ANNUAL REPORT

2022

Mauritius Investment Corporation

Securing our Future

TABLE OF CONTENTS

02
About this Annual Report

03
Statement from the Chairman

07
About Mauritius Investment Corporation Ltd

11
Mission, Vision and Values

13
Investment Process

31
Asset Allocation

37
Strategy

41
Corporate Governance Report

65
Risk Report

73
Financial Statements

ABOUT THIS ANNUAL REPORT

This Annual Report presents material information about the Mauritius Investment Corporation Ltd's (MIC), operating context, strategy and risk management, operational performance, stakeholder engagement and governance for the financial year ended 30 June 2022.

REPORTING PRINCIPLES

The financial statements are consistent with the International Financial Reporting Standards (IFRS) and the requirements of the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and National Code of Corporate Governance for Mauritius (2016).

MATERIALITY

The Mauritius Investment Corporation Ltd considers information to be material when an omission or misstatement could influence its stakeholders' decision-making and when it substantively affects its strategy, revenue and profitability, and ability to create value over time.

COMBINED ASSURANCE

The Mauritius Investment Corporation Ltd's independent external auditor, KPMG, has provided assurance on MIC's audited annual financial statements. The independent external auditor's report is presented on pages 74 to 119. The Company's management and directors have reviewed MIC's non-financial performance, strategy and risks are presented in this Report and are confident that it provides a fair and balanced view of the material issues.

STATEMENT FROM THE CHAIRMAN

> ***Our mandate is not just to stabilise, but to gear the country towards further economic development and long-term growth.***

The Mauritius Investment Corporation Ltd was founded in 2020 by the Bank of Mauritius to deliver financial support to the Mauritian economy during the coronavirus pandemic. The MIC has so far invested MUR 48,624 million into 48 entities (as at 31st December 2022), providing vital sectors of the Mauritian economy with stability and development potential.

I am honoured to be serving as Chairman of the Board. In the last two years, MIC investment has successfully allowed systemically large and viable corporations to stay afloat throughout the testing economic times brought on by the COVID-19 pandemic. These investments have enabled Mauritius to protect the stability of the financial system and prevent a social crisis of widespread unemployment. In parallel, the MIC also invested in companies contributing to the future growth of the economy.

The purpose of the MIC lies in its role as an investment partner, motivated to support the future financial stability of Mauritius. As an investment company, it has a duty to generate financial returns for its shareholder, the Bank of Mauritius. However, performance cannot be judged solely on short term financial returns. The MIC has been operational for two years, born into an tumultuous global economic environment. The country's borders were opened on 1st October 2021 as the height of the pandemic paralysis started to ease. Looking to the future, the MIC will focus on medium and long-term returns on its investments, and the difference these investments will make for the industries and people of Mauritius.

Our mandate is not just to stabilise, but to gear the country towards further economic development and long-term growth. The MIC invests its funds strategically, managing risks through diversification while remaining within its mandate to stabilise important companies. The MIC considers all sectors and structures its investments into three distinct categories; future generation, infrastructure and equity participation. Through this strategy, the MIC contributes to supporting the economy and steering Mauritius towards economic resilience, thus preserving a sound and stable financial system.

Our strategy involves channeling investment flows in the country with other domestic institutions, to diversify the Mauritian economy. Leveraging the reputation of the Mauritius International Financial Centre, Mauritius should be seen as the jurisdiction of choice for global service industries looking to increase their presence in Africa.

The MIC can be seen as a lead investor, acting as a strategic accelerator and partnering with local or international companies to develop industries that will contribute to employment and build a stronger economy. In line with the new strategy, we are setting up two funds: a Venture Capital Fund with a view to support new entrepreneurs including those with a technological focus and a Growth Capital Fund to invest in leading and emerging Mauritian businesses by attracting foreign private partner capital.

STATEMENT FROM THE CHAIRMAN

In order to deliver this, operational changes throughout the last year have been strengthening the resilience and business continuity of the MIC. We have been enhancing our corporate governance structures and building a solid foundation for the growth of the company. The MIC made adjustments to the sub-committees of the Board of Directors and reviewed the Board's role in providing guidance and oversight over key matters. The MIC's operating mechanism is well coordinated and provides for effective risk coverage, ensuring appropriate checks and balances are in place.

Looking forward, the focus is to build MIC's strategy for the future. The MIC is aligned with the Government's economic strategy for a diversified economic base across a number of sectors in the country and promoting investments in new manufacturing industries, renewable energy and critical infrastructure. In particular, the MIC's Future Generations Portfolio and Infrastructure Portfolio target investments to accelerate the building of an economy that is resilient to future crises. The MIC shall act responsibly and ethically as a strategic investor to innovative industries and explore pipeline opportunities in breakthrough innovations.

I am grateful to my fellow Directors, the Governor and Directors of the Bank of Mauritius, and I would like to thank them for their collaboration and counsel throughout the last two years. I appreciate the commitment of the people at the MIC, whose efforts and hard work uphold the mission of sustaining the long-term prosperity of Mauritius by carefully growing its capital through a prudent and disciplined investment process.

Carl Alan Mark Florman
Chairman

STATEMENT FROM THE CEO

> ***The MIC remains a strategic accelerator building sustainable economic development and long-term economic resilience.***

The global economic environment in FY2021/22 remained challenging with the post-pandemic recovery facing multiple tests. Delayed opening of borders, rising inflation, higher interest rates, mounting commodity prices and lower growth trajectory emerged in an unpredictable geopolitical situation. However, thanks to a series of judicious economic policies, Mauritius succeeded in demonstrating its resilience and keeping its growth momentum.

Anchored by its long-term investment philosophy, the MIC stayed the course and advanced carefully. In FY2021/22, MIC's investments posted a net return of 5.9 per cent in rupee terms, and the cumulative 2-year net returns reached 9.5 per cent. At the end of FY2021/22, the total assets under the management of MIC increased to Rs 82,745 million, up by 2.8 per cent from the end of FY2020/21.

Since its inception, MIC has successfully ensured the livelihood of over 30,000 people across various sectors of the Mauritian economy via its strategic and timely investments during the testing times of the pandemic. We invested into opportunities that are aligned with long-term trends.

With funds to the tune of MUR 46.2 billion having been invested in the current financial year, we diversified our exposure, in line with our Investment Policy Statement, and targeted to minimize the risk entailed from these investments. However, from the continuous financial monitoring of the investee companies, we note their improving financial health that have been clearly occurring during the past few months.

While economic recovery is on the right track, there may be risks to this recovery and accordingly, the MIC remains a strategic accelerator building sustainable economic development and long-term economic resilience. With regards to available opportunities, the MIC aims to position itself as a credible, prudent, trusted, responsible and professional investment partner for investors.

Our investment guidelines specify the objectives, benchmarks, risk tolerance limits and other key metrics for mandated investments and provide the source for all investments, risk management and performance assessments. Our investment objective is to generate steady investment returns within appropriate risk limits so as to grow the value of assets under our management.

STATEMENT FROM THE CEO

We also actively explored the potential of partnership alliances with various development finance institutions. We, at the MIC, have been practicing the Santiago Principles for Sovereign Wealth Funds (SWFs) such that the MIC was admitted as an Associate Member of the International Forum of Sovereign Wealth Funds (IFSWF) in September 2022. Through this Forum, we shall work towards improving exchanges and cooperation among global SWFs.

I thank the Board of Directors for its strong support and guidance. I acknowledge the team's diligent efforts and commend them for their hard work and dedication. Together, we shall stay true to our purpose and hold tight to our mission to ensure the MIC remains well-positioned to fulfill its undertaking to build a savings base for the citizens of Mauritius.

Jitendra Nathsingh Bissessur
Chief Executive Officer

ABOUT MIC

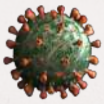
The Mauritius Investment Corporation Ltd (MIC) is a private limited company fully owned by the Bank of Mauritius (BoM). The MIC was set up by BoM in June 2020 in line with its mandate to ensure orderly and balanced economic development and maintain financial stability.

While one of the main objectives of the creation of the MIC, during the COVID-19 pandemic, was mainly to contribute to alleviate some of the adverse economic and financial effects of the pandemic, preserve financial system stability and bring confidence among operators of the business community, the MIC has now pivoted its operations towards return-generating key strategic assets and projects in Mauritius through the development of tactical initiatives to promote investment in targeted sectors of the domestic economy with high potential growth. The MIC has contributed to uphold social stability and jobs preservation.

The MIC is gradually shifting its activities to sustain the long-term prosperity of Mauritius in line with its mandate by prudently growing its capital through a disciplined investment process to ensure an orderly and balanced economic development of the country as well as safeguard the stability and soundness of the financial system.

WHAT WE DO?

MIC is an investment company that was entrusted to invest our nation's wealth to secure the financial well-being of Mauritius.



We supported key sectors impacted by the COVID-19 pandemic to preserve financial system stability and brought confidence among operators of the business community

We aim to build financial wealth for future generations and become a strategic accelerator to unleash Mauritius' potential

IFSWF
International Forum of Sovereign Wealth Funds

The MIC is an Associate Member of the International Forum of Sovereign Wealth Funds (IFSWF) since 15 September 2022.

The IFSWF is a voluntary organisation of global sovereign wealth funds committed to working together and strengthening the community through dialogue, research and self-assessment. Founded in 2009, IFSWF is a voluntary group of Sovereign Wealth Funds (SWFs) which meets to exchange views on issues of common interest, and facilitate an understanding of the Santiago Principles and SWF activities internationally. The Forum operates in an inclusive manner and facilitates communication among SWFs as well as with recipient country officials and representatives of multilateral organizations and the private sector.

PERFORMANCE OVERVIEW

AS AT END JUNE 2022

Key Figures

Total Revenue for the year

Rs 427 Mn

Profits for the year

Rs 2,268 Mn

Total Assets

Rs 82,745 Mn

MIC Team

21

Number of entities to which MIC subscribed bonds, acquired financial assets and participated in equity

39

KEY MILESTONES

September 2022

MIC admitted as an Associate Member of the International Forum of Sovereign Wealth Funds

June 2022

New Certificate for Smart City Project at La Cambuse, MIC Smart City Ltd

December 2021

Equity participation in Airport Holdings Ltd

December 2021

First Stakeholder meeting

December 2020

First Disbursement

June 2020

Setting up of the MIC

OBJECTIVES

The MIC is committed to invest in strategic projects aiming at making Mauritius an innovation-driven and self-sufficient economy. We are driven towards making Mauritius a better place where opportunities thrive for everyone.

Secure key basic necessities and support higher long-term growth

Build a savings base for the citizens of Mauritius

Support and accelerate the economic development of Mauritius

Hold financial assets and raise funds through the issue of financial instruments

Conduct effective management of assets under its administration

OUR IMPACT

BUILD A SAVINGS BASE FOR THE CITIZENS OF MAURITIUS

SUSTAIN ECONOMIC ACTIVITIES

DEVELOP EMERGING SECTORS

GENERATE POSITIVE, REAL RATE OF RETURN

MISSION, VISION AND VALUES

MISSION

- Support and accelerate economic development of Mauritius
- Invest in strategic projects aiming at making an innovation-driven and self-sufficient economy
- Ascertain the reorientation of the economic landscape to sustainably serve the country

VISION

- Grow a long lasting nation's wealth by generating positive real rate of returns.
- Build a resilient portfolio of businesses to further enhance a balanced economic development
- Create new opportunities for the future generations. We are driven to make Mauritius a better place where opportunities are thriving for the betterment of the people of Mauritius.

VALUES

Ethos and work ethics are rooted in three core values:

- Independence
- Accountability
- Transparency

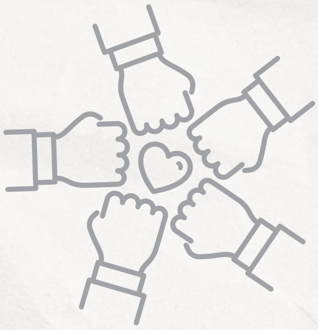
The MIC is run within a strict governance structure and promotes sound corporate governance in its operations. All investment decisions are taken by the board based on the recommendations of the Investment Committee. All investment decisions are taken in full transparency, good governance, and independence.

OUR TEAM

The MIC has matured further as a full-fledged investment organization with clear processes and procedures and a strong corporate framework built and guided by its mandate and Board.

Our philosophy centers on innovation, flexibility, and each individual's ability to contribute to a broad range of projects and investments. The diverse quality and experience of our team coupled with the openness of our investment process allows for a more rigorous and higher quality level of investment debate and decision making.

The MIC team has a dedicated group of people with shared vision and passion.



