12,500)
Change in fair value	-	(95)
At end of year	252,409	252,371
(c) FLOATING SECURED NOTES		
At start of the year	-	-
Additions during the year	50,000	-
Interest receivable	240	-
Change in fair value	3,278	-
At end of year	53,518	-
TOTAL	20,738,871	17,357,776

Financial assets at FVTPL include investments in secured redeemable convertible bonds of systemically large, important and viable companies in Mauritius, with the main objective of maintaining financial stability in the wake of the COVID-19 pandemic. The financial assets at FVTPL also include investments in fixed secured notes and floating secured notes. The carrying amount at 30 June 2024 reflects the fair value of the redeemable convertible bonds and floating secured notes which have been estimated using a scenario-based valuation model.

The scenario-based valuation model has resulted in an increase of **Rs 326m** (2023: decrease of Rs 785m) in the fair value of the secured redeemable convertible bonds and floating secured notes as at 30 June 2024. The assumptions used in the model are based on the expected standard deviation of the issuers' performance, issuer-specific credit spreads and the latest available book equity and total liability of the issuers as at 30 June 2024.

The investment held in fixed secured notes is quoted in an active market. The fair value of quoted securities is based on published market prices.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL) (Continued)**

More details on the valuation technique, assumptions, inputs and data used have been included in Note 21.

12 RENTAL DEPOSIT

From last year, a rental deposit of MUR 1,344,000 was paid to United Docks Properties Ltd in view of the relocation of the Company to the Docks 2. During the financial year, rental deposit of MUR 500,000 was paid to Cote D'or Data Technology Park Ltd for application of lease of land trading to a total balance of rental deposit of MUR 1,844,000 as of 30 June 2024.

13 RECEIVABLES

	<u>2024</u>	<u>2023</u>
	MUR'000	MUR'000
Receivables from subsidiary (MIC Smart City Ltd)	34,570	21,121
	34,570	21,121

Receivables from related parties are interest free, unsecured and do not have a fixed repayment term.

14 OTHER PAYABLES

	<u>2024</u>	<u>2023</u>
	MUR'000	MUR'000
Professional and legal costs accrued	6,960	4,811
Cane management fees payable	5,022	4,409
Other accruals	5,137	1,935
Payable to related parties	14,079	
	31,198	11,155

The other accruals include provisions made with respect to the cane management fees for the year ended 30 June 2024. Payables to related parties are unsecured, interest-free and repayable on demand.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

15 STATED CAPITAL AND RESERVES

A. STATED CAPITAL

	No of shares		Value of shares	
	2024	2023	2024	2023
Ordinary shares			MUR'000	MUR'000
<i>Authorised, issued and fully paid up</i>				
At start of the year	8,100,000	8,100,000	81,000,000	81,000,000
At end of year	8,100,000	8,100,000	81,000,000	81,000,000

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. On winding up, the holder of an ordinary share will be entitled to surplus on assets. The par value of each share is MUR10,000.

B. RESERVES

	30 June 2024	30 June 2023
	MUR'000	MUR'000
Balance at start	929,984	1,303,699
Transfer of accumulated changes in financial assets at FVTPL to fair valuation reserve	326,661	(784,827)
Movement in revaluation reserve (Investment properties)	107,175	236,825
Movement in fair valuation reserve (Investment in subsidiaries)	78,917	174,287
Transfer from revaluation reserve to retained earnings	(7,173)	-
Balance at end	1,435,564	929,984

The revaluation reserve includes the revaluation gains and losses on investment property. The fair valuation reserve includes the fair value movements in investment in subsidiaries, convertible bonds, fixed secured notes and floating secured notes.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**16 (a) FRONT-END, LEGAL AND REGISTRATION FEES**

	For the year ended 30 June 2024	For the year ended 30 June 2023
	MUR'000	MUR'000
Front-end fees	14,800	6,875
Legal fees	4,216	4,878
Registration fees	667	619
	19,683	12,372

Front-end fee represents the amount paid by the issuer of secured redeemable convertible bonds and fixed secured notes to the Company. Legal and registration fees include amounts paid by the issuer of secured redeemable convertible bonds and fixed secured notes to the Company in connection with the preparation, negotiation, printing and execution of the transaction agreements.

