

THE STATE INVESTMENT CORPORATION LIMITED

FINANCIAL STATEMENTS - PERIOD ENDED

JUNE 30, 2024

THE STATE INVESTMENT CORPORATION LIMITED

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THE STATE INVESTMENT CORPORATION LIMITED

Corporate data

		Date appointed	Date resigned
Directors	:		
	Mr. Ishwarlall Bonomaully	30 June 2023	-
	Mr. Mohammad Shamad Ayoob Saab	04 June 2019	-
	Mr. Kritananda Naghee Reddy	07 April 2015	-
	Mr. Christ Paddia	09 December 2024	-
	Mr. Avinash Dreepaul	09 December 2024	-
	Mr. Jairaj Sonoo C.S.K	18 May 2018	13 November 2024
	Mr. Goolabchund Goburdhun, G.O.S.K	16 April 2019	17 December 2024
	Mrs. Gayetree Brojmohan	27 September 2021	13 November 2024
	Mr. Cader Jaunbocus	15 May 2019	25 November 2024
	Mr. Premode Neerunjun	27 December 2014	15 November 2024
	Mr. Anandsing Acharuz	05 October 2018	30 June 2023

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

Auditors : Grant Thornton
Ebene Tower
52 Cybercity
Ebene 72201
Republic of Mauritius

Bankers : The Mauritius Commercial Bank Ltd
Head Office
Sir William Newton Street
Port Louis
Republic of Mauritius

Absa Bank (Mauritius) Limited
6th Floor, Absa House
68-68A, Cybercity
Ebene 72201
Republic of Mauritius

THE STATE INVESTMENT CORPORATION LIMITED

Corporate data (Contd)

Bankers (Contd) :

- SBM Bank (Mauritius) Ltd
State Bank Tower
1, Queen Elizabeth II Avenue
Port Louis
Republic of Mauritius
- MauBank Ltd
25 Bank Street
Cybercity
Ebene 72201
Republic of Mauritius
- SBI (Mauritius) Ltd
7th Floor, SBI Tower Mindspace
Bhumi Park, 45
Ebene, Cybercity
Republic of Mauritius
- AfrAsia Bank Limited
4th Floor, NeXTeracom Tower III
Ebene 72201
Republic of Mauritius
- BCP Bank (Mauritius) Ltd
Level 9, Maeva Tower
Corner Bank Street & Silicon Avenue
Ebene 72201
Republic of Mauritius

THE STATE INVESTMENT CORPORATION LIMITED

Annual report

The Directors have the pleasure in submitting the Annual Report of The State Investment Corporation Limited ('the Company' or 'SIC') together with the audited financial statements for the period ended 30 June 2024.

Principal activities

The principal activity of the Company is to provide equity finance to both existing and new enterprises in all sectors of the Mauritian economy.

Results and dividends

The results for the period ended 30 June 2024 are shown in the statement of comprehensive income and related notes.

The Directors did not recommend payment of a dividend for the period under review (Year ended 31 December 2022: Nil).

Change in fiscal year end

The Company changed its reporting date from 31 December to 30 June and consequently, these financial statements run from 01 January 2023 to 30 June 2024.

The comparative figures are for the period from 01 January 2022 to 31 December 2022 and therefore, the comparative figures for the financial statements are not comparable.

Directors

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

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial period which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm 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 2001. 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 STATE INVESTMENT CORPORATION LIMITED

Annual report (Contd)

Directors' Service Contracts

The service contract of the Managing Director was for a period of three years starting 16 April 2022. The Managing Director resigned from his position on 17 December 2024. None of the other directors has a service contract.

Directors' Share Interests

The Directors hold no share of the Company whether directly or indirectly.

Contracts of Significance

No contracts of significance or loans existed during the period under review between Company and its directors.

Directors' Remuneration

Total emoluments and other benefits paid to the Directors during the reporting period were as follows:

	Period ended 30 June 2024 Rs	Year ended 31 December 2022 Rs
Non-Executive and Independent		
Mr. Kritananda Naghee Reddy	756,000	528,000
Mr. Jairaj Sonoo C.S.K (Up to 13 November 2024)	2,217,000	1,494,000
Mr. Cader Jaunbocus (Up to 25 November 2024)	756,000	528,000
Mrs. Gayetree Brojmohan (Up to 13 November 2024)	756,000	504,227
	4,485,000	3,054,227
Non-Executive		
Mr. Ishwarlall Bonomaully (As from 30 June 2023)	488,250	-
Mr. Mohammad Shamad Ayoob Saab	756,000	528,000
Mr. Premode Neerunjun (Up to 15 November 2024)	756,000	528,000
Mr. Anandsing Acharuz (Up to 30 June 2023)	252,000	528,000
Mr. Anoop Kumar Nilamber	-	12,364
	2,252,250	1,596,364
Executive		
Mr. Goolabchund Goburdhun, G.O.S.K (Up to 17 December 2024)	10,439,644	5,799,436
Total	17,176,894	10,450,027

THE STATE INVESTMENT CORPORATION LIMITED

Annual report (Contd)

Donations

	Period ended 30 June 2024 Rs	Year ended 31 December 2022 Rs
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Donations made during the period/year	45,000	80,000
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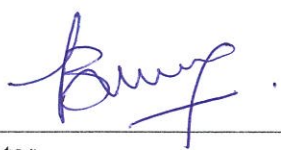
No political donation was made by the Company during the period under review.

Auditors

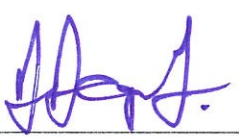
	Period ended 30 June 2024 Rs	Year ended 31 December 2022 Rs
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Fees relating to statutory audit services	1,500,000	1,200,000
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Approved by the Board of Directors on 09 MAY 2025 and signed on its behalf by:



Director



Director

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024

The State Investment Corporation Limited (the “Company” or “SIC”) is classified as a Public Interest Entity as per the Financial Reporting Act 2004. This report sets out how the principles of the Code of Corporate Governance for Mauritius (2016) (the “Code”) have been applied by the Company.

PRINCIPLE 1 - GOVERNANCE STRUCTURE

Governance Framework

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

The Board of SIC is collectively accountable and responsible for the affairs of the Company. The Board fulfills its duties and responsibilities as defined in the Company’s Constitution and the Mauritius Companies Act 2001 (the “Act”).

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

Key Governance Responsibilities

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

Key Governance Positions

Chairperson of the Board

The Chairperson of the Board is primarily responsible for the activities of the Board and its Committees. The Chairperson is responsible for the running of the Board and ensuring its effectiveness in all aspects of its role, including regularity and frequency of meetings. The Chairperson acts as the spokesman for the Board and is the principal contact for the Managing Director. The Chairperson and the Managing Director of the Board meet regularly. The Chairperson discusses and sets the agenda with the Managing Director and the Company Secretary, and facilitates the effective contribution of non-executive directors and encourages active participation during Board meetings. He ensures that Board members, upon appointment, participate in an induction programme and that the development needs of directors are identified and appropriate training is provided. The Chairperson ensures effective implementation of Board decisions and ensures that directors (particularly non-executive directors) have sufficient time to consider critical issues and obtain answers to any questions or concerns they may have and are not faced with unrealistic deadlines for decision making. The Chairperson maintains sufficient contact with the Shareholders to understand their issues and concerns. He also ensures that the views of Shareholders are communicated to the Board as a whole so that all directors develop an understanding of their views.

Mr. Jairaj Sonoo, C.S.K. was the Chairperson of the Board up to 13 November 2024.