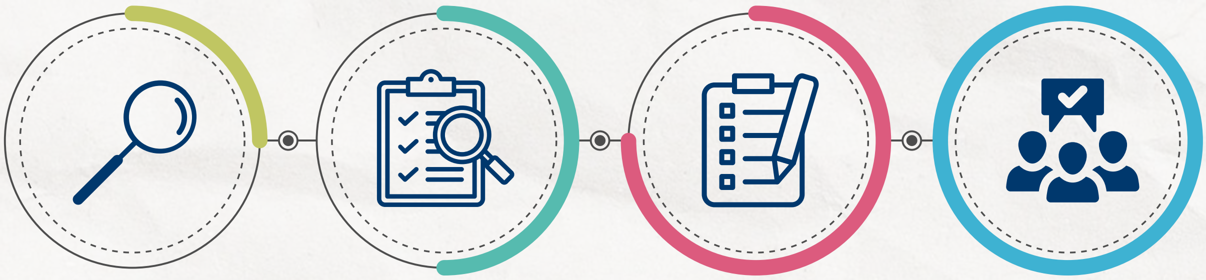
2021	2022
No of Staff	No of Staff
15	**21**

INVESTMENT PROCESS

INVESTMENT PROCESS

MIC's investment process consistently follows the same three stage process for every opportunity we consider:

1. Pre-screening and due diligence
2. Investment Committee review and decision
3. Board decision



Application received goes to the Analytical Team

Analysis of the Investment Appraisal from the Analytical Team is then tabled to the Investment Committee (IC)

The IC makes recommendations to the MIC Board

The MIC Board analyses the recommendations of the IC and takes a final decision on the investment proposal

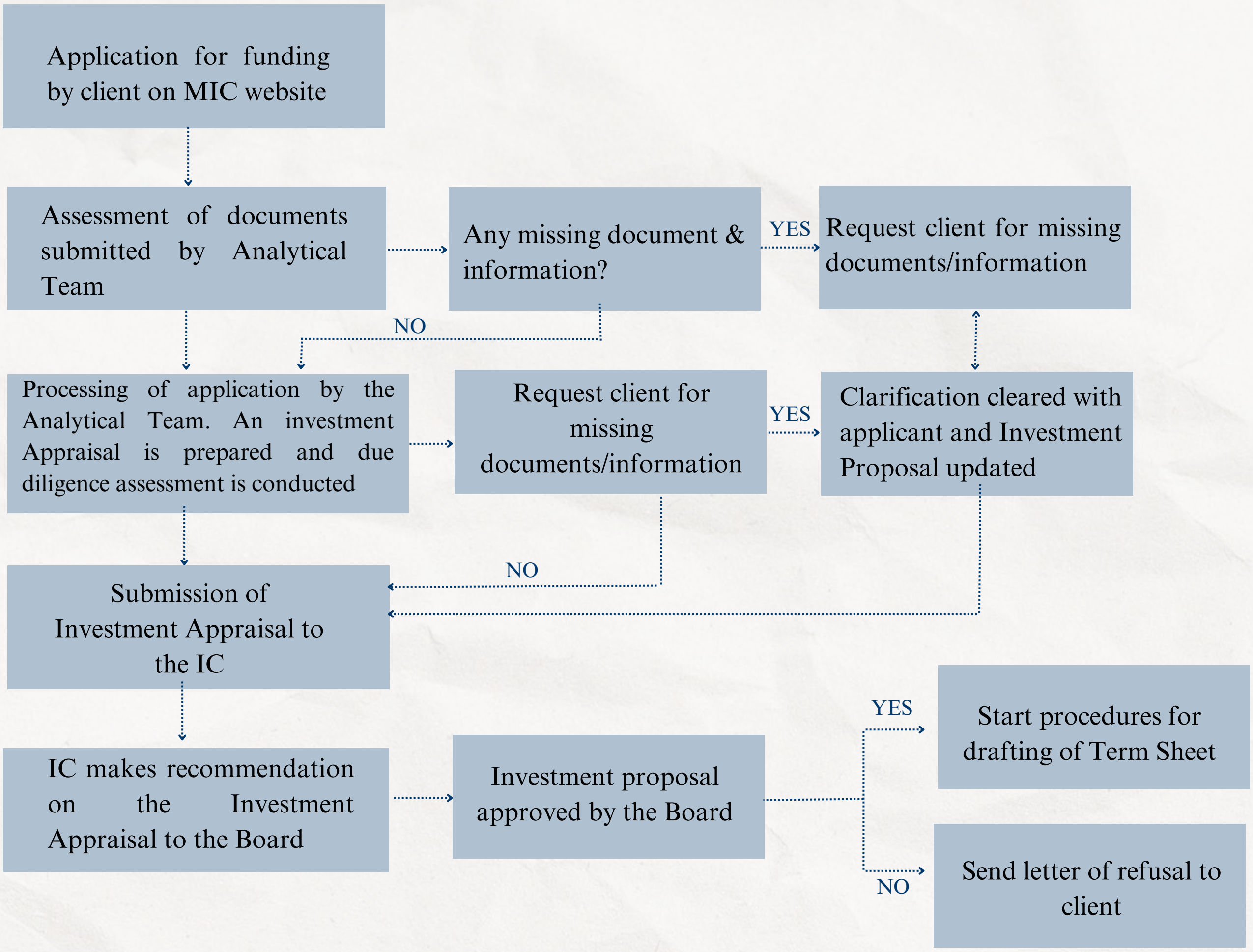
Companies approaching MIC for funding are required to submit a list of preliminary documents for due diligence by the analytical team.

Preliminary Due Diligence Checklist

- Detailed business plan setting out 5-year financial forecast
- Financial statements for the last 3 financial years
- Group structure of the Company or each company in the group, as applicable
- Copies of licenses held
- Detailed list of fixed assets and most recent valuation reports
- Copies of key management agreements
- Constitution of the Company

INVESTMENT PROCESS

Flow chart for processing application



Broad Terms of MIC Funding

- Redeemable Convertible Secured Bond
- Collateral
- Semi-annual Interest payment
- Early redemption of bond
- Permitted use of the funding
- Initial Conditions Precedent before disbursement
- Disbursement in Tranches
- Conditions Subsequent for each Tranche
- Convertibility into shares
- Board Seat
- General & Information undertakings
- Financial covenants
- Representation and warranties
- Event of default
- Confidentiality

INVESTMENT

Investment in land and other strategic assets by the MIC

Official letter - Intention of sale accompanied with other relevant documents (site plan and a valuation report by a certified valuer)

The offer for sale is evaluated by an Analytical team and a due diligence exercise is carried out

MIC appoints an independent certified valuer for valuation of the proposed properties for acquisition

An investment proposal is tabled for Board approval. Board can approve the investment proposal or decide otherwise.

Upon Board approval, a notary is appointed

INVESTMENT POLICY STATEMENT

BOX 1: INVESTMENT POLICY STATEMENT

A. Introduction

The Board of Directors ("the Board") of the Mauritius Investment Corporation Ltd ("MIC", the Company") issues this investment policy statement (the "IPS", "Policy"). The purpose of this IPS is to foster a clear understanding of the MIC's investment objectives, policies and guidelines. The assets governed by this Statement comprise of the entire funds made available to the MIC to fulfill its investment objectives.

B. Overview of the Mauritius Investment Corporation Ltd

1.Overview

The Bank of Mauritius (the "Bank") has established a subsidiary known as Mauritius Investment Corporation Ltd. The primary objectives of the MIC are to support and accelerate the development of Mauritius and build a savings base for the citizens of Mauritius as well as assist systematically large, important and viable corporations or companies incorporated in Mauritius which are financially distressed as a result of the COVID-19 pandemic.

In pursuing its objects, the MIC seeks to mitigate contagion of the ongoing economic downturn to the banking sector, thus limiting macro-economic and financial risks. Operating independently within the parameters of a strict governance structure, the MIC will provide support through a range of investment instruments in view of ensuring that domestic systemic economic operators are kept afloat during these challenging times and that jobs are preserved. The MIC also aims at securing and enhancing financial wealth for current and future Mauritian generations.

The MIC has been established by the Bank under Section 6(1)(y) of the Bank of Mauritius Act and is funded in terms of Section 46(5) thereof.

The MIC has been established with a solid governance structure with transparency, good governance and independence being the pillars thereof. The governance structure will ensure appropriate and effective oversight, decision making and operational responsibilities.

2.Governance Framework

The Board of Directors of the MIC (the "Board") is responsible for creation of, approval of, and updates to the Policy. The Chief Executive Officer/Office-in-Charge and his or her designated staff, in collaboration with the investment committee ("IC"), shall advise the Board on issues related to the Policy, including identifying the need for updates and monitoring the portfolios for compliance with the Policy.

The Board shall have oversight responsibility for investment decision making in relation to the assets of MIC. The Board will also establish sub-committees for the pursuance of its objectives, including an investment committee. The investment committee of the MIC, shall fulfill its duties in line with the Investment Committee Charter. The Board may set up additional sub-committees and/or retain outside consultants to assist in analysis of matters relevant to the Policy and to investment decisions and monitoring.

Responsibilities of the Chief Executive Officer/Officer-in-Charge and his or her team shall include the monitoring and reporting on the investments made by the MIC and provide relevant reports with such reports to be reviewed by an external auditor, at least annually.

The MIC shall produce annual financial statements to be independently audited by a certified auditor.

The MIC shall provide a copy of this Policy to each firm retained to provide investment and/or advisory services to it (if any), and each such firm shall acknowledge in writing receipt of the document and acceptance of its content.

C. Investment Objectives

The investment objectives and parameters of the MIC are, amongst others, to –

1. Assist systemically large, important and viable corporations or companies incorporated in Mauritius (having a minimum annual turnover of Rs100 million) which are financially distressed as result of the Covid-19 pandemic;
2. Support and accelerate the economic development of Mauritius and build a savings base for the citizens of Mauritius, by inter alia-
   - Investing in companies geared towards building self-sufficiency in key basic necessities;
   - Investing in companies enhancing Mauritius as an innovation-driven economy;
3. Invest the assets under its management to secure key basic necessities and support higher long-term growth.

In the pursuit of its investment objective, the MIC will initially establish three portfolios, namely:

a) A Portfolio to invest in systemically important corporations or companies in order to financially redress them;

b) A Future Generations Portfolio to invest in foreign assets; and

c) An Infrastructure Portfolio to invest in the development of critical infrastructure of the country.

D. Investment Criteria and Investment Performance Assessment

In accordance with its investment objectives, the selection criteria and performance assessment of the investments undertaken by the MIC shall include:

- In relation to the Special Assistance Portfolio, the ability of the investment:

1. to ensure that domestic systemic economic operators are kept afloat and avoid systemic defaults;
2. to preserve maximum of employment;
3. to preserve the capital deployed; and
4. lastly, to generate a positive, real rate of return on its investments.

- In relation to the Future Generations Portfolio, the ability of the investment:

1. to build a savings base for the citizens of Mauritius;
2. to enhance Mauritius as an innovation-driven economy;
3. to grow the capital deployed; and
4. lastly, to generate a positive, real rate of return on its investments.

- In relation to the Infrastructure Portfolio, the ability of the investment:

1. to support and accelerate the economic development of Mauritius;
2. to be geared towards building self-sufficiency in key necessities;
3. to grow the capital deployed; and
4. lastly, to generate a positive, real rate of return on its investments.

INVESTMENT POLICY STATEMENT

For each investment opportunity that MIC engages, the developmental impact must be clear and evidenced. MIC's input must be beyond what is available, or that is otherwise absent from the market. MIC's development impact may be achieved through one or more of the following:

1. financing that is not provided by the market;
2. risk mitigation and/or risk sharing;
3. better development outcomes; and
4. environmental, social and governance standards.

The development impact of its investments is an important aspect of determining MIC's value-added in a private sector operation and MIC should always seek to provide financial and/or non-financial development impact.

E. Eligible Investment Instruments

In the pursuit of its investment objectives, MIC should have a range of financial instruments at its disposal. The instruments in which MIC may directly or indirectly participate will include the following:

1. equity and quasi-equity instruments (including partnership interests, ordinary shares, preference shares, debentures, income notes, redeemable preference shares, listed or unlisted securities, underwriting of share issues by public or privately owned enterprises, subordinated loan notes and financing the transfer of shares in existing enterprises);
2. debt instruments (including senior, subordinated, mezzanine, secured, unsecured, convertible, bonds and debentures); and
3. such other instruments as to enable MIC to achieve its objectives as set out in this Investment Policy.

The terms and conditions of any investment will be subject to MIC's assessment of the risks, the prospective returns associated with, and the financial and ownership structure of, the relevant investment and will be discussed and agreed with the relevant counterparty.

It is further acknowledged that when MIC commits its capital to investments, the terms and conditions of investments in investee businesses will be subject to assessment, discussion and agreement by the Board, upon consultation with the IC, the Chief Executive Officer/Office-in-Charge and his or her team and the external advisors, if any.

F. Investment Constraints

In line with its investment objectives, MIC has a long-term investment horizon. Accordingly, short-term investment performance shortfalls are not necessarily of critical interest unless they suggest failures in strategy execution not in line with the MIC investment policy.

Without prejudice to such liquidity policy as shall be in force from time to time, MIC will not be restricted as to the proportion of its assets which may be retained in cash, cash equivalents or in other short-term financial instruments in circumstances where MIC considers this to be in its best interests.

G. Risk Management

In managing its portfolios, the MIC shall ensure that its portfolios remain appropriately diversified against risk and will drive the management of environmental and social risks, corporate governance and integrity in its investments.

Post investment, the appropriate monitoring and due diligence will be carried out by the Chief Executive Officer/Office-in-Charge and his or her team and report back to the Board, on a regular basis.

H. Responsible Investing

MIC believes it should invest in a responsible manner, considering environmental and social ("E&S") and governance (including business integrity) ("ESG") matters. Effective management of these matters reduces risks to workers, the environment, local communities and other stakeholders, and implementation of good ESG practices is increasingly associated with a wide range of business benefits including access to markets, reduced staff turnover, cost efficiencies in production and enhanced stakeholder relations.

I. Review of and changes to the Investment Policy Statement

The Board shall undertake a review of the IPS in light of prevailing circumstances as and when such circumstances dictate, but no less than once a year. Opportunity should be given to propose changes or consider changes proposed by the Investment Committee and/or the Chief Executive Officer/Office-in-Charge and his or her team.