(b) PROFESSIONAL, LEGAL AND REGISTRATION COSTS

	For the year ended 30 June 2024	For the year ended 30 June 2023
	MUR'000	MUR'000
Legal costs	6,493	7,776
Registration costs	923	2,883
Professional costs	34,612	8,032
	42,028	18,691

17 OTHER INCOME

	For the year ended 30 June 2024	For the year ended 30 June 2023
	MUR'000	MUR'000
Sugarcane proceeds	18,844	20,769
Other miscellaneous income	10,398	133
	29,242	20,902

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**18 GENERAL EXPENDITURE**

	For the year ended 30 June 2024	For the year ended 30 June 2023
	MUR'000	MUR'000
Audit fees	403	5,175
Insurance fees	6,959	5,018
Communication and advertising fees	3,405	1,152
Foreign exchange loss	76,054	-
Other expenses	18,574	8,739
	105,395	20,084

19 DIRECTORS' FEES

	For the year ended 30 June 2024	For the year ended 30 June 2023
	MUR'000	MUR'000
Chairperson	4,108	4,235
Other directors	4,015	2,925
	8,123	7,160

The Chairperson was paid a monthly fee of GBP6,500 (MUR344,500) since July 2022. Other directors were paid a monthly fee of MUR50,000 since January 2023.

20 COMMITMENTS

Commitments, not otherwise provided for in the financial statements and which existed at 30 June 2024 include an amount of MUR2,830 million (2023: MUR3,140 million) for bonds subscription and represent the amount approved but not yet disbursed.

21 FINANCIAL RISK MANAGEMENT**A. Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk, concentration risk and liquidity risk. This note presents information about the Company's exposure to each of the said risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company's risk is managed at the level of the Board of Directors and focuses on securing the Company's short to medium term cash flows by minimising the exposure of financial risks. The Company's investments are managed to stimulate the growth and diversification of the economy and create jobs for the people as well as to generate wealth for future generations of Mauritians. Further quantitative disclosures are included throughout these financial statements.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

21 FINANCIAL RISK MANAGEMENT (CONTINUED)**A. Financial risk factors (continued)****(i) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate measures and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company's exposure to the various types of risks associated to its activity and financial instruments are detailed below.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's income and operating cash are dependent on changes in interest rates as the Company has both fixed rate and floating rate interest bearing financial assets. The interest-bearing Mauritian rupee denominated assets earn both fixed and floating interest at rates ranging from 3% p.a. to 7.9% p.a. The Company's policy is to ensure that there is a balanced combination of both fixed rate and floating rates instruments entered into.

Bond price risk

Bond price risk is the risk of unfavourable changes in fair values of financial assets at FVTPL as the result of changes in the value of individual bonds. The bond price risk exposure arises from the Company's investments in secured redeemable convertible bonds. The Company's policy is to manage bond price risk through selection of securities and other financial instruments within the specified limits set by its investment policy.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

A. Financial risk factors (Continued)

(i) Market risk (Continued)

Bond price risk (continued)**Sensitivity analysis- Change in yield**

The next table summarises the impact of increases/decreases of the bond value on the Company's results for the year.

The analysis is based on the assumption that the yield is increased/decreased by 1%, with all other variables held constant considering the economic environment in which the Company operates.

	Change in yield (basis points)	Effect on profit or loss and equity
		MUR'000
2024		
Financial assets at fair value through profit or loss	100	33,466
	(100)	721,899
2023		
Financial assets at fair value through profit or loss	100	(480,865)
	(100)	948,309

Sensitivity Analysis - Change in probability of default

The analysis is based on the assumption that the probability of default is increased/decreased by 1%, with all other variables held constant considering the economic environment in which the Company operates.

	Change in probability of default (basis points)	Effect on profit or loss and equity
		MUR'000
2024		
Financial assets at fair value through profit or loss	100	(596,770)
	(100)	1,018,341

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**21 FINANCIAL RISK MANAGEMENT (CONTINUED)****A. Financial risk factors (Continued)*****Foreign Currency risk***

The Company may enter into transactions denominated in currencies other than its functional currency. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of its assets or liabilities denominated in currencies other than the Mauritius Rupee.

Sensitivity analysis

The Company holds a bank account in Euro. Consequently, the Company is exposed to risks that the exchange rate of the Mauritius Rupee relative to the Euro may change in a manner which has an adverse effect on the reported value of the Company's assets.

Out of the cash and cash equivalents of **Rs 26,446 million** at 30 June 2024, the balance of the EUR bank account is **Rs 305 million** (2023: Nil).

The table below indicates the approximate change in the profit and equity in response to reasonable possible changes in the foreign exchange rates to which the Company has significant exposure at the reporting date. The Company is mainly exposed to volatility in Euro.