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 1 – GOVERNANCE STRUCTURE (CONTD)

Key Governance Positions (Contd)

The Managing Director

The Managing Director has the authority and responsibility to manage the overall operations and resources of the Company. He acts as the main point of contact between the Board and the Management. The Managing Director ensures that a proper assessment of the risks under a variety of possible or likely scenarios is undertaken and presented to the Board. The other responsibilities of the Managing Director include among others: to develop and recommend to the Board a long-term vision and strategy for the Company as well as the annual business plans and budgets that support the Company's strategy; to execute and implement the strategy of the Board; to monitor the Company's performance and keep the Board appropriately informed; to foster a corporate culture that promotes ethical practices, rejects corrupt practices, offers equal opportunities, encourages individual integrity and meets social responsibility objectives and imperatives. The Managing Director serves as the chief spokesperson for the Company on all operational and day-to-day matters. The Managing Director communicates effectively with stakeholders and the public.

During the period ended 30 June 2024, the Managing Director of the Company was Mr. Goolabchand Goburdhun G.O.S.K. He ceased to be a Director of the Company on 17 December 2024.

Chairpersons of Sub-Committees

The Chairpersons of sub-committees work in close cooperation with/and provide support and advice to the Chairperson of the Board.

- Mr. Cader Jaunbocus was the Chairperson of the Audit and Risk Management Committee up to 25 November 2024.
- Mr. Mohummad Shamad Ayoob Saab is the Chairperson of the Corporate Governance Committee.
- Mr. Anandsing Acharuz was the Chairperson of the Investment Committee up to 30 June 2023.
- Mr. Ishwarlall Bonomaully is the Chairperson of Investment Committee (*As from 11 August 2024*).
- Mr. Premode Neerunjun was the Chairperson of the Remuneration and Nomination Committee up to 15 November 2024

Company Secretary

The Company Secretary is appointed by the Board. The role of the Company Secretary is to ensure that Board Members have the proper advice and resources for performing their duties to Shareholders under the relevant legal frameworks. The Company Secretary is also responsible for the Company and coordination of the Board and Committee meetings and ensuring that the records or minutes of those meetings reflect the proper exercise of those duties. Prime Partners Ltd, wholly owned subsidiary of SIC, acts as Company Secretary.

Other Key Governance Positions

Senior Management Team at SIC

Mr. Ganeshanlall Cheeneebash is the Chief Finance Officer. He is a Fellow of the Association of Chartered Certified Accountants. He is also a member of the Institute of Chartered Secretaries and Administrators and holds a Masters in Business Administration from the University of Mauritius. He worked in the United Kingdom before joining Deloitte Mauritius. He was the Head of Audit at Development Bank Mauritius Ltd from 1992 to 2006 and also the Company Secretary of Airports of Mauritius Ltd from 2006 to 2007. He served as Company Secretary of MauBank Group from 2015 to 2018. Mr Cheeneebash has academic experience as School Director and Academic Head of the Ebene School of Accountancy and Finance, registered with the ICAEW. Mr. Cheeneebash currently holds directorship on various investee companies of SIC.

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 1 - GOVERNANCE STRUCTURE (CONTD)

Other Key Governance Positions (Contd)

Senior Management Team at SIC (Contd)

Mrs. Anista Devi Indira Ramphul Punchoo is a Senior Investment Executive. She holds a BSc Economics, Banking and Finance from University of Cardiff Wales, United Kingdom. She is a Non-Executive Director on the Board of several investee companies of SIC.

Mr. Chandrek Dussoye is a Senior Investment Executive. He holds a BSc Business Management Studies from the University of Mauritius and is an ACCA Member. He has more than 15 years of professional experience in the field of accounting and finance. He is currently assigned to the Portfolio and Investment Management Department of SIC and is mostly involved in private equity investment and financing. He is also a Non-Executive Director of some investee companies of SIC.

PRINCIPLE 2 – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES

Board Structure

During the period under review, SIC was headed by a unitary Board with eight (8) Directors, categorised as follows:

- 1 Executive Director;
- 4 Non-Executive Directors; and
- 3 Independent Non-Executive Directors.

The Board is responsible for the stewardship of SIC, overseeing its strategy, conduct and affairs to create sustainable value growth for its shareholders. The Directors are of the Company for the period ended 30 June 2024 and the subsequent appointments and resignations were as follows:

	Directors	Role	Category
Existing Directors who served during the period under review			
1	Mr. Kritananda Naghee Reddy	Member	Non-Executive and Independent
2	Mr. Ishwarlall Bonomaully (<i>As from 30 June 2023</i>)	Member	Non-Executive
3	Mr. Mohammad Shamad Ayoob Saab	Member	Non-Executive
Directors who resigned during or after financial reporting date			
4	Mr. Anandsing Acharuz (<i>Up to 30 June 2023</i>)	Member	Non-Executive
5	Mr. Jairaj Sonoo C.S.K. (<i>Up to 13 November 2024</i>)	Chairperson	Non-Executive and Independent
6	Mr. Goolabchund Goburdhun G.O.S.K. (<i>Up to 17 December 2024</i>)	Managing Director	Executive
7	Mr. Premode Neerunjun (<i>Up to 15 November 2024</i>)	Member	Non-Executive
8	Mr. Cader Jaunbocus (<i>Up to 25 November 2024</i>)	Member	Non-Executive and Independent
9	Mrs. Gayetree Brojmohan (<i>Up to 13 November 2024</i>)	Member	Non-Executive and Independent
Appointment after the financial reporting date			
10	Mr. Christ Paddia (<i>As from 09 December 2024</i>)	Member	Non-Executive
11	Mr. Avinash Dreepaul (<i>As from 09 December 2024</i>)	Member	Non-Executive

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 2 – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONTD)

Board Structure (Contd)

The Board consists of an appropriate mix of skills and experience to provide leadership, reflect integrity and make judgement for managing the affairs of the Company. Together, they ensure high standards of governance at SIC. The profiles of the directors are disclosed on pages 15 to 19 of this report.

In consultation with the Chairperson, meeting invitations are extended on an ad hoc basis to senior executives and other subject matter experts having to report on specific agenda items. The use of Alternate Director is discouraged by the Board. A clear division of responsibilities at Board level ensures that no Director has unfettered powers in decision making.

All Directors are resident in Mauritius.

The Chairperson of the Board and the Chairpersons of the Board Committees are all selected based on their knowledge and experience in these key governance roles.

Role of Non-Executive Directors

Non-Executive and Independent Directors play a vital role in providing independent judgement in all circumstances. The Non-Executive Directors are drawn from a diversity of businesses and other backgrounds so as to bring a broad range of views and experience to Board deliberations.

Executive Directors

The Company had one Executive Director during the period under review.

The Board is of the view that the appointment of a second executive director on the Board, as required by the Code, is not necessary. The Chief Finance Officer and Senior Executives of the Company are invited to attend board meetings as and when required.

With the exception of the Managing Director, all directors have a term of office of one year. Members of the Board are elected at the annual meeting of Shareholders. The term of the service of the Managing Director was for a period of three years, effective 16 April 2022. He ceased to be a director on 17 December 2024.

Directors' Independence Review

The Board is determined to ensure on an annual basis and when the circumstances require, whether or not a director is independent. The following Directors were considered as Independent Directors at 30 June 2024:

- Mr. Jairaj Sonoo, C.S.K (*Up to 13 November 2024*)
- Mr. Kritananda Naghee Reddy
- Mr. Cader Jaunbocus (*Up to 25 November 2024*)
- Mrs. Gayetree Brojmohan (*Up to 13 November 2024*)

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

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 2 – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONTD)

Powers of the Board

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

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

The key roles and responsibilities of the Board of Directors are set in the Board Charter. The Board is aware of its responsibility to ensure that the Company adheres to all relevant legislations such as of the Mauritius Companies Act 2001. The Board also follows the principle of good corporate governance as recommended in the Code.