Except as otherwise provided herein, this Investment Policy will not be altered, modified or replaced without the prior approval of the Board. Save to the extent expressly provided to the contrary in this Investment Policy, this Investment Policy will supersede and replace all prior investment policies of MIC with effect from the date it is approved by the Board.

J. Board Approval

This Policy has been approved by the Board on 6 August 2020.

The Board of Directors of the MIC has established an Investment Committee (IC) to provide an independent opinion on the analysis of the investment proposals prepared by the MIC and comprise independent experts. The IC is required to, inter alia:

- review and evaluate the investment proposals and recommendations submitted by the MIC;
- evaluate the investment proposals in line with the MIC's Investment Policy Statement, as approved by the Board;
- provide independent feedback to the Board on the investment proposals and recommendations submitted by the MIC; and
- report to the Board regularly on the activities of the IC.

INVESTMENT PORTFOLIOS

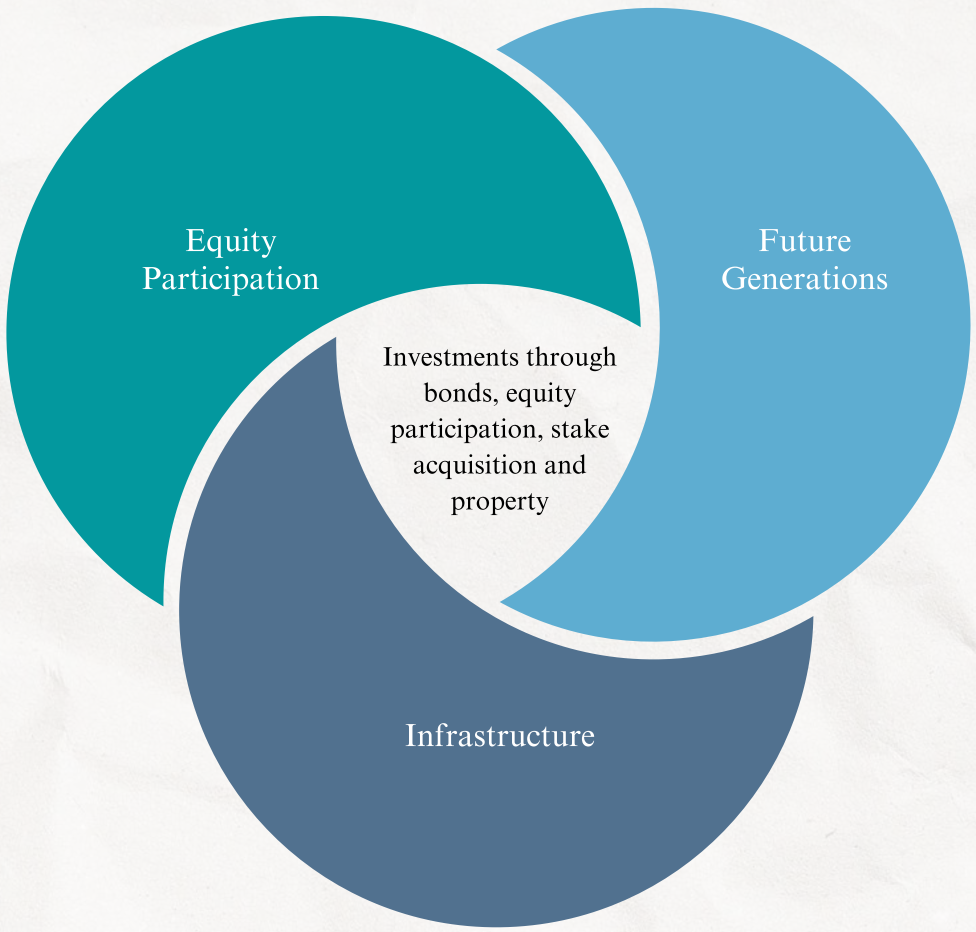
INVESTMENT PORTFOLIOS

Since its inception, the MIC established three investment portfolios, namely Equity Participation, Future Generations and Infrastructure portfolio.

MIC's investment takes into account general risk parameters and adopts best practices in developing its investment strategy.

The MIC aims to build an investment portfolio that is diversified across a wide range of asset classes and within established risk parameters to ensure sustainable long-term returns.

OUR PORTFOLIOS



MANAGING PORTFOLIOS

Beneficiaries of funds from the MIC are required to provide financial and other information, including:

A solvency certificate three (3) months after a financial year-end

Quarterly provision of profit and loss, management accounts and cash flow statements, and the necessary comparison to the budgeted profit & loss account for the financial year in question

Provision of updated valuation reports as and when conducted in accordance with the requirements of IFRS

Quarterly provision of an ageing list of debtors and receivables due from related parties and an ageing list of creditors

Notification of any potential Event of Default

Semi-annual update on the implementation of the Business Plan, highlighting any deviation therefrom

It is highlighted that as per the conditions of the investment, the MIC disburses funds in a maximum of 4 tranches to be agreed beforehand and as per the Subscription Agreement. A vital condition to the disbursement of funds is an auditor's certificate confirming the use of funds. The beneficiary must scrupulously adhere to the "Permitted use of subscription proceeds", that is, the funds approved for specific purposes. Depending on the specific purpose of investment financing, a duly signed Quantity Surveyor's report must also be submitted to the MIC.

Financial covenants

The beneficiaries of funds from the MIC will provide a certificate setting out the financial ratios as agreed in the terms of the transaction and these should be within the agreed thresholds. The financial covenants are usually in terms of:

(a) a Debt Service Coverage Ratio;
(b) an Interest Cover Ratio; and
(c) a Gearing Ratio.

WHERE DO WE INVEST?

Number of applications received

Accommodation and Food Service Activities	50
Agriculture, Forestry and Fishing	11
Arts, Entertainment and Recreation	13
Construction	8
Manufacturing	28
Real Estate	12
Others	45

Number of applications approved

Accommodation and Food Service Activities	29
Agriculture, Forestry and Fishing	4
Arts, Entertainment and Recreation	2
Construction	2
Manufacturing	7
Real Estate	3
Others	4

*As at end June 2022

PERCENTAGE DISBURSED PER SECTOR

25%	Accommodation and Food Service activities
Agriculture, Forestry and Fishing	14%
1%	Arts, Entertainment and Recreation
Construction	1%
4%	Manufacturing
Real Estate	1%
54%	Strategic Investment (Airport Holdings Ltd)

*As at end June 2022

AMOUNT DISBURSED

(Rs million)

Company	Amount
ABKID (Mauritius) Limited	300
Airport Holdings Ltd	25,000
Anahita Hotel Limited	825

(Rs million)

Company	Amount
Attitude Hospitality Ltd	500
AVA Technopark Ltd	100
Beauport Industries Limited	140

(Rs million)

Company	Amount
Compagnie Mauricienne De Textile Ltée	900
Constance Industries Limited	425
Ferme Marine de Mahebourg Ltd	100

(Rs million)

Company	Amount
Best Construct Co Ltd	110
Blue Ocean Park Ltd	200
Casela Limited	140

(Rs million)

Company	Amount
IKO (Mauritius Hotel Limited	312
Investcorp (Holdings) Ltd	250
Kuros Construction Solutions Ltd	95

(Rs million)

Company	Amount
FM Denim Co Ltd	300
Gleneagles Co Ltd	75
Hermes Properties Ltd	275

(Rs million)

Company	Amount
La Trobe Co. Ltd	175
Lateral Holdings Limited	300
Long Beach Resort Ltd	2,000

*As at end June 2022

AMOUNT DISBURSED

(Rs million)

920
Lux Island Resorts Ltd

350
Luxury Retirement Village Ltd

85
Mare Anguilles Farms Ltd

(Rs million)

650
Mauriplage Beach Resort Limited

1,989
Medine Limited

550
Merville Limited

(Rs million)

2,500
New Mauritius Hotels Limited

4,453
Omnicane Limited

100
PSH Investment Ltd

(Rs million)

275
R.E.A.L Garments Ltd

300
Sagar Hotels and Resorts Ltd

200
Sharma Limited

(Rs million)

350
Southern Cross Tourist Company Limited

150
Vacances Plus Limited

600
Rogers Hospitality Operations Ltd

(Rs million)

30
Water Sports Village Limited

90
White Sand Paradise Ltd

65
Zilwa Resort Ltd

*As at end June 2022

ASSET ALLOCATION

ASSET ALLOCATION

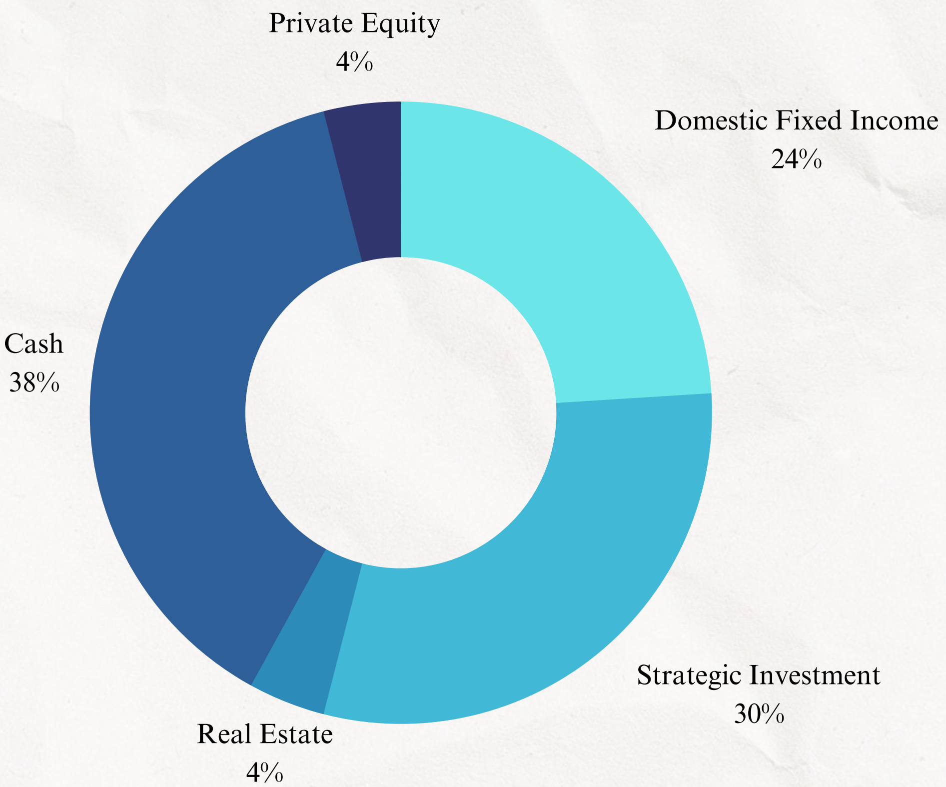
Asset Allocation	Evaluate the different types of assets and its allocation as a total of all assets owned by the MIC.
Portfolio Performance	Assessment of portfolio performance on a monthly, quarterly, semi annually and yearly basis.
Individual Assessment	Review of individual investments by analysing its sector performance, financial performance and compliance with the agreement with the MIC.

Evaluate the Asset Allocation

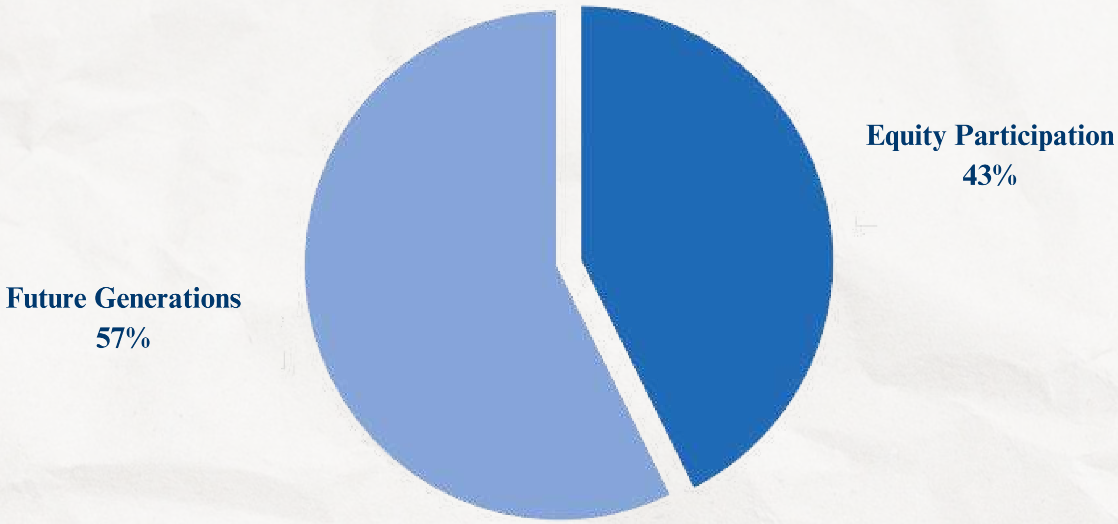
MIC's following asset allocation strategy is in line with its goals, risk tolerance, and investment horizon.

The five main asset classes—Private Equity, Domestic Fixed Income, Cash, Real Estate and Strategic Investment.