	2024	
	Increase/ (decrease) in MUR against EURO	Effect on profits and equity
	%	Rs 000
Euro denominated	+ 5	15,258
	- 5	(14,531)

A 5% (2023: N/A) increase and decrease in the Rs against the relevant foreign currency is the sensitivity rate used when reporting foreign currency risk internally to management and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the reporting date and had been applied to the Company's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

21 FINANCIAL RISK MANAGEMENT (CONTINUED)**A. Financial risk factors (Continued)****(ii) Credit risk**

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Company monitors changes in credit risk by observing the default and loss experience of the counterparties. The Company uses the probability of default/loss given default approach to calculate any expected credit losses on financial assets at amortised cost. The Company's exposure to credit risk arises in respect of the following financial instruments:

	2024	2023
	MUR'000	MUR'000
Receivables	34,570	21,121
Cash and cash equivalents	26,445,813	31,579,039

The credit risk for the cash and cash equivalents is considered negligible as the Company only holds cash deposits with the Bank of Mauritius.

The receivables are due from the Company's subsidiary and the expected credit loss is deemed to be immaterial and therefore not recognised.

(iii) Concentration risk

As at the reporting date, the Company's financial assets at fair value through profit or loss were concentrated in the following sectors. The below is at cost basis:

	2024		2023	
	MUR'000	%	MUR'000	%
Accommodation and food services	14,333,952	73%	13,127,180	76%
Manufacturing	3,064,190	16%	2,011,922	12%
Arts and entertainment	162,573	1%	212,071	1%
Construction	428,777	2%	415,918	2%
Real estate	930,940	5%	1,095,311	6%
Others	842,329	4%	495,374	3%
	19,762,761	100%	17,357,776	100%

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

A. Financial risk factors (Continued)

(iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as 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.

Ultimate responsibility for liquidity risk management rests with the Board of Directors who also monitors the Company's short, medium and long-term funding and liquidity management requirements. At 30 June 2024, the Company was not exposed to any liquidity risk as it has sufficient cash resources to settle its obligations in full as they fall due.

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date:

	2024	2023
	Within one year MUR'000	Within one year MUR'000
Other payables	31,198	11,155

B. Financial instruments

(i) Categories of financial instruments

The table below provides a reconciliation of the line items in the Company's statement of financial position to the categories of financial instruments.

	2024		2023	
	Financial assets at FVTPL	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at amortised cost
	MUR'000	MUR'000	MUR'000	MUR'000
Financial assets at FVTPL	20,738,871	-	17,357,776	-
Investment in subsidiaries	7,441,265	-	4,964,122	-
Cash and cash equivalents	-	26,445,812	-	31,579,039
Receivables	-	34,570	-	21,121
Total assets	28,180,136	26,480,382	22,321,898	31,600,160

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

B. Financial instruments (Continued)

(i) *Categories of financial instruments (Continued)*

	<u>2024</u>	<u>2023</u>
Financial liabilities	Financial liability at amortised cost	Financial liability at amortised cost
	MUR'000	MUR'000
Other payables	31,198	11,155

(ii) *Valuation framework for investment in financial assets*Convertible bonds and notes

The Company has an established control framework with respect to the measurement of fair values. This framework includes a portfolio valuation function, which has overall responsibility for fair value measurements and reports to the Board. Specific controls include:

- verification of observable pricing inputs;
- re-performance of model valuations;
- a review and approval process of new models and changes to such models;
- calibration and back-testing of models against observed market transactions;
- analysis and investigation of significant daily valuation movements; and
- review of unobservable inputs and valuation adjustments.

Investment in subsidiaries

The investment properties of the subsidiary were valued on 30 June 2024 by Elevante Property Services Ltd. The Company valued the investment in subsidiaries using the net asset valuation method.

Other financial assets

The carrying amounts of cash and cash equivalents, receivables and other payables approximate their fair values. The Company adopted IFRS 13, 'Fair value measurement', for financial instruments that are measured in the statement of financial position at fair value, which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 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) (level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

B. Financial instruments (Continued)

(ii) Valuation framework for investment in financial assets (continued)

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair Value
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2024					
Investment in subsidiaries	-	-	7,441,265	7,441,265	7,441,265
Financial assets at FVTPL	252,409	-	20,486,462	20,738,871	20,738,871
Total	252,409	-	27,927,727	28,180,136	28,180,136

2023

Investment in subsidiary	-	-	4,964,122	4,964,122	4,964,122
Financial assets at FVTPL	252,371	-	17,105,405	17,357,776	17,357,776
Total	252,371	-	22,069,527	22,321,898	22,321,898

Changes in fair value of financial assets at FVTPL are provided in their respective notes.

There were no transfers between the levels during the year.