Board Meetings

The Board met fifteen (15) times during the 18 months ended 30 June 2024. A calendar of meetings is communicated to the Board well in advance. Board Papers are circulated to the Directors well ahead of the meetings to facilitate meaningful and informed decisions at the meetings. Meetings are conducted by means of video conference when personal attendance is not possible.

The Company provides the Directors appropriate tools to accede to the Board Portal which facilitates secure digital communication of Board Papers.

Board Attendance

The following table depicts the attendance at Board meetings of the directors during the period under review:

	Directors	Category	Board
1	Mr. Jairaj Sonoo, C.S.K (<i>Up to 13 November 2024</i>)	Non-Executive and Independent	15/15
2	Mr. Goolabchund Goburdhun, G.O.S.K (<i>Up to 17 December 2024</i>)	Executive	15/15
3	Mr. Premode Neerunjun (<i>Up to 15 November 2024</i>)	Non- Executive	11/15
4	Mr. Kritananda Naghee Reddy	Non-Executive and Independent	8/15
5	Mr. Ishwarlall Bonomaully (<i>As from 30 June 2023</i>)	Non-Executive	7/10
6	Mr. Cader Jaunbocus (<i>Up to 25 November 2024</i>)	Non- Executive and Independent	10/15
7	Mr. Mohummad Shamad Ayoob Saab	Non- Executive	15/15
8	Mrs. Gayetree Brojmohan (<i>Up to 13 November 2024</i>)	Non- Executive and Independent	14/15
9	Mr. Anandsing Acharuz (<i>Up to 30 June 2023</i>)	Non- Executive	4/5

The Board is yet to be reconstituted with appointment of Independent Non-Executive Directors whilst ensuring gender diversity as at signing date of these financial statements.

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 2 – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONTD)

Board Committees

The Board has carefully considered the work that it needs to carry out to be effective and in order to perform against strategy. To this end, the following committees have been set up:

- (i) Investment Committee;
- (ii) Audit and Risk Management Committee;
- (iii) Corporate Governance Committee; and
- (iv) Remuneration and Nomination Committee.

The work of the Board and its sub-committees have been structured so that a systematic reporting progress is in place.

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

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

Audit and Risk Management Committee

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

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

The duties of the Audit and Risk Management Committee include amongst others:

- Examining and reviewing the quality and integrity of the financial statements of the Company including its annual report;
- Compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and legal requirements;
- Keeping review of the adequacy and effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems;
- Reviewing the annual compliance work plan and other reports from the Compliance function;
- Ensuring the Internal Auditor has direct access to the Board Chairperson and to the Committee Chairperson;
- Consider and make recommendations to the Board, to be put to Shareholders for approval at the Annual Meeting of Shareholders, in relation to the appointment, re-appointment and removal of the Company's External Auditor; and
- Making recommendations to the Board as it deems appropriate, on any area within its remit where action or improvement is needed.

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

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 2 – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONTD)

Board Committees (Contd)

Audit and Risk Management Committee (Contd)

The Committee met five (5) times during the period under review.

Members and Attendance

Members	Role	Audit and Risk Management Committee
Mr. Cader Jaunbocus (<i>Up to 25 November 2024</i>)	Chairperson	5/5
Mr. Mohammad Shamad Ayoob Saab	Member	5/5
Mr. Ishwarlall Bonomaully (<i>As from 11 August 2024</i>)	Member	2/2
Mr. Kritananda Naghee Reddy	Member	4/5
Mr. Anandsing Acharuz (<i>Up to 30 June 2023</i>)	Member	3/3

Corporate Governance Committee

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

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

The duties of the Corporate Governance Committee include the following:

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

The Committee met once during the period under review.

Members and Attendance

Members	Role	Corporate Governance Committee
Mr. Mohammad Shamad Ayoob Saab	Chairperson	1/1
Mr. Kritananda Naghee Reddy	Member	1/1
Mr. Premode Neerunjun (<i>Up to 15 November 2024</i>)	Member	1/1
Mrs. Gayetree Brojmohan (<i>Up to 13 November 2024</i>)	Member	1/1

Investment Committee

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

The main function of the Investment Committee is to advise the Board on asset allocation, investment policies, processes, strategies and on optimal risk/return level. The Committee reviews the evolving financial market conditions and deliberates on investment opportunities.

The Investment Committee met twice during the period ended 30 June 2024.

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 2 – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONTD)

Board Committees (Contd)

Investment Committee (Contd)

Members	Role	Investment Committee
Mr. Ishwarlall Bonomaully (<i>As from 11 August 2023</i>)	Chairperson	2/2
Mr. Goolabchund Goburdhun, G.O.S.K (<i>Up to 17 December 2024</i>)	Member	2/2
Mr. Cader Jaunbocus (<i>Up to 25 November 2024</i>)	Member	2/2
Mrs. Gayetree Brojmohan (<i>Up to 13 November 2024</i>)	Member	2/2
Mr. Anandsing Acharuz (<i>Up to 30 June 2023</i>)	Chairperson	-

Remuneration and Nomination Committee

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

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

The duties of the Remuneration and Nomination Committee include the following:

- Recommend and monitor the level and structure of remuneration for senior management;
- Be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- Ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment; and
- Review the results of the Board performance evaluation process that relate to the composition of the Board.

The Committee meet thrice (3) during the period under review.

Members and Attendance

Members	Role	Remuneration and Nomination Committee
Mr. Premode Neerunjun (<i>Up to 15 November 2024</i>)	Chairperson	3/3
Mr. Kritananda Naghee Reddy	Member	3/3
Mr. Ishwarlall Bonomaully (<i>As from 11 August 2023</i>)	Member	2/2
Mr. Goolabchund Goburdhun, G.O.S.K (<i>Up to 17 December 2024</i>)	Member	3/3
Mr. Anandsing Acharuz (<i>Up to 30 June 2023</i>)	Member	1/1

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 2 – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONTD)

Directors' profiles

Mr. Jairaj Sonoo, C.S.K (*Up to 13 November 2024*) was the Chairperson of The State Investment Corporation Limited ("SIC") and held directorship on various investee companies of SIC. He was also the Chairperson of the Industrial Finance Corporation (IFCM) Ltd which is involved in the Government action to support economic operators through various schemes implemented under budgetary measures. Mr. Sonoo was appointed as National Housing Development Co Ltd's Group Chief Executive Officer and was an Executive Director of New Social Living Development Ltd, a government entrusted entity responsible for constructing 12,000 residential units across of Mauritius.

Previously, Mr. Sonoo spent four decades in the banking sector, at both local and international level, including 38 years at State Bank of Mauritius Ltd, in various positions. He served as the Chief Executive Officer at SBM Bank (Mauritius) Ltd from September 2012 to August 2016 and the Acting Group Chief Executive at SBM Holdings from November 2014 to September 2015.

He occupied the post of Chief Executive - Overseas Expansion of SBM Holdings Ltd from August 2016 to September 2017. During his tenure of office within the SBM Group, he was responsible for overseeing the development and execution of the Bank's international strategy through both organic growth and mergers and acquisitions. He also led the acquisition of a Kenyan Bank which marked the milestone for the Group entry into East Africa.

He holds a Masters in Business Administration from the University of Surrey, United Kingdom.

Mr. Goolabchund Goburdhun, G.O.S.K (*Up to 17 December 2024*) is a Fellow of the Association of Chartered Certified Accountants and holds a M.Sc. in Finance from University of Mauritius. He was appointed as Managing Director of The State Investment Corporation Limited ("SIC") in April 2019. He held directorship on various SIC Investee Companies, including Lottotech Ltd, Casino Companies, SIC Development Co. Ltd, SBM (Mauritius) Infrastructure Development Company Ltd, Port Louis Fund Ltd, Mauritius Shipping Corporation Limited and Ebene Car Park Ltd. He was also Director of Air Mauritius Limited, Airports of Mauritius Co. Ltd and Cote d'Or International Racecourse and Entertainment Complex Ltd, which are not investee companies of SIC.