Asset Allocation as at 30 June 2022



ASSET ALLOCATION

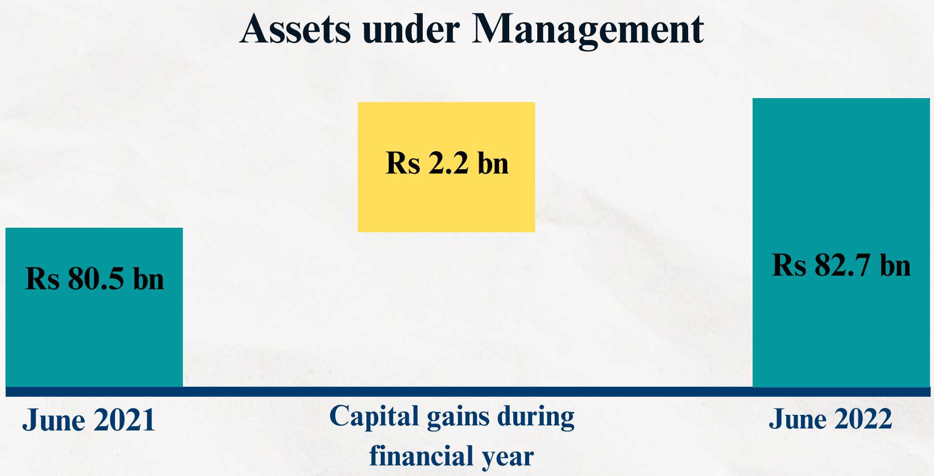


MIC's asset allocation as at 30 June 2022 reflected a diversified portfolio with Future Generations Projects, representing 57% of total investments as against 8% in the previous financial year. Congruent to this shift, the MIC also moved from fixed interest rates to floating interest rates on the Future Generations Projects.

A major investment that was concluded during the Financial Year 2021/22 was a strategic investment of Rs 25.0 billion in Airport Holdings Ltd ('AHL'). This investment representing a 49% stake in AHL, was done to help an industry of strategic importance as the investment in AHL is intertwined with MIC's investments in the tourism sector.

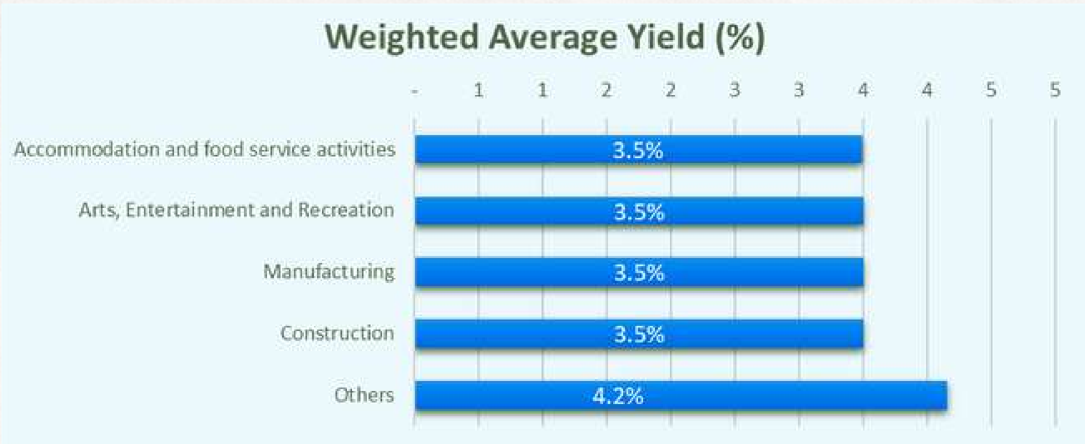
During the FY 2021/22, MIC reviewed the smart city project of Mon Trésor Smart City Ltd (MTSC), a subsidiary of the MIC. Concomitantly, MTSC surrendered its existing Smart City Certificate (SCC) and applied for a new SCC from the Economic Development Board with additional plots of land in the project. The smart city project was eventually rebranded as MIC Smart City.

PORTFOLIO OVERVIEW

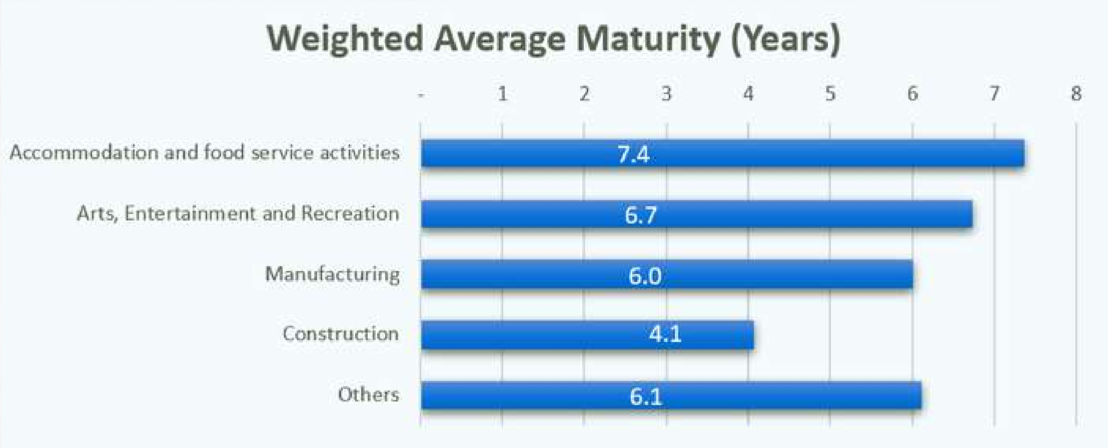


Notwithstanding a drop in asset values across the world on the back of inflation, interest rate risk and rising geopolitical risks, the assets under management (AUM) of MIC grew by 2.7% from Rs 80.5 billion in June 2021 to Rs 82.7 billion in June 2022.

The growth in AUM was essentially driven by the revaluation of properties and added investment in quasi-equity instruments and continued investment in corporate bonds.



The weighted average yield of MIC's fixed income assets was 3.5% for the period ended 30 June 2022. Given the unprecedented impact of the COVID-19 pandemic and to support the banking system through credit risk sharing, 80% of MIC's fixed income assets were invested in the Accommodation and Food Services sector, 10% in the Manufacturing sector, 4% in the Construction sector, 1% in the Entertainment sector and 5% in other emerging sectors.



The weighted average maturity of MIC's fixed income assets was 7.2 years for the period ended as at 30 June 2022.

Fixed income assets represent only a portion of the total AUM at 17.4% as at 30 June 2022 and the bulk is yet to be invested in more liquid assets, in line with the Strategic Asset Allocation which has already catered for both liquid and illiquid assets.

Pricing

In line with MIC's values of transparency, accountability and compliance, financial and real estate assets are valued by financial advisors/professional land surveyors/other professionals and checked independently by renowned auditing firms in accordance with the requirement of IFRS. These results are duly published in the annual report.

MIC's investments, which are governed by the parameters set by its Constitution and its Investment Policy Statement, are made at arm's length with due consideration given to, inter alia, risk exposures, issuers' importance to the Mauritian economy, collaterals provided and special features embedded in the financing instruments.

In its effort to embody continuous improvement, the MIC is currently developing an External Rate of Return (ERR) framework which will quantify MIC's impact on employment, job equality, innovation, local sourcing, economic growth and environmental factors. Going forward, ERR considerations shall be encompassed in the investment decision process, hence, maximizing value to our stakeholders.

MONITORING PROCESS

As part of the monitoring process of its investments, the MIC conducts regular and constant monitoring on its investments, sectors in which they operate, and the economy as a whole. We perform so in order to maximise return on our investments and mitigate any risks that arises due to market risks or company specific risks. The monitoring process is composed of four areas; sector analysis, financial analysis of investee companies and other related peer companies, meeting with other lenders, assessment on whether the investee companies abide to all the terms and conditions of the agreement and media watch.

Sector Analysis

Analysis of sectors in which MIC has invested

Financial Analysis

Quarterly and yearly financial analysis of all companies in which the MIC has invested and related peer companies

External Factors

Media watch, keeping track of new laws and regulations, force majeure events

The agreements

Constant monitoring on whether the counter parties abide to all the obligations of the agreement with MIC

1. Sector Analysis

The monitoring process employed is a top-down approach, which entails a quarterly, semi-annually, and yearly sector analysis in order to assess the sector's performance and growth, strengths and weaknesses, opportunities and threats that arise during the periods and the impacts of worldwide events on the economy and individual companies. Further to the sector analysis, a broad idea on how well a company is expected to perform and what are its prospects in its industry are obtained.

2. Financial Analysis

Financial analysis process includes appraising the investees' performance. Yearly and quarterly financial results, key ratios and indebtedness levels are analysed to assess the risks of non-repayment to the MIC and any infringement to the undertakings and financial covenants specified in the agreement between the counterparties and the MIC. The level of indebtedness and the repayment capacity of the investee companies are crucial in our monitoring process as both are indicators of any potential event of default from the investee company. Moreover, interest repayments are carefully monitored to assess return on our investment portfolio.

3. The Agreements

On a quarterly basis, the investee companies are required to provide a list of documents and information in relation to their activities and performance. Same are analysed in depth to detect any possible non-compliance and any breach to the covenants and undertakings of the agreements with MIC. We also hold regular meetings with other lenders to evaluate any breach from their other debt and equity financing agreements as same will affect us.

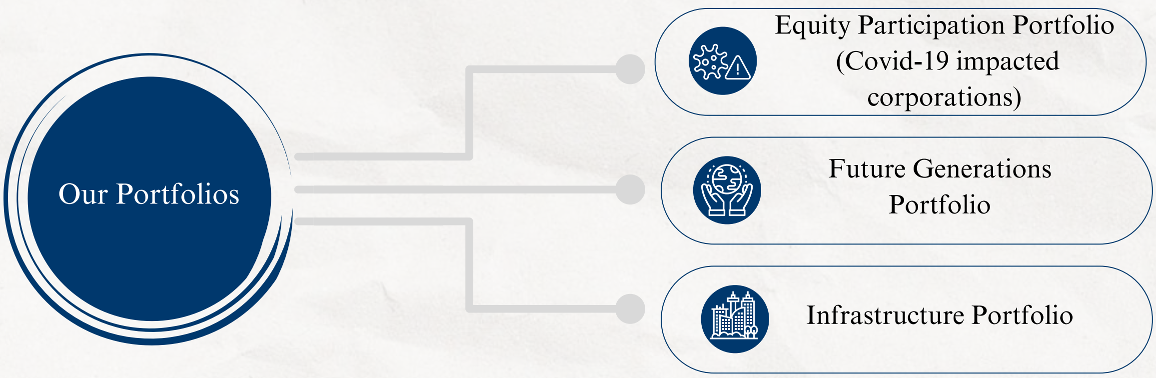
4. External Factors Monitoring

Monitoring of external factors is also carried out in order to mitigate possible downturns in our investment portfolio. Such external factors include laws and regulations, local and worldwide media and press releases and force majeure events.

STRATEGY

STRATEGY 2.0

The MIC has successfully pursued its established strategy of financially supporting the key sectors impacted by the COVID-19 pandemic, preventing an economic downturn, and protecting livelihood of the citizens of Mauritius. Building on the success of its Strategy 1.0, the MIC is developing its Strategy, 2.0, to better achieve its long-term objectives. MIC Strategy 2.0 aims to facilitate investment flows into Mauritius and position our country as the financial hub for Africa which will, in turn, boost the country towards higher economic prosperity. The future generations portfolio and infrastructure portfolio will be the cornerstone in the implementation of strategy 2.0.



Two new funds will be targeted, a Venture Capital Fund to support new entrepreneurs including those with a technology focus and a Growth Capital Fund to invest in leading and emerging Mauritian businesses by attracting foreign private partner capital.

The MIC shall also participate in attractive investment strategies as a limited partner or general partner both on the local and international fronts.

Four fields of investment activity

Venture Capital Fund

To support new entrepreneurs including those with a tech focus

Cornerstone Investor

New businesses & industrial ventures in Mauritius with risk capital

Growth Capital Fund

To invest in leading and emerging Mauritian businesses, attracting private partner capital from abroad

Limited Partner/ General Partner participation

Participation in attractive investment strategies relevant to Mauritius and beyond

STRATEGY 2.0

We believe that the shown strategies will allow MIC to deliver sustainable and profitable growth in the long term, by supporting and accelerating the economic development of Mauritius and enhancing the nation's wealth.

01

Partner with the government through the development of tactical initiatives to promote investment in targeted sectors of the domestic economy with high potential growth such as Agriculture, Seafood, Manufacturing and Real Estate

02

Attract foreign direct investment to support local entrepreneurs by creating strategic partnerships with international investors to establish and invest in domestic venture capital and private equity funds

03

Diversify the Mauritian economy by leveraging on the reputation of the Mauritius International Financial Centre to promote a dynamic Mauritius as the jurisdiction of choice for the African and Asian private equity

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

PRINCIPLE 1 - GOVERNANCE STRUCTURE

The Mauritius Investment Corporation Ltd ('MIC' or the 'Company'), a public interest entity as defined by the Financial Reporting Act 2004, has applied all the principles of the National Code of Corporate Governance (2016). This corporate governance report sets out how the Code's principles have been applied and reflected throughout the MIC. Good governance is an integral part of the Company's success and its ability to deliver on its strategy.

Board Charter

MIC's governance structure is set out in its Board of Directors Charter, which was approved on 16 May 2022. The Charter defines the role, function and objectives of the Board of Directors, Board Committees, Chairman, 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 accordance with good governance practices, the Board ensures that regular Board meetings and committee meetings are held during the financial year.

Code of Ethics

A Code of Ethics and Business Conduct, which include whistle blowing procedures, is currently being finalized and will be submitted to Board of Directors for approval.