Other financial assets

The following table presents the reconciliation for financial assets at FVTPL categorised as level 3 hierarchy:

	2024	2023
	MUR'000	MUR'000
At start of period	17,105,405	14,438,980
Additions during the year	2,895,000	3,305,000
Redemptions during the year	(330,000)	(65,000)
Interest receivable	1,334,838	626,664
Interest received	(845,442)	(415,507)
Movement in fair value of financial assets at FVTPL	326,661	(784,732)
At end of year	20,486,462	17,105,405

The reconciliation for investment in subsidiaries is disclosed in note 9.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

B. Financial instruments (continued)

*(ii) Valuation framework for investment in financial assets (continued)***Significant unobservable inputs**Financial assets at FVTPL

The table below sets out information about significant unobservable inputs used at reporting date in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Type of instrument	Fair value at 30 June 2024	Valuation techniques	Significant unobservable inputs	Range of estimates (weighted-average) for unobservable inputs	Fair value measurement sensitivity to unobservable inputs
Convertible bonds	MUR'000 20,486,463 (2023: MUR'000 17,105,405)	Scenario-based technique: the model employs a hybrid approach to valuation, which incorporates the MUR yield curve, default probabilities and credit spreads.	MUR yield curve	3.17% - 5.55% (2023: 3.90% - 5.25%)	An increase/(decrease) in the MUR yield curve would result in a (lower)/higher fair value.
			Probability of default	0.13% - 1.39% (2023: 0.01% - 2.00%)	An increase/(decrease) in the probability of default would result in a (lower)/higher fair value. An increase/(decrease) in credit spread would result in a (lower)/higher fair value.
Investment in subsidiaries	MUR'000 7,441,265 (2023: MUR'000 4,964,122)	Net asset value	Not applicable	Not applicable	Not applicable

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

21 FINANCIAL RISK MANAGEMENT (CONTINUED)**B. Financial instruments (continued)****(ii) Valuation framework for investment in financial assets (continued)****Significant unobservable inputs (continued)**

A detailed analysis of the valuation methodology to the portfolio investments is highlighted below:

Scenario-based approach for convertible bonds

The fair value of convertible bonds has been calculated as the present value of discounted cash flows. This valuation model considers the present value of expected cash flows discounted at the risk-free rate plus a pre-determined issuer credit spread, in a simulation framework. Cash flows are conditional on the default of the issuer, which is proxied using an estimated probability of default. The final fair value of the convertible bonds is the average of the randomly generated simulated prices.

(iii) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to its shareholder through the optimisation of equity balance. The capital structure of the Company consists of stated capital, retained earnings, revaluation reserve and fair valuation reserve.

22 RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or if they and the Company are subject to common control. Related parties may be individuals or other entities.

During the years ended 30 June 2024 and 30 June 2023, the Company transacted with the Bank of Mauritius, its parent, and key management personnel including staff, directors and the Chief Executive Officer.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

22 RELATED PARTY DISCLOSURES (CONTINUED)

Details of the nature, volume of transactions and balances with the related entities are as follows:

Related Party and Relationship	Nature of Transaction	Transactions made during the year	Outstanding balance at 30 June 2024
		MUR'000	MUR'000
Bank of Mauritius – Parent	Cash and cash equivalents	-	26,445,813
MIC Smart City Ltd – Subsidiary	Receivable from MIC Smart City	13,449	34,570
MIC Smart City Ltd – Subsidiary	Payable to MIC Smart City	20,043	14,079
Key management personnel - Directors	Directors' fees	8,123	-
Other key management personnel	Salaries and other benefits	5,263	-

Related Party and Relationship	Nature of Transaction	Transactions made during the year	Outstanding balance at 30 June 2023
		MUR'000	MUR'000
Bank of Mauritius – Parent	Fees for office space, facilities and services	6,000	-
Bank of Mauritius – Parent	Cash and cash equivalents	-	31,579,039
MIC Smart City Ltd – Subsidiary	Expenses borne by MIC	21,121	-
Key management personnel - Directors	Directors' fees	7,160	-
Other key management personnel	Salaries and other benefits	4,568	-

The Directors consider the Bank of Mauritius, the Central Bank for Mauritius, as the Company's parent.

23 EVENTS AFTER THE REPORTING PERIOD

There have been two significant events after the reporting date which need disclosures in or amendments to the financial statements for the year ended 30 June 2024 as below:

1. The MIC has appointed a new chairman, Mrs. Catherine Bouvier d'Yvoire, on 01 October 2024
2. On 10 July 2024, Sun Limited exercised the option to buy 21% of the stake in EastCoast Hotel Investment Ltd from MIC for a consideration of EUR 14.4 million and therefore there is a loss of control by MIC.

24 TAXATION

The Company is exempted from any tax imposed on income, profits or capital gains under the Second Schedule of the Mauritius Income Tax Act 1995.