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

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

Mr. Premode Neerunjun (*Up to 15 November 2024*) was the Secretary to Cabinet at the Prime Minister's Office and had over forty years of experience in the public sector. He had also been called upon to serve as Board Director in statutory bodies on a part time basis. He holds a Graduate Diploma in Business from Curtin University (Western Australia) and a BSc in Economics & Management from University of London. He also holds a Master's degree in Public Policy and Administration from the University of Mauritius.

Mr. Kritananda Naghee Reddy left the Ministry of Finance as Principal Accountant to join the Attorney General's Office in 2002 as State Counsel after graduating in Law. Presently, as Acting Principal State Counsel, he represents the Government in litigation on civil matters and also advises Ministries and Government Departments. He is also holder of an MBA and an LL.M.

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 2 – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONTD)

Directors' profiles (Contd)

Mr. Ishwarlall Bonomaully (*As from 30 June 2023*) is Deputy Financial Secretary at the Ministry of Finance since December 2023. Prior to that, he held various positions at the Ministry of Finance for more than 30 years. He is a Fellow of the Association of Chartered Certified Accountants and holds an MSC in Finance from the University of Mauritius. Mr. Bonomaully has wide experience in project appraisal and selection, development of the Public Sector Investment Programme, follow up and monitoring of the implementation of projects, and development of procurement policies, including Build-Operate-Transfer and Public-Private-Partnership (BOT/PPP) projects. He is also experienced in the industrial and Small and Medium Enterprise sector. Veing closely associated with the operation and management of the National Resilience Fund (NRF) since its creation in 2012, he became its chairman in July 2020. He is also the Chairperson of the NPF/NSF Investment Committee and the National Environment and Climate Change Fund (NECCF).

Mr. Bonomaully is also serving as Director on the Boards of the Financial Services Commission, Industrial Finance Corporation of Mauritius (IFCM) Ltd and the Development Bank of Mauritius Ltd, among others

Mr. Cader Jaunbocus (*Up to 25 November 2024*) is a Fellow Member of the Association of Chartered Certified Accountants and holds a Masters' Degree in Business Administration from University of Birmingham. He has extensive experience in the field of Finance, with lead experience in Personal Financial Planning, Investments, Insurance, Management, Analysis and Reporting. He is registered member of the Chartered Insurance Institute (CII/UK)).

Mr. Jaunbocus is the Managing Director of the Tailored Financial Solutions Ltd, a company providing services in the field of accountancy, tax and advisory and wealth management.

Mr. Anandsing Acharuz (*Up to 30 June 2023*) is currently Acting Financial Secretary at the Ministry of Finance. Mr. Acharuz has served on different boards of public bodies, including the State Trading Corporation, the Civil Service Family Protection Scheme Board, the Mauritius Post & Co-operative Bank Ltd, the Government Lotteries and the Mauritius Ex-Services Trust Fund Board. Mr. Acharuz holds an MSc in Financial Economics from the University of London.

Mrs. Gayetree Brojmohan (*Up to 13 November 2024*) holds a Diploma in Fitness and Nutrition. She is a Nutritionist and Physical Instructor. Previously she was Administration Manager at Apollo Tubes. She was also the Chairperson of The Mauritius Post Ltd.

Mr. Mohummad Shamad Ayoob Saab holds a Diploma in Public Administration with specialization in Public Management and a Masters' in Business Administration. He joined the public service in 1984 and has since then climbed up the ladder to the post of Senior Chief Executive. He served in various Ministries and is presently posted to the Ministry of Housing and Lands.

Mr. Ayoob Saab has been a member of several boards, namely National Pensions Fund, National Housing Development Co. Ltd, National Property Fund Ltd, Financial Services Commission and The National Code of Corporate Governance of Mauritius.

Mr. Dleepaul Avinash is currently working as Lead Analyst at the Ministry of Finance. He has more than 15 years of experience in the field of public financial management, auditing and information system.

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 2 – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONTD)

Directors' profiles (Contd)

Following his tenure in the private sector, Mr. Dreepaul joined the National Audit Office in 2009. Subsequently, he joined the Ministry of Finance and was entrusted with the responsibility of the public debt management unit and public pension unit. He was a director of the National Real Estate Ltd, SICOM Financial Services Ltd and board member of the Real Estate Agent Authority. He has also represented Mauritius in several international workshops and conferences.

Mr. Dreepaul holds a Master's degree in Applied Economics and a bachelor's degree in Accounting with Information Systems. He has followed the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) Assessors Training.

Mr. Christ Paddia holds a Master's Degree in Economic Policy Management from the University of Clermont Ferrand, France. Mr. Paddia holds the position of Acting Director at the Ministry of Finance and has over 25 years of experience in the preparation of the National Budget and the Public Sector Investment Programme at the Ministry of Finance. His schedule of responsibilities covers among others, the project conception, implementation and monitoring. He is also a director on the board of Mauri-Facilities Company Limited.

Mr. Paddia represents his Ministry on several statutory Boards including Polytechnics Mauritius Ltd, National Pension Fund/National Savings Fund Investment Committee, Private Secondary Education Authority and the National Wage Consultative Council.

As at 30 June 2024, the Directors of SIC held Directorship in the following companies: -

		J. SONOO (up to 13 November 2024)	G. GOBURDHUN (up to 17 December 2024)	P. NEERUNJUN (up to 15 November 2024)	K. NAGHEE REDDY	A. ACHARUZ (Up to 30 June 2023)	Mr. I. BONOMAULY	C. JAUNBOCUS (Up to 25 November 2024)	M. S. AYOUB SAAB	G. BROJMOHAN (Up to 13 November 2024)
1	Capital Asset Management Ltd		√							
2	Prime Partners Ltd		√	√						
3	SIC Development Co Ltd	√	√							
4	Port Louis Fund Ltd		√							
5	Casino de Maurice Limited		√							
6	Le Caudan Waterfront Casino Ltd		√							
7	Grand Baie Casino Ltd		√							
8	Le Grand Casino du Domaine Limitee		√							
9	SIC Management Services Co. Ltd	√	√							

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 2 – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONTD)

Directors' profiles (Contd)

		J. SONOO (up to 13 November 2024)	G. GOBURDHUN (up to 17 December 2024)	P. NEERUNJUN (up to 15 November 2024)	K. NAGHEE REDDY	A. ACHARUZ (Up to 30 June 2023)	Mr. I. BONOMAUALLY	C. JAUNBOCUS (Up to 25 November 2024)	M. S. AYOOB SAAB	G. BROJMOHAN (Up to 13 November 2024)
10	Guibies Holdings Ltd		√							
11	Guibies Properties Ltd		√							
13	Prime Real Estate Ltd		√							
14	Compagnie Mauricienne D'Hippodromes Ltee		√							
15	EREIT Management Ltd	√	√		√					
16	Lakepoint Ltd		√							
17	State Investment Finance Corporation Ltd		√							
18	MJTI Properties Co. Ltd		√							
19	Le Val Development Ltd	√	√							
20	SIC Capital Support Ltd	√	√							
21	SBM (Mauritius) Infrastructure Development Ltd	√	√							
22	National Real Estate Ltd	√	√							
23	State Insurance Company of Mauritius Ltd	√								
24	National Housing Development Co. Ltd	√								
25	Mauritius-Africa Fund Ltd	√								
26	New Social Living Development Ltd	√							√	
27	Mauritius Cargo Community Services Ltd		√							
28	Air Mauritius Ltd		√							
29	Air Mauritius Holdings Ltd		√							

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 2 – THE STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES (CONTD)

Directorship on listed companies

Mr. Goolabchund Goburdhun, G.O.S.K, was a Non-Executive Director of Lottotech Ltd which is a listed company.