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.

Organisational chart and Accountability Statement

The Board of MIC is ultimately accountable and responsible for the performance and affairs of the Company which operates within a defined Board Charter through delegation of authorities 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 are met and for meeting all legal and regulatory requirements. The Board sets overall direction on investment strategies, objectives, and asset allocation. The Board guides overall investment allocation and risk tolerance and approve or reject 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.

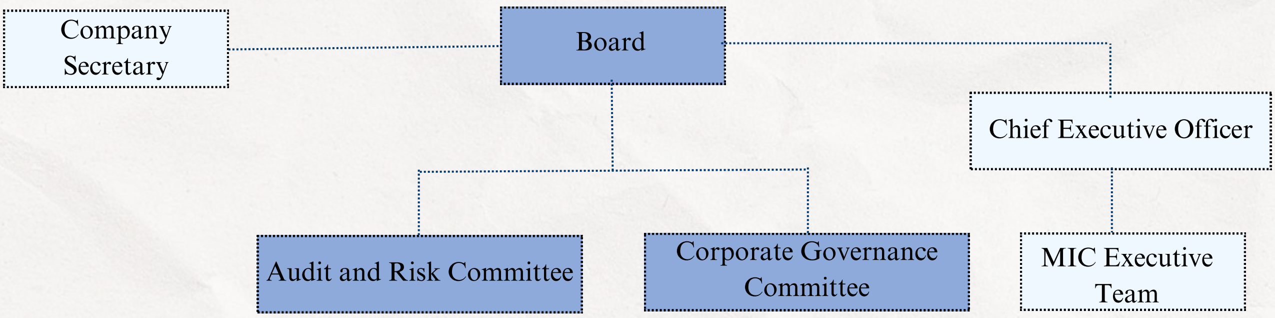
PRINCIPLE 2 - THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

THE BOARD

The Board of the MIC comprises of 7 highly experienced and committed Directors out of which, 5 are Independent Non-Executive Directors and 2 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. They 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. The Board may review the Charter as and when required.

During the financial year, MIC reviewed its governance structure to include two committees namely the Corporate Governance Committee and the Audit and Risk Committee.

Board and Directors' roles and responsibilities



Chairman	Non-Executive Directors and Independent Directors	CEO
Provides overall leadership	Monitor the delivery of the agreed strategy within the risk and control framework set by the Board	Responsible for the day to day running of the Company's operations
Ensures smooth functioning of the Board	Constructively challenge the CEO and the management of the Company	Leads and directs senior management to implement the strategy and policies set by the Board
Encourages active participation of each Director in discussions		

Company Secretary

The Acting Company Secretary assists and advises 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;
- Guide the Board and Directors on how to discharge their responsibilities in the best interests of the Company;
- 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.

Board meeting process

Before the meeting	Agenda and board papers are sent to the directors at least 5 days prior to the scheduled meeting. Necessary arrangements are made for Directors who are not able to attend the meeting physically.
During the meeting	Chairperson presides over the meeting in accordance with the Board Charter. Regular matters such as review of the Company's activities and reports from the various sub committees are discussed.
After the meeting	Minutes are prepared and sent to the Board for review and comments before adoption at the next Board Meeting. The Acting Company Secretary ensures that follow-up on certain Board decisions are done.

Key focus Areas of the Board in 2021-2022

The Board met 14 times during the financial year ended 30 June 2022. A summary of the main issues discussed at these meetings are provided below:

Regular Agenda Items	• **Approval of previous minutes of the Boards** • **CEO Report (Activity Review, New Investment Proposals; Current Portfolio Exposure)**
Strategy	• **Definition of new strategy** • **Revision of the structure of the Investment Committee**
Financial Items	• **Approval of Annual Budget for the financial year 2022/2023** • **Approval of Financial Statements for the year ended 30 June 2021**
Governance and Risks	• **Establishment of a Board Charter** • **Setting up of an Audit and Risk Committee** • **Setting up of a Corporate Governance Committee** • **Establishment of a Terms of Reference for the Corporate Governance Committee and Audit and Risk Committee**
Key projects	• **Equity capital contribution in Airport Holdings Ltd** • **Acquisition of MIC Smart City Ltd (formerly known as Mon Tresor Smart City Ltd)** • **Acquisition of land parcels from Omnicane Limited and Medine Ltd**

Board Meetings in 2021-2022

The table below shows the attendance of the Directors who served on the Board of the MIC for the financial year 2022:

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	14/14
Mardayah Kona Yerukunondu	Male	2 June 2020	Non-Executive Director	Mauritius	13/14
Hemlata Sadhna Sweraj-Gopal	Female	2 June 2020	Non-Executive Director	Mauritius	14/14
Jean Michel Louis Rivalland	Male	2 June 2020	Independent Non-Executive Director	Mauritius	12/14
Mohamed Swadicq Nuthay	Male	15 July 2021	Independent Non-Executive Director	Mauritius	12/14
Neemalen Gopal	Male	15 July 2021	Independent Non-Executive Director	Mauritius	14/14
Swaminathan Ragen	Male	15 July 2021	Independent Non-Executive Director	Mauritius	13/14

BOARD COMMITTEES

The Board is assisted in its functions by two main sub-Committees: (i) an Audit and Risk Committee and (ii) a 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 Acting 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.

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.

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, both are Independent Non-Executive Directors. The Committee's meetings are also attended by the CEO as and when required.

Attendance in 2021-2022

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	3/3

Matters considered in 2021-2022

During the financial year 2021/2022, the Audit and Risk Committee met three times and the matters discussed included:

- Audited financial statements as at 30 June 2021
- External audit plan and strategy for the year ended 30 June 2022
- External audit fees
- Valuation report for financial year ended 30 June 2022
- Review of budget for financial year ending 30 June 2023
- Quarterly financial statements and operational review documents

Main Terms of Reference

- Examine and review the quality and 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
- Monitor the risk matrix or risk heat map/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
- Review and approve conflicts of interests and related party transactions of a material nature in line with the applicable policy
- 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 findings and recommendations.

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 2021-2022

Members	Board Status	Meeting Attendance
Neemalen Gopal(Chairperson)	Independent Non-Executive Director	1/1
Jean Michel Louis Rivalland	Independent Non-Executive Director	1/1
Swaminathan Ragen	Independent Non-Executive Director	1/1

Matters considered in 2021-2022

During the financial year 2021/2022, the Corporate Governance Committee met once, and the main issues discussed included:

Nomination	• Recommendation of the appointment of Mr. Neemalen Gopal as Chairman of the Corporate Governance Committee
Corporate Governance	• Reviewed the Terms of Reference of the Corporate Governance Committee • Reviewed and recommended changes to the Board Charter and Constitution

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.

PROFILES OF THE BOARD OF DIRECTORS

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

Mr. Florman is the Chairman of Time Partners Ltd, London since 2014. He was previously the Chief Executive of British Venture Capital Association, London (2011-2013), Founder and Managing Partner of 8 Miles LLP, London and Johannesburg (2008-2011), Managing Director of Doughty Hanson & Co, Sweden (2001-2008), Chairman of LM Glasfiber, Denmark (2002-2006) and Founder & CEO of Maizels Westerberg, London (1992-2001).

Mr. Florman also worked at Enskilda Securities, London and Stockholm (1989-1992), County NatWest, London (1986-1989) and Northern Trust, Chicago and London (1981-1986). He is skilled in leading and transforming organisations, mergers & acquisitions, capital raising for industry and private equity, setting strategy, governance and dealing with public policy, people and regulatory authorities.

Mr. Florman has been a Director on the Board of the BBC (as Governor for England) and the UK Home Office. He is also focused on impact investing and showing the role of business in society and shaping economies. Mr Florman holds a BSc in Economics of Industry and Trade from the London School of Economics.

Directorship in other companies:

- Listed Private Capital (LPeC)- Chairman
- Swedish Chamber of Commerce
- Commonwealth Education Trust

Mr. Mardayah Kona Yerukunondu – Non-Executive Director

Mr. Kona Yerukunondu is currently the First Deputy Governor of the Bank of Mauritius and the Chairperson of the Board of the Financial Services Commission, Mauritius. He also sits on the Monetary Policy Committee of the Bank of Mauritius. 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 has also formed part of national delegation of the ESAAMLG Task Force of Senior Officials. He is currently a member of the Statutory Core Group for Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation. Mr. Kona Yerukunondu is a sworn barrister and holds a LLB (Honours) from the University of London as well as qualifications from the Institute of Statisticians.

Directorship in other companies:

- Financial Services Commission, Mauritius- Chairman

Mrs. Hemlata Sadhna Sewraj-Gopal – Non-Executive Director

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.
A State Scholar, Mrs. Sewraj-Gopal holds a bachelor's in economics and Social Studies (Honours) from the University of Manchester and is also a Chartered Accountant from the Institute of Chartered accountants of England and Wales (ICAEW). 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

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. He holds a BSc (Hons) in Actuarial Science and Statistics, a Post Graduate Diploma in Strategy and Innovation from SAID Business School, University of Oxford and is a qualified actuary from the Institute of Actuaries, UK.

Directorship in other companies:

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

Mr. Swaminathan Ragen – Independent Non-Executive Director

Mr. Swaminathan Ragen is currently 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. Mr Ragen holds a Diploma in Public Administration and Management, B. Com, M. Com, PGCE, and MSc in Public Sector Management.

Mr. Swadicq Nuthay – Independent Non-Executive Director

Mr. Nuthay has both an economic and investment banking background. He has extensive experience in corporate finance assignments including valuation, capital raising, listing of securities, mergers & acquisitions 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 holds a BSc (Hons) in Economics, an MSc in International Business and Finance and is a member of the CFA institute. He has also served and still sits on various committees including the task force on capital market and green finance committee of the FSC (Financial Services Commission).

Mr. Neemalen Gopal – Independent Non-Executive Director

Mr. Gopal is currently 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 October 2017 to October 2019. Mr. Gopal is also a Board Member of Leal Communications and Informatics Ltd and of DistriPC Ltd and Gerant of SOLINFO SARL. A scholar, Mr. Gopal holds a DEUG A (Diplome Universitaire D'Etudes Générales) from the University of Réunion Island, a 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.

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

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. He 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) (2013-14).

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

PROFILE OF THE COMPANY SECRETARY

Mr. Sandiren Vadeevaloo

Mr. Vadeevaloo is a seasoned central banker with more than 15 years of experience and is skilled in accounting and supervisory matters relating to Banking and Investment. He has extensive experience in supervision and regulation of banks and other financial institution in Mauritius. He formed part of the core team in the setting up of the MIC, a subsidiary of the Bank of Mauritius. He holds a BSc (Hons) in Accounting and Finance from the University of Mauritius and is also a Fellow Member of the Association of Chartered Certified Accountants (FCCA). He is currently overseeing the Finance and Administration unit of the MIC and acts as the Company Secretary of the Board and sub-committees of the MIC.

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 on an annual basis whenever appointments are considered. 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.

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 as a whole, its committees and individual directors. If the evaluation is conducted internally, the Corporate Governance Committee shall report annually to the board an assessment of its performance. The Board is in the process of conducting an evaluation of its Directors and evaluation exercise will be conducted within 6 months. No independent board evaluator was employed for the year under review.

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.

Independent Professional Advice

The Directors, either individually or as a group, in the discharge of their duties, may require professional advice. The Acting Company Secretary can assist them in obtaining independent professional advice at the Company's expenses.

PRINCIPLE 4 - DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Director's Duties

The Directors are aware of their legal duties. Once appointed on the Board, all new directors receive a comprehensive induction. The training seeks to make them aware of their legal duties and helps them to understand the Company's strategy, corporate governance structure, business operations and the associated opportunities and challenges.

Conflicts of interest

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 will be included in the Company's Code of Ethics, which is currently being finalized by the Board.

Professional development and training

Directors are encouraged to keep track with the latest office trends and professional practices.

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 Acting Company Secretary. The register is available for inspection during normal office hours upon written request made to the Acting 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 received a monthly fixed fee and the Directors of the Board Sub-Committees have not received any fee during the financial year 2021/2022. 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 and benefits received by the Directors for their involvement in the Board during the period ended 30 June 2021 and financial year ended 30 June 2022 respectively:

Members	Period ended 30 June 2021	Year ended 30 June 2022
Chairman	USD 19,500	USD 1,500 + GBP 47,500
Non-Executive Directors	MUR 780,000	MUR 720,000
Independent Non-Executive Directors	MUR 780,000	MUR 1,470,000

Directors	Board Fees in FY 2022
Carl Alan Mark Florman	GBP 47,500
Mardayah Kona Yerukunondu	MUR 360,000
Hemlata Sadhna Sewraj-Gopal	MUR 360,000
Jean Michel Louis Rivalland	MUR 360,000
Mohamed Swadicq Nuthay	MUR 360,000
Neemalen Gopal	MUR 360,000
Swaminathan Ragen	MUR 360,000

Information Technology Security Policy

The MIC complies with the Information Technology Policy of its shareholder. The Policy regulates the use, security standards, control and access rights for the staff of the Bank of Mauritius and MIC. Relevant parts of this policy are communicated to all users and require that they comply with Bank of Mauritius policies and hence, protect the Bank against potential legal risks. The policy is regularly reviewed by the Board of the Bank 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 are actively pursuing upgrades to their information systems to support its growth strategy.

Data Protection

The Company complies with the Data Protection Act 2017 and ensure that all our operations are compliant with the data protection regulations.