The other Board Members of SIC do not hold directorship in listed companies.

PRINCIPLE 3 – DIRECTORS APPOINTMENT PROCEDURES

The Constitution of the Company provides that the minimum number of directors shall be five (5) and the maximum eight (8).

Appointment of Directors

The appointment of Directors is subject to a predetermined process and is governed by the Company's Constitution and the Mauritius Companies Act 2001. Potential candidates are identified by the Remuneration and Nomination Committee and the Board, having regards to the balance skills, knowledge and experience required for the Board and its committees to operate effectively.

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

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

Directors keep themselves updated with industry practices and trainings are organised whenever the need arises.

During the evaluation, the Board Members are invited to indicate any training development programme they require.

On appointment to the Board, all directors benefit from an induction program which aims at understanding of business environment in which the Company operates, designed to provide them with sufficient knowledge and understanding of the nature of business, opportunity and challenges, to enable them to effectively contribute to strategic discussions and oversight of the Company. They receive a comprehensive induction pack from the Company Secretary and have a briefing session with Management.

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

PRINCIPLE 4 - DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

Legal Duties

All Directors are fully aware of their fiduciary duties.

Conflict of Interest

Board Members have a fiduciary duty to conduct themselves without conflict of the interests to the Company. In their capacity as Board Members, they must subordinate personal individual business, third-party and other interests to the welfare and best interests of the Company.

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 4 - DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONTD)

Conflict of Interest (Contd)

A conflict of interest occurs when a present transaction or relationship might conflict with a Board Member's obligations owed to the Company and the Board Member's personal, business or other interests. The Company ensures that Directors declare any interest and report to the Chairperson and Company Secretary any related party transactions. A register of conflicts of interests is kept by the Company Secretary.

Information, IT and Information Security Governance

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

Board Information

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

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

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

Directors & Officers Liability Insurance

The Company has contracted with a Directors & Officers Liability Insurance policy in respect of legal action or liability that can arise against its directors and officers. The cover does not provide insurance against fraudulent, malicious or wilful acts or omissions.

Board Evaluation

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

No independent Board Evaluator was appointed. Directors were issued a questionnaire prepared by the Company Secretary in consultation with the Chairperson, to seek the views, opinion and recommendations of Directors. The Company Secretary compiled the feedback and ratings received and these were considered by the Corporate Governance Committee and Board. The review concluded that the Board, its Committees and the Directors continue to be effective. The Board is well run, and Directors continue to demonstrate a collaborative and constructive mindset creating a conducive environment at Board level. The Board considers that the current evaluation process is sufficient.

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 4 - DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONTD)

Statement of Remuneration Philosophy

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

The remuneration of Directors are reviewed at the Shareholders' Meeting.

The table below depicts the total fees earned by Directors during the period ended 30 June 2024 in their capacity as Board and Committee Members of SIC:

	Directors	Category	Director's Remuneration (Rs)
1	Mr. Kritananda Naghee Reddy	Non-Executive and Independent	756,000
2	Mr. Ishwarlall Bonomaully	Non-Executive	488,250
3	Mr. Mohammad Shamad Ayoob Saab	Non- Executive	756,000
4	Mr. Jairaj Sonoo C.S.K (Up to 13 November 2024)	Non-Executive and Independent	2,217,000
5	Mr. Goolabchund Goburdhun G.O.S.K (Up to 17 December 2024)	Executive	10,439,644
6	Mr. Premode Neerunjun (Up to 15 November 2024)	Non- Executive	756,000
7	Mr. Cader Jaunboeus (Up to 25 November 2024)	Non-Executive and Independent	756,000
8	Mrs. Gayetree Brojmohan (Up to 13 November 2024)	Non- Executive and Independent	756,000
9	Mr. Anandsing Acharuz (Up to 30 June 2023)	Non -Executive	504,000

The Directors did not receive remuneration in the form of share options or bonuses associated with the Company's performance. Non-executive Directors receive a fixed director fee.

Responsibility and application

The Board is responsible for risk management, for framing procedures for risk management and for definition of the overall strategy for risk tolerance. Management and the assurance process on risk management are delegated to the Audit & Risk Committee. The Audit and Risk Committee is responsible for the design and implementation of risk management processes while the day-to-day management of risk is performed by Management.

The Company's policy on risk management encompasses all significant business risks, including physical, operational, human resources, technological, business continuity, financial, compliance and reputational, which could influence the achievement of the Company's objectives.

The risk management mechanisms in place include:

- A system for ongoing identification and assessment of risk and definition of acceptable and non-acceptable levels of risk;
- Development of strategies in respect of risk and definition of acceptable and non-acceptable levels of risk;
- Communication of risk management policies to all levels of the Company, as appropriate, and methods to ensure commitment, both by managers and by other employees, to the process;
- Processes to reduce or mitigate identified risks and contain them within the levels of tolerance defined by the Board and Management; and
- Structures and processes for identification of risks and risk management.

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 5 – RISK GOVERNANCE AND INTERNAL CONTROL

Structures and processes for identification of risks and risk management

There was clear accountability for risk management. Managers are required to document how these risks would be managed and what mitigating activities have been put in place in respect of each significant risk.

Integration of internal control and risk management

The effectiveness of internal control systems is reviewed by the Audit & Risk Management Committee. It covers all internal control systems, including financial, operational, compliance and risk management.

The Company has outsourced the internal audit function to PriceWaterhouseCoopers. The assignment provides for the examination and evaluation of the adequacy and effectiveness of the Company's governance and of the risk management process, as well as assessment of the adequacy of the existing internal control system.

Assurance on the effectiveness of the risk management process

Regular management reporting, which provides a balanced assessment of key risks and controls, was an important component of Board assurance. The finance department provides confirmation that financial and accounting control frameworks operates satisfactorily. The Board also receives assurance from the Audit & Risk Management Committee which, in part, derived its information from internal and external audit reports on risk and internal control throughout the Company.

Management of key risks

Risks within the Company were identified under the following headings:

- *Operational risk*: Operational risk is defined as risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.
- *Human resource risks*: Losses arising from acts inconsistent with employment, health and safety laws, personal injury claims, etc.
- *Compliance risks*: Dishonest or fraudulent acts intended to defraud or misappropriate property, or circumvent regulations, law and policies and involve at least one internal party and a third party.
- *Physical risks*: Losses due to fire, cyclones, riots, etc.
- *Technology risks*: Include hardware and software failures, system development and infrastructure issues.
- *Business continuity risks*: Losses from failed transaction processing and process management.

Financial Risk Factors

Please refer to Note 4 in these financial statements.

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

An independent internal auditor has been appointed to review the effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems. This ensures that appropriate frameworks and effective processes are in place for a sound management of risk.

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

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 5 – RISK GOVERNANCE AND INTERNAL CONTROL (CONTD)

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

The internal auditor covers key areas of activities. Any deviation in policies and non-performance of internal control are duly reported and discussed at large at Management and Audit & Risk Management Committee levels. Corrective actions are promptly taken, and regular follow ups are done. This enables the Board to derive assurance that the internal control systems are effective.

There has been no identification of any significant areas which was not covered by the Internal Auditors during the period under review. Based on the internal audit report, no major risk or deficiency has been found in the Company's system of internal controls.

Whistle-blowing rules and procedures

For any suspicious or illegal transactions or behaviour, officers and Directors are encouraged to lodge reports promptly to the Management and Board, as appropriately, as per the Financial Intelligence and Anti Money Laundering Act 2002 and Prevention of Corruption Act 2002.

PRINCIPLE 6 – REPORTING WITH INTEGRITY

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

The Annual Report comprises of several key elements:

- Performance review;
- Risks;
- Corporate social responsibility and donations; and
- Environmental policy.

Corporate social responsibility ("CSR") and donations

The Company had paid directly its CSR contribution to the Mauritius Revenue Authority. Donations amounting to Rs. 45,000 were made during the period under review.

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 6 – REPORTING WITH INTEGRITY (CONTD)

Environmental Policy

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

Safety and Health Issues

The Company complies with the Occupational Safety and Health Act 2005 and other legislative and regulatory frameworks. With a view to promote health and safety knowledge sharing in order to make the Company a workplace safer and healthier, several trainings have been delivered to officers of the Company.

Statement of Directors' Responsibilities

Directors acknowledge their responsibilities for:

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

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

PRINCIPLE 7 – AUDIT

Internal Audit

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

The internal audit function is outsourced to PricewaterhouseCoopers. The internal audit is performed on a quarterly basis and the findings are submitted to the Audit and Risk Management Committee.

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

External Audit

The Company re- appointed Grant Thornton as External Auditors for the 18 months ended 30 June 2024.

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

PRINCIPLE 7 – AUDIT (CONTD)

External Audit (Contd)

Meeting with Audit & Risk Committee

The external auditors meet with the Chairperson of the Audit & Risk Committee without the presence of Management, to discuss issues such as financial statements of the Company, timeline of the audit, the audit approach, the accounting principles and critical policies adopted.

Evaluation of the work of External Auditors

The Audit & Risk Committee evaluates the work of external auditors in fulfilling their duty annually, to make an informed recommendation to the Board for the reappointment of the auditors. The Audit & Risk Committee assesses the performance of the auditors, the quality of the auditors' communications with the Audit & Risk Committee and the auditor's independence and objectivity.

Information on non-audit services

For the financial period under review, the External Auditors were not involved in non-audit assignments.

Regulators

Relationships with the regulators and authorities, mainly the Registrar of Companies and the Mauritius Revenue Authority are considered as essential regarding the compliance side of the Company. The Company maintains relationship with its regulators through written communications, filing of returns and financial reports, participation in forums, conferences and workshops as well as compliance with relevant legislation.

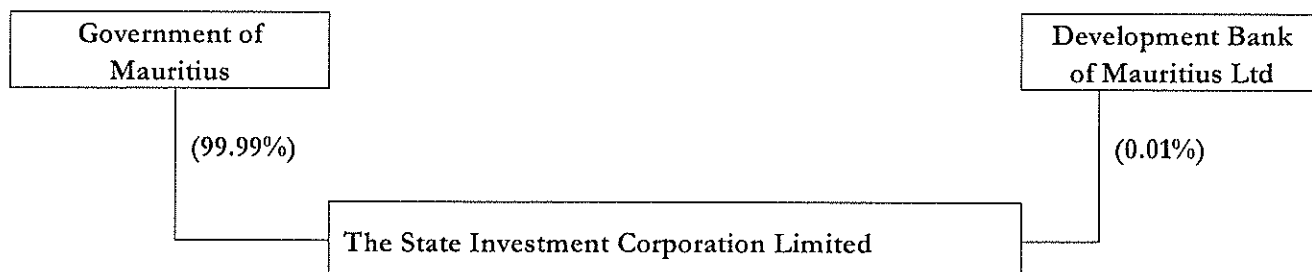
These relationships are viewed as strategic partnerships to ensure that the Company upholds and maintains best practices with full transparency.

PRINCIPLE 8- RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

COMPANY KEY STAKEHOLDERS

Share Capital Structure

The holding structure of The State Investment Corporation Limited for 18 months ended 30 June 2024 was as follows:



Dividend Policy

The Company has no formal policy on dividend.

THE STATE INVESTMENT CORPORATION LIMITED

CORPORATE GOVERNANCE REPORT FOR 18 MONTHS ENDED 30 JUNE 2024 (CONTD)

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

Relations With Shareholders

The Board ensures that the Notice of Meeting along with the proxy forms are sent to the Shareholders at least 21 days before the meeting in accordance with the Mauritius Companies Act 2001.

The Company ensures that there is regular contact and dialogue with the Shareholders to keep them informed on material events affecting the Company. The Chairperson, through the assistance of the Company Secretary, is available to answer any query from the Shareholders.

Calendar of upcoming events for Shareholders

The following is a schedule of important events:

April 2025	Meeting of Shareholders for approval of Accounts as at 30 June 2024
October 2025	Annual Meeting of Shareholders

STATEMENT OF COMPLIANCE
(Section 75 (3) of the Financial Reporting Act)

Name of Company : The State Investment Corporation Limited
Reporting period : 01 January 2023 to 30 June 2024

We, the Directors of The State Investment Corporation Limited, (the “Company” or “SIC”) confirm to the best of our knowledge that the Company has complied with all its obligations and requirements under the Code of Corporate Governance during the period ended 30 June 2024 except for the following section:

Reason for non-compliance with the section of the Code:

Principle 2: Structure of the Board and its board committees

Board Composition: Appointment of at least two Executive Directors

The Company had one Executive Director during the period under review. The Board is of the view that the appointment of a second executive director on the Board, as required by the Code, is not necessary. The Chief Finance Officer and Senior Executives of the Company are invited to attend board meetings as and when required.

As at date, the Company does not have any Executive Director and a new one is yet to be appointed.

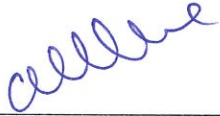

.....
DIRECTOR


.....
DIRECTOR

09 MAY 2025

THE STATE INVESTMENT CORPORATION LTD**Certificate from the Secretary under Section 166 (d) of the Mauritius Companies Act 2001**

We certify to the best of our knowledge and belief that the Company has filed with the Registrar of Companies all such returns as are required by the Company under Section 166(d) of the Companies Act 2001, except the Audited Financial Statements for the 18 months ended 30 June 2024.



Company Secretary

Registered Office:

Prime Partners Ltd
Company Secretary
Per Christophe Brette

Date: 09 MAY 2025

INDEPENDENT AUDITORS' REPORT
To the Shareholders of The State Investment Corporation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The State Investment Corporation Limited (the "Company"), which comprise the statement of financial position as at 30 June 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements on pages 34 to 89 give a true and fair view of the financial position of the Company as at 30 June 2024, and of its financial performance and its cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Mauritius Companies Act 2001.

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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the Other Information. The Other Information comprises mainly of information included under the Corporate Information, Annual Report and Corporate Governance Report sections, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the Other Information and, except to the extent otherwise explicitly stated in our auditors' report, we do not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITORS' REPORT (CONTD)
To the Shareholders of The State Investment Corporation Limited

Report on the Audit of the Financial Statements (Contd)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT (CONTD)
To the Shareholders of The State Investment Corporation Limited

Report on the Audit of the Financial Statements (Contd)

Auditor's Responsibilities for the Audit of the Financial Statements (Contd)

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

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

Report on Other Legal and Regulatory Requirements

(i) Mauritius Companies Act 2001

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

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

INDEPENDENT AUDITORS' REPORT (CONTD)
To the Shareholders of The State Investment Corporation Limited

Report on Other Legal and Regulatory Requirements (Contd)


(ii) *Financial Reporting Act 2004*

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("the Code") disclosed in the Corporate Governance Report and assess the explanations given for non-compliance with any requirement of the Code.

From our assessment of the disclosures made on corporate governance in the Corporate Governance Report, the Company has complied with the requirements of the Code.