PRINCIPLE 5 - 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 on page 67. The Risk Report also outlines the systems and processes in place for implementing, maintaining and monitoring the internal controls.
The Company is in process of appointing an Internal Auditor who will provide 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 is discussed in the Risk Report on page 65.

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.

The Company has drafted a policy on whistle-blowing rules and procedures, which will be included in the Code of Ethics of the company.

PRINCIPLE 6 - REPORTING WITH INTEGRITY

The Directors are responsible for preparing the annual report and audited financial statements in compliance with applicable laws and regulations. Company law further requires the Directors to prepare financial statements for each financial year in accordance with International Financial Reporting Standards.
The Directors affirm their responsibilities in preparing the Annual Report and the Financial Statements of the Company which comply with International Financial Reporting Standards and the Mauritius Companies Act 2001. The Board also considers that taken as a whole, they are fair, balanced and understandable and provide the information necessary for 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.

MIC's website contains the Board Charter, the Terms of Reference of the Audit and Risk Committee and the Corporate Governance Committee and financial highlights of the Company.

PRINCIPLE 7 - AUDIT

External Audit

The Board has approved the appointment of Messrs. KPMG as external auditor for the year ending 30 June 2022. The Audit and Risk Committee evaluates the independence, effectiveness and eligibility of the external auditor on an ongoing basis before making a recommendation to the Board on their appointment and retention to ensure overall adequacy of the Company's internal control framework. The proposal to reappoint KPMG, which was first appointed on 23 April 2021 as external auditor, was approved at the Annual Meeting of Shareholders of MIC Ltd, held in December 2021. 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
- Approve the terms of engagement, scope of the audit process and remuneration of the auditor for audit and non-audit services
- Assess, on an annual basis, the independence and objectivity of the external auditors taking into account relevant professional and regulatory requirements
- Assessing the effectiveness of the audit process.
- Review 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. The Audit and Risk Committee has discussed accounting principles with the external auditor prior approval of the Financial Statements.

Internal Audit

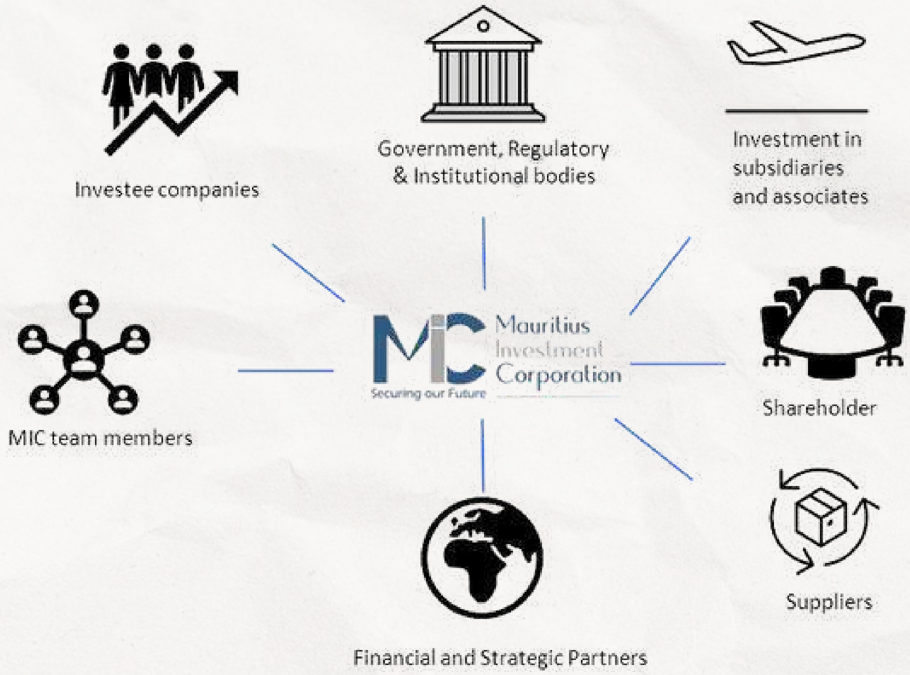
The role of the internal audit function is to assist the Audit and Risk Committee to ensure that the Company maintains a sound system of internal control. The MIC is in the process of appointing an Internal Auditor who will provide additional assurance to the Board and Senior Management on the adequacy and operational effectiveness of the internal control, risk management and governance system and processes in place at the Company. The Internal Auditor will set up an in-house internal audit function at the MIC.

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; and for maintaining control over the provision of non-audit services. Audit fees payable 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. During the period under review, the External Auditor did not provide any other non-auditing services to the MIC.

PRINCIPLE 8 - RELATIONS WITH SHAREHOLDER AND OTHER KEY STAKEHOLDERS

MIC's key stakeholders



Shareholding Structure

As at 30 June 2022, MIC has 8,100,000 Ordinary Shares in issue, representing 100% ownership by the Bank of Mauritius.

Meeting with key stakeholders

The MIC has had interactive sessions with selective key stakeholders three times during the financial year 2021-22. The key stakeholders consisted of Business Mauritius, Mauritius Bankers Association, Mauritius Chamber of Commerce and Industry, Association of Mauritius Manufacturers, Industrial Finance Corporation of Mauritius, Mauritius Exports Association, Mauritius Finance, State Investment Corporation, Association of Hoteliers and Restaurants in Mauritius, Eclosia Group, MIC's investees and Deloitte.

The aims of these sessions were mainly to collect collaborative ideas and opinions from stakeholders, to consider the upcoming challenges in Mauritius such as eco- tourism, food security, energy security and export security and to consider rooms for improvements.

Matters discussed during the meetings are as follows:

Sessions held on	Matters discussed
9 November 2021	• Discussed on the strategies of the MIC; • Took note of the propositions made by stakeholders to the MIC; • Discussed on the economic issues in Mauritius and considerations on the economic strategies; and • MIC to join the sovereign wealth fund community for good governance, accountability and transparency
15 March 2021	• Discussed on the development of medium-term strategy to ensure the continuing rolling growth of the capital under the jurisdiction of the MIC to maximise its impact and reach over generations to come, while as the same time returning the initial contribution the Bank; • Focus laid on the development of investment strategy for the MIC, risk allocation and instruments that could be used to invest; • To participate in the promotion of Mauritius to catalyse private sector investment to show the additionality (purpose) of the MIC; and • Partnerships to be developed both international DFIs and other multilateral institutions to maximise the catalytic power of the MIC; • Took note of the propositions made by stakeholders to the MIC
12 April 2022	• Meeting with MIC's investees for an overview on their situation following financial assistance from the MIC; • Discussed on the proper utilisation and availability of Forex on the market; and • Discussed on new strategy which is future-geared with the aim of attracting more growth for the economy and investment in strategic assets

Memorandum of Understanding (MOU)

The Memorandum of Understanding between the Economic Development Board ('EDB'), the Mauritius Institute of Biotechnology Ltd ('MIB') and the MIC was signed on 16th May 2022. The MoU has for aim of strengthening cooperation among institutions for the development of the Mauritian Economy, especially in the biopharmaceutical sector through the production, development and promotion of pharmaceutical products in Mauritius.

Key Stakeholders' Communication

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

Events	Month
Financial year end	30 June
Annual meeting of shareholder	December
Publication of financial year results	December

Chairman of the Board

Chairperson of the Corporate Governance Committee

STATEMENT OF COMPLIANCE BY DIRECTORS ON CORPORATE GOVERNANCE REPORT

Throughout the year ended 30 June 2022, 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 of the principles set out in the Code and explained how these principles have been applied, except the requirement for Principle 2: The Structure of the Board and its Board Committees, under sub section board composition.

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.

Chairperson of the Board of Directors

Date: 27.10.2022

Chairperson of the Corporate Governance Committee

Date: 27.10.2022

CERTIFICATE OF COMPANY SECRETARY UNDER SECTION 166 (D) OF THE COMPANIES ACT 2001

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 from 01 July 2021 to 30 June 2022.

Secretary

Registered Office:

Level 3, Bank of Mauritius Old Building

Sir William Newton Street

Port Louis

Date: 27.10.2022

RISK REPORT

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 organisation's investment portfolio, whilst ensuring the resilience of the control mechanisms in view of the changing operating landscape.

RISK GOVERNANCE

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 recognizes the importance of identifying and managing financial and non-financial risks faced by the business. 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. The Company risk register is maintained by the Risk Officer and is the core of the risk management process. It contains an overall assessment of the risks faced by the Company together with the controls established to mitigate those risks to an acceptable level. The risk register is reviewed and monitored by the Audit and Risk Committee ("ARC") that meets at least quarterly. The ARC's 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:

Board of Directors	**MIC's risk management governance structure begins with oversight by the Board of Directors to ensure that decision making is aligned with the Board's approved risk appetite.**
Board Committees	**The ARC approves the Enterprise Risk Management policy, framework, and risk appetite statement; ensures that key risks are reported in line with the established ERM policy and framework. The ARC also obtains reasonable assurance that the risk management system is effective and reviews the overall system of risk management.**
Management Team	**The aggregate enterprise-wide risk profile and portfolio appetite are discussed at the Management Risk Committee, and further reported to the Board's Audit and Risk Committee on a quarterly basis.**
Risk Officer/Compliance Officer	**The Risk Officer is responsible for identifying, measuring, monitoring and reporting significant risks across the organisation. The Compliance Officer ensures that there are appropriate controls to comply with applicable laws and regulations and escalates significant non-compliance matters to Management and to the Board's Audit & Risk Committee.**

Lines of Defense

MIC's risk management model operates along 'Three Lines of Defense', which ensures that there is clarity and transparency in risk ownership and accountability.

RISK REPORT

OUR PRINCIPAL RISKS

MIC continuously reviews its principal risks to ensure an appropriate understanding of the overall operating environment, which was significantly disrupted by the global spread of COVID-19. Since the emergence of COVID-19 in 2020 and the economic and social uncertainty surrounding it, companies have enhanced their approach to risk management and are undertaking scenarios assessments over the short, medium and long term.

At the MIC, a client risk assessment is performed whereby the investee companies' shareholders'/ultimate beneficial owner AML/CFT risks, their credit history, nature of business are 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.

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 Management Risk Committee and the Board on a quarterly basis. Our business decisions are taken with the objective of managing the reputational risk of the Company.

MIC is in the process of strengthening the risk and internal control functions by appointing an Internal Auditor who will provide added assurance to the Board of Directors that a system of internal control has been adequately implemented and is operating effectively.

RISK REPORT

The table below outlines the main risks faced by MIC and the risk response employed address those risks.

Principle Risk	Description	Mitigating 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 Management 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's Audit and Risk Committee.
Strategic Risk	Strategic risks threaten an organization's ability to deliver expected outcomes, and harm the organization's ability to grow and prosper. Example of strategic risk is non-payment of interests due on bonds. A force majeure event (e.g., Covid-19, 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.

RISK REPORT

Principle Risk	Description	Mitigating Action
Interest rate Risk	The risk arising from changes in interest rates or the prices of interest rate related securities, impacting 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 by the Risk Officer 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 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 is 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 amortised cost. Furthermore, the financial performance of the investees, their credit history and indebtedness levels are closely monitored.
Concentration Risk	MIC's investment portfolio consists mainly of exposures in the aviation, accommodation and food service activities and manufacturing sectors, as a result of funding provided to companies that are Covid-19 impacted.	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.

RISK REPORT

Principle Risk	Description	Mitigating Action
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 unfavourable 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.
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.	Recent economic forecasts show that a global recession is looming. Recession will cause a rash of business failures, failures in financial institutions, accompanied by slow or negative growth in production and elevated unemployment. In such occurrence, our investee companies will be negatively impacted, which will elevate our risk profile.

RISK REPORT

Biological assets

The Company is exposed to fluctuations in the price of sugar and the incidence of exchange rate, which affect both the crop proceeds and the fair value of biological assets. The risk is not hedged.

Internal control

The Risk Officer maintains a risk register that contains all the risks identified and documents the results of the assessment performed including management actions to be undertaken to maintain the risks to an acceptable level.

It also includes information as to whom (individual or unit) specific risks are assigned and responsible for its mitigation. Information that are included in the risk register include the potential impact/ consequence of the risk event, existing controls in place, inherent likelihood score, inherent impact score, inherent risk rating, action plan to improve mitigation controls including residual likelihood score, residual impact score and residual risk rating.

The internal control framework is intended to effectively manage rather than eliminate the risk of failure to achieve our business objectives. It can only provide reasonable, but not absolute, assurance against the risk of material misstatement or financial loss.

MAURITIUS INVESTMENT CORPORATION LTD

SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

MAURITIUS INVESTMENT CORPORATION LTD

TABLE OF CONTENTS

CONTENTS	PAGES
COMPANY INFORMATION	75
COMMENTARY OF THE DIRECTORS	76
SECRETARY'S CERTIFICATE	77
INDEPENDENT AUDITORS' REPORT	78 - 81
SEPARATE STATEMENT OF FINANCIAL POSITION	82
SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	83
SEPARATE STATEMENT OF CHANGES IN EQUITY	84
SEPARATE STATEMENT OF CASH FLOWS	85
NOTES TO THE SEPARATE FINANCIAL STATEMENTS	86 - 119

MAURITIUS INVESTMENT CORPORATION LTD

COMPANY INFORMATION

			Date of appointment
CHAIRPERSON	:	Mr Carl Alan Mark Florman	15-Jul-21
DIRECTORS	:	Mr Mardayah Kona Yerukunondu	02-Jun-20
		Mrs Hemlata Sadhna Sewraj-Gopal	02-Jun-20
		Mr Jean Michel Louis Rivalland	02-Jun-20
		Mr Swaminathan Ragen	15-Jul-21
		Mr Neemalen Gopal	15-Jul-21
		Mr Mohamed Swadicq Nuthay	15-Jul-21
REGISTERED OFFICE	:	Level 3 Bank of Mauritius Old Building Sir William Newton Street Port Louis	
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

The Directors are pleased to present their commentary and the audited separate financial statements ("financial statements") of Mauritius Investment Corporation Ltd (the "Company") for the year ended 30 June 2022.