Other Matter

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



Grant Thornton
Chartered Accountants



K RAMCHURUN, FCCA
Licensed by FRC

Date: 12 MAY 2025

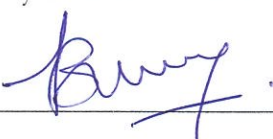
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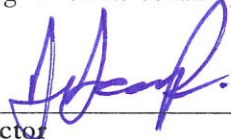
THE STATE INVESTMENT CORPORATION LIMITED

Statement of financial position

		Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
	Notes		
ASSETS			
Non-current			
Property, plant and equipment	7	11,713	12,591
Investment property	8	1,478,800	978,800
Intangible assets	9	11,796	12,412
Investments in subsidiaries	10	2,638,935	2,192,992
Investments in associates	11	2,032,061	1,985,898
Investments in quoted and unquoted entities	12	2,760,189	3,392,904
Loans receivable	13	2,546	1,666
Deferred tax assets	17	15,147	9,338
Non-current assets		8,951,187	8,586,601
Current			
Loans receivable	13	16,717	17,007
Other receivables	14	348,450	340,470
Current tax asset	18	939	-
Cash and cash equivalents	22	509,557	475,332
Current assets		875,663	832,809
Total assets		9,826,850	9,419,410
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	15	85,000	85,000
Retained earnings		7,521,243	7,037,698
Retirement benefit reserves		(81,049)	(46,217)
Total equity		7,525,194	7,076,481
LIABILITIES			
Non-current			
Retirement benefit obligations	16	110,008	61,987
Other liabilities	20	475,055	476,005
Borrowings	21	1,450,000	1,000,000
Non-current liabilities		2,035,063	1,537,992
Current			
Other payables	19	59,429	87,471
Borrowings	21	207,164	717,466
Current liabilities		266,593	804,937
Total liabilities		2,301,656	2,342,929
Total equity and liabilities		9,826,850	9,419,410

Approved by the Board of Directors on 09 MAY 2025 and signed on its behalf by:


Director


Director

The notes on pages 38 to 89 form an integral part of these financial statements.

THE STATE INVESTMENT CORPORATION LIMITED

Statement of comprehensive income

		Period ended 30 June 2024	Year ended 31 December 2022
	Notes	Rs'000	Rs'000
Income			
Investment income	14(i)	147,324	81,706
Interest income	23	54,213	6,994
Other income	25	20,774	12,074
Net foreign exchange gains		244	-
Fair value gain on revaluation of investment property	8	500,000	-
Net change in fair value of investments	10,11&12	-	574,333
Net gain on disposal of investments		-	1,683
Total income		722,555	676,790
Expenses			
Employee benefit expenses	26	61,888	41,451
Directors' fees		6,737	4,651
Motor vehicle running expenses		1,250	988
Audit and other related fees		1,724	1,910
Other professional expenses		14,629	9,343
Depreciation of property, plant and equipment		1,423	1,205
Amortisation of intangible assets		616	436
Repairs & maintenance		16	18
Interest expense	24	89,817	59,950
Other general expenses		21,292	7,510
Net loss on disposal of investments		26,135	-
Net change in fair value of investments	10,11&12	78,648	-
Total expenses		304,175	127,462
Operating profit		418,380	549,328
Amounts written back	19(i)	67,748	-
Impairment of amounts receivable	13	(1,258)	-
Profit before tax		484,870	549,328
Tax expense	18	(1,325)	-
Profit after tax		483,545	549,328
Other comprehensive income:			
<i>Items that will not to be reclassified to profit or loss:</i>			
Re-measurement (losses)/gains on defined benefit plans	16	(41,966)	1,422
Income tax effect	17	7,134	-
<i>Items that will be reclassified subsequently to profit or loss</i>		-	-
Other comprehensive (loss)/income for the period/year, net of tax		(34,832)	1,422
Total comprehensive income for the period/year, net of tax		448,713	550,750

The notes on pages 38 to 89 form an integral part of these financial statements.

THE STATE INVESTMENT CORPORATION LIMITED

Statement of changes in equity

	Stated capital Rs'000	Retained earnings Rs'000	Pension benefit reserves Rs'000	Total Rs'000
Balance at 01 January 2023	85,000	7,037,698	(46,217)	7,076,481
Profit for the period	-	483,545	-	483,545
Other comprehensive loss	-	-	(34,832)	(34,832)
Total comprehensive income for the period	-	483,545	(34,832)	448,713
Balance at 30 June 2024	85,000	7,521,243	(81,049)	7,525,194
Balance at 01 January 2022	85,000	6,488,370	(47,639)	6,525,731
Profit for the year	-	549,328	-	549,328
Other comprehensive income	-	-	1,422	1,422
Total comprehensive income for the year	-	549,328	1,422	550,750
Balance at 31 December 2022	85,000	7,037,698	(46,217)	7,076,481

The notes on pages 38 to 89 form an integral part of these financial statements.

THE STATE INVESTMENT CORPORATION LIMITED

Statement of cash flows for the period ended 30 June 2024

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Operating activities		
Profit before tax	484,870	549,328
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	1,423	1,205
Amortisation of intangible assets	616	436
Net loss/(gain) on disposal of investments	26,135	(1,683)
Net fair value loss/(gain) on financial assets at FVTPL	78,648	(574,333)
Fair value gain on revaluation of investment property	(500,000)	-
Amounts written back	(67,749)	-
Impairment of amounts receivable	1,258	-
Interest expense	89,817	59,950
Interest income	(54,213)	(6,994)
Change in provision of retirement benefit obligation	6,055	2,786
	66,860	30,695
<i>Changes in working capital:</i>		
Change in loans receivable	(1,848)	(1,615)
Change in other receivables	(7,979)	55,799
Change in other payables and other liabilities	38,756	1,710
Cash from operations	95,789	86,589
Interest received	52,767	7,196
Tax refund	-	32
Net cash from operating activities	148,556	93,817
Investing activities		
Purchase of property, plant and equipment	(545)	(443)
Purchase of intangible assets	-	(379)
Acquisition of investments	(116,687)	(80,791)
Net proceeds from disposal of investments	152,513	32,346
Net cash from/(used in) investing activities	35,281	(49,267)
Financing activities		
Interest paid (Note 29)	(99,882)	(59,950)
Repayment of bonds (Note 29)	(750,000)	-
Proceeds from long term borrowings (Note 29)	700,000	-
Net cash used in financing activities	(149,882)	(59,950)
Net change in cash and cash equivalents	33,955	(15,400)
Cash and cash equivalents, beginning of the period/year	475,332	489,861
Cash and cash equivalents, end of the period/year	509,287	474,461
Cash and cash equivalents made up of:		
Cash and cash equivalents (Note 22)	509,557	475,332
Bank overdrafts (Note 21)	(270)	(871)
	509,287	474,461

The notes on pages 38 to 89 form an integral part of these financial statements.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

1. General information and Statement of Compliance with IFRS Accounting Standards

The State Investment Corporation Limited (the “Company” or “SIC”) was incorporated as a private company on 21 August 1984 and was converted into a public company on 07 April 1992. The Company’s registered office is 15th Floor, Air Mauritius Centre, John Kennedy Street, Port Louis, Republic of Mauritius.

The Company acts as the investment arm of the Government of Mauritius and provides funds for the realisation of high-growth entrepreneurial ventures and assists businesses to industry leadership position. It also invests in quoted and unquoted financial assets.

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

2. Change in fiscal year end

The Company changed its reporting date from 31 December to 30 June and these financial statements run from 01 January 2023 to 30 June 2024.

The comparative figures are for the period from 01 January 2022 to 31 December 2022 and consequently, the comparative figures for the financial statements are not comparable.