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 statement of profit or loss and other comprehensive income and related notes. The Company did not declare any dividend during the year under review.

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 International Financial Reporting 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. 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

27 OCT 2022

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

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 2022.

Secretary

Registered Office:
Level 3, Bank of Mauritius Old Building
Sir William Newton Street
Port Louis

Date: **27/10/22**

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 2022 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 separate financial statements, including a summary of significant accounting policies, as set out on pages 86 to 119.

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 2022, and of its separate financial performance and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act.

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 and Secretary's Certificate, which we obtained prior to this auditors' report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the separate financial statements and our auditors' report thereon.

KPMG

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 International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies 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.

KPMG

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.

KPMG

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.

KPMG

KPMG
Ebène, Mauritius

Mervyn Lam Hung
Licensed by FRC

Date: **27 October 2022**

MAURITIUS INVESTMENT CORPORATION LTD

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	30 June 2022	30 June 2021
		MUR'000	MUR'000
ASSETS			
Non-current assets			
Plant and equipment	6	**2,382**	2,265
Investment property	7	**3,279,025**	-
Investment in subsidiary	8	**4,789,835**	2,416,395
Investment in associate	9	**25,000,000**	-
Financial assets at fair value through profit or loss (FVTPL)	10	**14,691,446**	6,160,533
Total non-current assets		**47,762,688**	8,579,193
Current assets			
Prepayments		-	62
Cash and cash equivalents		**34,982,708**	71,897,830
Total current assets		**34,982,708**	71,897,892
TOTAL ASSETS		**82,745,396**	80,477,085
CURRENT LIABILITY			
Other payables	11	**15,451**	14,850
EQUITY			
Stated capital	12	**81,000,000**	1,000,000
Share application money pending allotment		-	80,000,000
Retained earnings		**426,246**	(537,765)
Reserves	12	**1,303,699**	-
TOTAL EQUITY		**82,729,945**	80,462,235
TOTAL LIABILITY AND EQUITY		**82,745,396**	80,477,085

Authorised and approved for issue by the Board of Directors on 27 October 2022 and signed on its behalf by:

Mr Carl Alan Mark Florman
(Chairman)

Mr Mohamed Swadicq Nuthay
(Director)

Mr Jitendra Bissessur
(Chief Executive Officer)

The notes on pages 86 to 119 form part of these separate financial statements.
Independent auditors' report on pages 78 to 81.

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Notes	For the year ended 30 June 2022	Period from 2 June 2020 (Date of Incorporation) to 30 June 2021
		MUR'000	MUR'000
Revenue			
Interest income on bonds and notes		**391,282**	31,387
Front-end, legal and registration fees	13(a)	**35,858**	55,475
Other income		**182**	-
Total revenue		**427,322**	86,862
Expenses			
Professional, legal and registration costs	13(b)	**17,358**	13,933
General expenditure		**18,593**	8,329
Staff salaries and other benefits		**12,848**	1,609
Directors' fees	14	**5,087**	2,342
Overseas meeting, training and conferences		**3,010**	-
Depreciation	6	**1,189**	1,510
Investment committee fees		**1,080**	1,050
Total operating expenses		**59,165**	28,773
Profit before changes in fair value of financial assets at FVTPL		**368,157**	58,089
Changes in fair value of financial assets at FVTPL (bonds and notes)	10	**272,765**	(595,854)
Changes in fair value of investment property	7	**300,325**	-
Changes in fair value of investment in subsidiary company	8	**1,326,463**	-
Profit/(Loss) after changes in fair value of financial assets at FVTPL		**2,267,710**	(537,765)
Income tax expenses	19	**-**	-
Profit/(loss) for the year/period		**2,267,710**	(537,765)

The notes on pages 86 to 119 form part of these separate financial statements.
Independent auditors' report on pages 78 to 81.

MAURITIUS INVESTMENT CORPORATION LTD

SEPARATE STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2022

	Stated Capital	Share application monies	Revaluation reserve	Fair valuation reserve	Retained earnings	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Balance as at 2 June 2020 (date of incorporation)	-	-	-	-	-	-
Loss for the period	-	-	-	-	(537,765)	(537,765)
Change in fair value of financial assets at FVTPL (bonds)	-	-	-	-	-	-
Transactions with shareholder of the Company:						
Issue of ordinary shares	1,000,000	-	-	-	-	1,000,000
Share application money received	-	80,000,000	-	-	-	80,000,000
Balance as at 30 June 2021	**1,000,000**	**80,000,000**	**-**	**-**	**(537,765)**	**80,462,235**
Balance as at 30 June 2021	1,000,000	80,000,000	-	-	(537,765)	80,462,235
Transfer of accumulated changes in financial assets at FVTPL to fair valuation reserve	-	-	-	(595,854)	595,854	-
Profit for the year	-	-	-	-	2,267,710	2,267,710
Change in fair value of financial assets at FVTPL (bonds and notes)	-	-	-	272,765	(272,765)	-
Revaluation of investment property	-	-	300,325	-	(300,325)	-
Change in fair value of investment in subsidiary	-	-	-	1,326,463	(1,326,463)	-
Transactions with shareholder of the Company:						
Issue of ordinary shares	80,000,000	(80,000,000)	-	-	-	-
Balance as at 30 June 2022	**81,000,000**	**-**	**300,325**	**1,003,374**	**426,246**	**82,729,945**

The notes on pages 86 to 119 form part of these separate financial statements.

Independent auditors' report on pages 78 to 81.

SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Year ended 30 June 2022 MUR'000	Period from 2 June 2020 (Date of Incorporation) to 30 June 2021 MUR'000
Cash flows from operating activities			
Cash generated from operations		**368,157**	58,089
- Interest received		**145,134**	-
Adjustments for non-cash items:			
- Depreciation		**1,189**	1,510
- Interest income		**(391,282)**	(31,387)
- Prepayments		**62**	(62)
- Other payables		**601**	14,850
Net cash flows generated from operating activities		**123,861**	43,000
Cash flows from investing activities			
Investment in financial assets at fair value through profit or loss		**(8,012,000)**	(6,725,000)
Acquisition of subsidiary		**-**	(2,416,395)
Acquisition of investment properties		**(4,025,677)**	-
Acquisition of investment in associate		**(25,000,000)**	-
Acquisition of plant and equipment		**(1,306)**	(3,775)
Net cash flows used in investing activities		**(37,038,983)**	(9,145,170)
Cash flows from financing activities			
Proceeds from issuance of shares	12	**-**	1,000,000
Share application money received	12	**-**	80,000,000
Net cash flows generated from financing activities		**-**	81,000,000
Net movement in cash and cash equivalents		**(36,915,122)**	71,897,830
Cash and cash equivalents at start of year/period		**71,897,830**	-
Cash and cash equivalents at 30 June		**34,982,708**	71,897,830

Non-cash transaction during the year ended 30 June 2022:

During the year ended 30 June 2022, share application monies amounting to MUR80 billion have been converted into share capital.

The notes on pages 86 to 119 form part of these separate financial statements.
Independent auditors' report on pages 78 to 81.

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 3, Bank of Mauritius, Old Building, Sir William Newton Street, 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 International Financial Reporting Standards ("IFRSs") and Mauritius Companies Act 2001.

(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 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 IFRSs 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.

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 2022, 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.

(f) Changes in accounting policies

The Company has changed its accounting policy for the subsequent measurement of investment in subsidiary from 1 July 2021. In accordance with IAS 8 Accounting policies, changes in accounting estimates and errors, the Company applied the change in the accounting policy retrospectively. However, since the cost of the investment in subsidiary at 30 June 2021 approximated the fair value at that date, the change in the accounting policy did not result in any adjustment to the carrying amount of the investment in subsidiary and opening equity balance at 1 July 2021 as a result of the retrospective application (Note 8).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in the financial statements except for Note 2(f).

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 miscellaneous 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Plant and Equipment (continued)

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 - 40% for 1st year then 20% for each of the three subsequent years
- Office Equipment - 10% per annum
- Computer Equipment - 33.33% per annum

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

Investment property

Recognition and Measurement

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value, which reflects market conditions at the reporting date. Gains and losses arising from changes in fair values of investment property 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 subsidiary 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in subsidiary and associate (continued)

Consolidation and equity method accounting exemption

The Company has not consolidated its investment in subsidiary and not applied the equity method to its investment in associates 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 IFRSs, 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 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 SUMMARY OF SIGNIFICANT 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).

<u>Financial assets at FVTPL</u>
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 subsidiary.

3 SUMMARY OF SIGNIFICANT 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.

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

The Company has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents. 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 subsidiary.

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 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 statement of profit or loss.
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 statement of profit or loss.
Financial liabilities at amortised cost	These financial liabilities are subsequently measured at amortised cost using the effective interest method.

3 SUMMARY OF SIGNIFICANT 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 16(B) provides details of the valuation techniques that the Company has applied.

(i) 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 SUMMARY OF SIGNIFICANT 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 SUMMARY OF SIGNIFICANT 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) 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(vii) Derecognition and modification (continued)

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.

(viii) 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 statement of financial position.

(ix) 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 statement of cash flows using the direct method.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(ix) Specific instruments (continued)

Stated capital and share application money

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. Share application money relates to prepaid capital contribution from shareholder pending allotment of shares and is classified as equity.

Other payables

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

Income 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 2022. The valuer used a valuation technique based on sales comparison approach and residual method of valuation.

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 16.

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 close-price.

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 subsidiary 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 if 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 2022.

5 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

(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 that were relevant to the Company's financial statements and were effective as from 1 January 2021:

IFRS 7 Financial Instruments: Disclosures- Amendments regarding replacement issues in the context of the IBOR reform

The IASB issued 'Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)' with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates.

IFRS 16 and COVID-19 — Extension of practical expedient

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16). The pronouncement amended IFRS 16 Leases to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021.

The above amendments did not have a material impact on the financial statements.

5 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

(b) Standards, amendments and interpretations not yet effective

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 30 June 2022 and which have not been adopted in these financial statements.

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

Annual Improvements to IFRS Standards 2018-2020

IFRS 9 Financial Instruments - The amendment clarifies that for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted. The amendments are not expected to have a material impact on the Company's financial statements.

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

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, issued by the International Accounting Standards Board, clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both:

- the incremental costs – e.g. direct labour and materials; and

- an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments will be recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives will not be restated. The amendments are not expected to have a material impact on the Company's financial statements.

5 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (CONTINUED)

(b) Standards, amendments and interpretations not yet effective (continued)

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 Board 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.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.

The amendment is effective for annual reporting periods beginning on or after 1 January 2023 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.

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.
- 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 1 January 2023, with earlier application permitted. The amendments are not expected to have a material impact on the Company's financial statements.

5 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (CONTINUED)

(b) Standards, amendments and interpretations not yet effective (continued)

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 International Accounting Standards Board (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 1 January 2023 but may be applied earlier. The amendments are not expected to have a material impact on the Company's financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.

When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or JV. In either case, the loss is recognised in full if the underlying assets are impaired.In response to this conflict and the resulting diversity in practice, on 11 September 2014 the IASB issued Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28). The IASB has decided to defer the effective date for these amendments indefinitely. Adoption is still permitted.

The amendments are not expected to have a material impact on the Company's financial statements.

6 PLANT AND EQUIPMENT

	Office equipment	Computer equipment	Motor Vehicle	Total
	MUR'000	MUR'000	MUR'000	MUR'000
COST				
At 01 July 2021	-	-	3,775	3,775
Additions during the year	4	1,302	-	1,306
At 30 June 2022	4	1,302	3,775	5,081
ACCUMULATED DEPRECIATION				
At 01 July 2021	-	-	1,510	1,510
Charge for the year	-	434	755	1,189
At 30 June 2022	-	434	2,265	2,699
NET BOOK VALUE				
At 30 June 2022	4	868	1,510	2,382

	Motor Vehicle
	MUR'000
COST	
At 02 June 2020	-
Additions during the period	3,775
At 30 June 2021	3,775
ACCUMULATED DEPRECIATION	
At 02 June 2020	-
Charge for the year	1,510
At 30 June 2021	1,510
NET BOOK VALUE	
At 30 June 2021	2,265

7 INVESTMENT PROPERTY

	2022	2021
Fair value model	MUR'000	MUR'000
At start of year/period	-	-
Additions	4,025,677	-
Transfer to investment in subsidiary (Note 8)	(1,046,977)	
Change in fair value	300,325	-
At end of year/period	3,279,025	-

7 INVESTMENT PROPERTY (CONTINUED)

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

During the year ended 30 June 2022, part of land was transferred to the portfolio of land owned by the Company's subsidiary (Note 8).

The investment property has been fair valued on 30 June 2022 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 analysis. Details of the Company's investment properties and information about the fair value hierarchy are as follows:

	Level 1	Level 2	Level 3	Total
30 June 2022	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Land	-	-	3,279,025	3,279,025
	-	-	3,279,025	3,279,025

There were no transfers between the levels during the year.

The sales comparison approach and residual method of valuation have resulted in an increase of Rs259m in the fair value of the carrying value of investment property as at 30 June 2022. The assumptions used in the models are based on certain inputs and data prevailing as at 30 June 2022.

Valuation technique and assumptions

The investment property was valued on 30 June 2022 by a qualified independent professional valuer; Elevante Property Services Ltd. The sales comparison approach involves the assessment of the property based on sales comparable in the neighbourhood and adjusted to reflect its location, characteristics and size. The residual method of valuation involves a discounted cash flow analysis.

The fair value of the investment property is based on its market value, which is defined as intended to mean the estimated amount for which an asset or liability should exchange 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:

2022	Fair value hierarchy	Significant unobservable input	Range of unobservable input
Agricultural land	Level 3	Price per Arpent	3,110.4 – 3,445.2
		MUR 3.89million	±5%

8 INVESTMENT IN SUBSIDIARY

	2022	2021
Fair value model	**MUR'000**	MUR'000
At start of year/period	**2,416,395**	-
Acquisition	**-**	2,416,395
Transfer from investment property (Note 7)	**1,046,977**	-
Change in fair value	**1,326,463**	-
At end of year/period	**4,789,835**	2,416,395

Details of the subsidiary are as follows:

Name of subsidiary	Type of shares	Principal place of business	Percentage of equity held	
			2022	2021
MIC Smart City Ltd *(Previously known as "MON TRESOR SMART CITY LTD")*	Equity	Mauritius	**100%**	100%

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. The subsidiary changed its name from MON TRESOR SMART CITY LTD to MIC Smart City Ltd on 07 June 2022.

The investment properties of the subsidiary were valued on 30 June 2022 by Elevante Property Services Ltd. The Company valued the investment in subsidiary 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 16.

	Level 1	Level 2	Level 3	Total
30 June 2021 and 2022	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Investment in subsidiary	-	-	4,789,835	4,789,835
	-	-	4,789,835	4,789,835

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 16(B).

9 INVESTMENT IN ASSOCIATE

	2022	2021
	MUR'000	MUR'000
At start of year/period	-	-
Addition	25,000,000	-
At end of year/period	25,000,000	-

(a) Details of the associate are as follows:

Name of associate	Type of shares	Principal place of business	Percentage of equity held	
			2022	2021
Airport Holdings Limited	Equity	Mauritius	49%	-

The Company acquired 49% of the shares and voting interests in Airport Holdings Limited during the year ended 30 June 2022.

(b) The investment in associate is accounted at cost less impairment. The directors are of opinion that the carrying amount of the investment in associate approximates its cost as at 30 June 2022.

(c) No dividend was received from the associate during the year ended 30 June 2022.

(d) Summarised information extracted from the unaudited consolidated financial statements of the associate as at 30 June 2022 are given below:

	2022
	MUR'000
Current assets	12,848,596
Non-current assets	80,123,304
Current liabilities	21,103,769
Non-current liabilities	31,001,263
Net assets	40,866,870
Revenue	10,458,994
Total comprehensive income	(3,013,801)

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

	2022	2021
(a) CONVERTIBLE BONDS	**MUR'000**	MUR'000
At start of the year/period	**6,160,533**	-
Additions during the year/period	**7,762,000**	6,725,000
Interest receivable	**383,302**	31,387
Interest received	**(139,175)**	-
Change in fair value	**272,320**	(595,854)
At end of year/period	**14,438,980**	6,160,533
(b) FIXED SECURED NOTES		
At start of the year/period	-	-
Additions during the year/period	**250,000**	-
Interest receivable	**7,980**	-
Interest received	**(5,959)**	-
Change in fair value	**445**	-
At end of year/period	**252,466**	-
TOTAL	**14,691,446**	6,160,533

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 carrying amount at 30 June 2022 reflects the fair value of the redeemable convertible bonds which have been estimated using a scenario-based valuation model.

The scenario-based valuation model has resulted in an increase of Rs272 million in the fair value of the secured redeemable convertible bonds as at 30 June 2022. The bulk of this increase is attributable to large companies operating in the hospitality sector. 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 2022.

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.

More details on the valuation technique, assumptions, inputs and data used have been included in Note 16(B).

11 OTHER PAYABLES

	2022	2021
	MUR'000	MUR'000
Professional and legal costs accrued	**2,756**	9,180
Fees payable to the Bank of Mauritius	**11,500**	5,500
Other accruals	**1,195**	170
	15,451	14,850

The fees payable to the Bank of Mauritius represents an all-inclusive management fee of MUR500,000 per month for the use of the office space and ancillary facilities and services. These fees are unsecured, interest-free and repayable on demand.

12 STATED CAPITAL & RESERVES

A. STATED CAPITAL

	No of shares		Value of shares	
	2022	2021	**2022**	2021
Ordinary shares			**MUR'000**	MUR'000
Authorised, issued and fully paid up				
At start of the year/period	**100,000**	-	**1,000,000**	-
Conversion from share application monies	**8,000,000**	-	**80,000,000**	-
Issued during the year/period	**-**	100,000	**-**	1,000,000
At end of year/period	**8,100,000**	100,000	**81,000,000**	1,000,000

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 2022	30 June 2021
	MUR'000	MUR'000
Balance at start	**-**	-
Transfer of accumulated changes in financial assets at FVTPL to fair valuation reserve	**(595,854)**	-
Movement in revaluation reserve	**300,325**	-
Movement in fair valuation reserve	**1,599,228**	-
Balance at end	**1,303,699**	-

The revaluation reserve includes the revaluation gains and losses on investment property. The fair valuation reserve includes the fair value movements in investment in subsidiary, convertible bonds and fixed secured notes. These two reserves were created during the year ended 30 June 2022.

13(a) FRONT-END, LEGAL AND REGISTRATION FEES

	For the year ended 30 June 2022	Period from 2 June 2020 (Date of Incorporation) to 30 June 2021
	MUR'000	MUR'000
Front-end fees	**27,235**	50,050
Legal fees	**7,689**	4,809
Registration fees	**934**	616
	35,858	55,475

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.

13(b) PROFESSIONAL, LEGAL AND REGISTRATION COSTS

	For the year ended 30 June 2022	Period from 2 June 2020 (Date of Incorporation) to 30 June 2021
	MUR'000	MUR'000
Legal costs	**8,758**	11,261
Registration costs	**725**	925
Professional costs	**7,875**	1,747
	17,358	13,933

14 DIRECTORS' FEES

	For the year ended 30 June 2022	Period from 2 June 2020 (Date of incorporation) to 30 June 2021
	MUR'000	MUR'000
Chairperson	**2,927**	782
Other directors	**2,160**	1,560
	5,087	2,342

The Chairperson was paid a monthly fee of **GBP3,500 (MUR195,335)** from July 2021 to March 2022 and **GBP6,500 (MUR 362,765)** from April 2022 to June 2022. Other directors are paid a monthly fee of **MUR30,000**.

15 COMMITMENTS

Commitments, not otherwise provided for in the financial statements and which existed at 30 June 2022, include an amount of MUR1,215 million (2021: MUR10,397 million) for bonds subscription and represent the amount approved but not yet disbursed.

16 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.

16 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 not dependent on changes in interest rates as the Company has fixed rate interest bearing financial assets. The interest-bearing Mauritian rupee denominated assets earn fixed interest at rates ranging from 3% p.a. to 3.5% p.a. On this basis, the Company is not significantly exposed to interest rate risk.

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.

Sensitivity analysis

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

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.

16 FINANCIAL RISK MANAGEMENT (CONTINUED)

A. Financial risk factors (Continued)

Sensitivity analysis (continued)	Change in yield (basis points)	Effect on profit or loss and equity
	MUR'000	MUR'000
2022		
Financial assets at fair value through profit or loss	**100**	**(707,932)**
	(100)	**765,322**
2021		
Financial assets at fair value through profit or loss	100	(407,000)
	(100)	377,000

(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:

	2022	2021
	MUR'000	MUR'000
Cash and cash equivalents	**34,982,708**	71,897,830

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

(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:

	2022		2021	
	MUR'000	**%**	MUR'000	%
Accommodation and food services	**11,809,837**	**80%**	5,410,878	88%
Manufacturing	**1,472,661**	**10%**	749,655	12%
Arts and entertainment	**220,107**	**1%**	-	-
Construction	**198,544**	**1%**	-	-
Real estate	**364,264**	**3%**	-	-
Others	**626,033**	**5%**	-	-
	14,691,446	**100%**	6,160,533	100%

16 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 2022, 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:

	2022	2021
	Within one year	Within one year
	MUR'000	MUR'000
Other payables	**15,451**	14,850

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.

	2022		2021	
	Financial assets at FVTPL	**Financial assets at amortised cost**	Financial assets at FVTPL	Financial assets at amortised cost
Financial assets	**MUR'000**	**MUR'000**	MUR'000	MUR'000
Financial assets at FVTPL	**14,691,446**	**-**	6,160,533	-
Investment in subsidiary	**4,789,835**	**-**	2,416,395	-
Cash and cash equivalents	**-**	**34,982,708**	-	71,897,830
Total assets	**19,481,281**	**34,982,708**	8,576,928	71,897,830

	2022	2021
Financial liabilities	**Financial liability at amortised cost**	Financial liability at amortised cost
	MUR'000	MUR'000
Other payables	**15,451**	14,850

16 FINANCIAL RISK MANAGEMENT (CONTINUED)

B. Financial instruments (continued)

(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 subsidiary

The investment properties of the subsidiary were valued on 30 June 2022 by Elevante Property Services Ltd. The Company valued the investment in subsidiary using the net asset valuation method.

Other financial assets

The carrying amounts of cash and cash equivalents 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).

16 FINANCIAL RISK MANAGEMENT (CONTINUED)

B. Financial instruments (continued)

(iii) Valuation framework for investment in financial assets

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**
2022	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Investment in subsidiary	**-**	**-**	**4,789,835**	**4,789,835**	**4,789,835**
Financial assets at FVTPL	**252,466**	**-**	**14,438,980**	**14,691,446**	**14,691,446**
Total	**252,466**	**-**	**19,228,815**	**19,481,281**	**19,481,281**
2021					
Financial assets at FVTPL	-	-	6,160,533	6,160,533	6,160,533

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.

The following table presents the changes in financial assets at FVTPL categorized as level 3 hierarchy:

	2022	2021
	MUR'000	MUR'000
At start of period	**6,160,533**	-
Additions during the year/period	**8,012,000**	6,725,000
Interest receivable	**391,282**	31,387
Interest received	**(145,134)**	
Movement in fair value of financial assets at FVTPL	**272,765**	(595,854)
At end of year/period	**14,691,446**	6,160,533

16 FINANCIAL RISK MANAGEMENT (CONTINUED)

B. Financial instruments (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 2022	Valuation techniques	Significant unobservable inputs	Range of estimates (weighted-average) for unobservable inputs	Fair value measurement sensitivity to unobservable inputs
Convertible bonds	**MUR'000 14,438,980** (MUR'000 6,160,533)	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	**0.87% - 4.45%** (2021: 1.93% - 3.82%)	An increase in the MUR yield curve would result in a lower fair value.
			Probability of default	**0.01% - 9.75%** (2021: 0.079% - 0.540%)	An increase in the probability of default would result in a lower fair value. An increase in credit spread would result in a lower fair value.
Investment in subsidiary	**MUR'000 4,789,835**	Net asset value	Not applicable	Not applicable	Not applicable

16 FINANCIAL RISK MANAGEMENT (CONTINUED)

B. Financial instruments (continued)

Significant unobservable inputs (continued)

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

i 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.

17 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 year ended 30 June 2022 and period ended 30 June 2021, the Company transacted with the Bank of Mauritius, its parent, and key management personnel including staff, directors and the Chief Executive Officer.

17 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 2022
		MUR'000	MUR'000
Bank of Mauritius - Parent	**Fees for office space, facilities and services**	**6,000**	**11,500**
Bank of Mauritius - Parent	**Cash and cash equivalents**	**34,982,708**	**34,982,708**
Key management personnel - Directors	**Directors' fees**	**5,087**	**502**
Other key management personnel	**Salaries and other benefits**	**12,848**	**-**

Related Party and Relationship	Nature of Transaction	Period from 2 June 2020 (Date of incorporation) to 30 June 2021	Outstanding balance at 30 June 2021
		MUR'000	MUR'000
Bank of Mauritius – Parent	Fees for office space, facilities and services	5,500	5,500
Bank of Mauritius – Parent	Cash and cash equivalents	71,897,830	71,897,830
Key management personnel - Directors	Directors' fees	2,342	-
Other key management personnel	Salaries and other benefits	1,609	-

The Directors consider the Bank of Mauritius, the Central Bank for Mauritius, as the Company's parent.
Directors' fees are disclosed in Note 14 as per their terms of appointment.
Investment in subsidiary is set out in Note 8 and investment in associate is set out in Note 9.

18 EVENTS AFTER THE REPORTING PERIOD

There have been no other significant events after the reporting date which need disclosures in or amendments to the financial statements for the year ended 30 June 2022.

19 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.

20 COMPARATIVE FIGURES

The comparative figures cover the period from 2 June 2020 (date of Incorporation) to 30 June 2021. As such, the figures for the year ended 30 June 2022 are not comparable with the period figures in the statement of profit or loss and other comprehensive income and statement of cash flows.

Mauritius Investment Corporation Ltd
Level 3, Bank of Mauritius Old Building
Sir William Newton Street
Port Louis 11328

Telephone: +230 2145989
Email: info@mic-ltd.mu
Website: www.mic-ltd.mu