3. Adoption of new and amended Standards

3.1 New and amended Standards that are effective for the current period

In the current period, the following amendments to existing Standards issued by IASB became mandatory for the first time for the financial reporting period beginning on 01 January 2023:

IFRS 17, Insurance Contracts (Amendments to IFRS 17 Insurance Contracts)

The amendments will help insurers to avoid temporary accounting mismatches and, therefore, will improve the usefulness of comparative information for investors. It provides insurers with an option for the presentation of comparative information about financial assets.

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

In 2020, IASB issued amendments to the existing insurance standard IFRS 4: Extension of the Temporary Exemption from Applying IFRS 9 so that entities can still apply IFRS 9 alongside IFRS 17 until 01 January 2023.

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

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities and therefore improve the usefulness of comparative information for users of financial statements.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

3. Adoption of new and amended Standards (Contd)

3.1 New and amended Standards that are effective for the current period (Contd)

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

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

IAS 8, Definitions of Accounting estimates (Amendments to IAS 8)

The amendments replace the definition of a change in accounting estimates 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 amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

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

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

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

IAS 12, International Tax-Reform-Pillar Two Model Rules (Amendments to IAS 12)

The amendments will provide a significant saving to reporting entities in terms of the time, cost and effort that will be required to assess the accounting implications associated with the tax consequences arising from the implementation of the Pillar Two Model Rules.

Management has assessed the impact of the amendments to existing standards and concluded that none of these amendments have an impact in these financial statements.

3.2 Standards and amendments to existing Standards that are not yet effective and have not been adopted early by the Company

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

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

3. Adoption of new and amended Standards (Contd)

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

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

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

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

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

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

The amendments to IFRS 16 require a seller-lessee to apply the subsequent measurement requirements for lease liabilities unrelated to a sale and leaseback transaction to lease liabilities arising from a leaseback in a way that it recognises no amount of the gain or loss related to the right of use that it retains.

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

In October 2022, IASB issued Non-current Liabilities with Covenants, (Amendments to IAS 1), to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

IAS 7 and IFRS 17, Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments will require new disclosures to be prepared with more detailed information provided on their supplier finance arrangements. Depending on the complexity or volume of such arrangements this may result in significantly new disclosures.

IAS 21, Lack of Exchangeability (Amendments to IAS 21)

The amendments only affect entities that are required to report foreign currency transactions when there is a long-term lack of exchangeability between currencies.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

3. Adoption of new and amended Standards (Contd)

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

IFRS 18, Presentation and Disclosure in Financial Statements

This new standard will replace IAS 1: *Presentation of Financial Statements*, and the objective is to improve how information is communicated in an entity's financial statements, particularly in the statement of profit or loss and in its notes to the financial statements. The new standard also introduces two new disclosures; namely the management-defined performance measures and specified expenses by nature.

IFRS 19, Subsidiaries without Public Accountability: Disclosures

This new standard specifies the disclosure requirements that an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. The objective of the new standard is to alleviate the reporting burden for subsidiaries without public accountability.

IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

The amendments have been made to provide additional guidance to clarify the characteristics of contractually linked instruments and new disclosures requirements for each class of financial asset measured at amortised cost or fair value through other comprehensive income as well as financial liabilities measured at amortised cost.

IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The amendments specifically target the use of power purchase agreements as designated hedging instruments in qualifying hedge relationships. The amendments specify that for such a hedging relationship, the hedged item may be designated as a variable nominal amount of forecast electricity transactions, which is aligned with the variable amount of electricity that is expected to be delivered under a power purchase agreement designated as the hedging instrument.

4. Material accounting policies

4.1 Overall considerations

The financial statements have been prepared using the material accounting policies and measurement bases summarised below:

4.2 Property, plant and equipment

All property, plant and equipment are stated at historical cost of acquisition less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Material accounting policies (Contd)

4.2 Property, plant and equipment (Contd)

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated on the straight-line method to write off the cost of assets to their residual values over their estimated useful life as follows:

	Annual rates (%)
Buildings	2 - 5
Office furniture and fittings	10 - 25
Motor vehicles	20 - 25

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

4.3 Investment property

Investment property is property held to earn rentals and/or for capital appreciation and is accounted for using the fair value model.

If part of the investment property is used as an owner-occupied property and part to earn rentals, and the portions can be sold or leased out separately, they are accounted for separately. The portion that is rented out is classified as investment property.

Investment property is revalued every three years and is included in the statement of financial position at its open market value. This market value is supported by market evidence and is determined by an external professional valuer with sufficient experience with respect to both the location and the nature of the investment property.

Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in the statement of comprehensive income.

Rental income and operating expenses from investment property are reported within "Other income" and "Other expenses" respectively.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Material accounting policies (Contd)

4.4 Intangible assets

Leasehold rights

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

Leasehold rights are shown at historical cost, have a finite useful life and are carried at cost less accumulated depreciation. Amortisation is calculated using the straight-line method over its estimated useful lives (60 years).

Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight-line method over their estimated useful lives (5 years).

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

4.5 Investments in subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls a subsidiary if it is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

The Company accounted for its holdings in subsidiaries at fair value through profit or loss as it has been deemed to meet the definition of an investment entity as described in IFRS 10: *Consolidated Financial Statements*. An investment entity is defined as an entity that:

- obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Material accounting policies (Contd)

4.5 Investments in subsidiaries (Contd)

A parent company also needs to consider a set of typical characteristics, which combined with the above definition, are intended to allow for an appropriate balance between creating a clear scope and allowing judgement in assessing whether a company is an investment entity.

The characteristics are as follows:

- it has more than one investment;
- it has more than one investor;
- it has investors that are not related parties of the entity; and
- it has ownership interests in the form of equity or similar interests.

4.6 Investments in associates

An associate is an entity over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

The existence of significant influence by an entity is usually evidenced in one or more of the following ways: (a) representation on the board of directors or equivalent governing body of the investee; (b) participation in policy-making processes, including participation in decisions about dividends or other distributions; (c) material transactions between the investor and the investee; (d) interchange of managerial personnel; or (e) provision of essential technical information.

In accordance with the exemption within IAS 28: *Investments in Associates and Joint Ventures*, the Company does not account for its investment in associates using the equity method and consequently, these investments are accounted for as financial assets at fair value through profit or loss.

4.7 Financial instruments

Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15: *Revenue from Contracts with Customers*, all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

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

- amortised cost;
- fair value through profit or loss ("FVTPL"); or
- fair value through other comprehensive income ("FVOCI")

In the current period, the Company does not have any financial assets categorised as FVOCI.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Material accounting policies (Contd)

4.7 Financial instruments (Contd)

Classification and initial measurement of financial assets (Contd)

The classification is determined by both:

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

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

Subsequent measurement of financial assets

Financial assets at amortised cost

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

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

Discounting is omitted where the effect of discounting is immaterial. The Company's loans receivable, other receivables and cash and cash equivalents fall into this category of financial instruments.

Financial assets designated at fair value through profit or loss

The category also contains investments in equity instruments. The Company accounts for the investments at FVTPL and did not make the irrevocable election to account for the investments at fair value through other comprehensive income (FVOCI).

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

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. For the Company, instruments within the scope of the new requirements include mainly loans receivable and other receivables.

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

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Material accounting policies (Contd)

4.7 Financial instruments (Contd)

Subsequent measurement of financial assets (Contd)

Impairment of financial assets (Contd)

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

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

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

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

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include borrowings, other liabilities and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges on financial liabilities are included within finance costs.

Offsetting financial instruments

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

4.8 Taxation

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax charge is based on taxable income for the period calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Material accounting policies (Contd)

4.8 Taxation (Contd)

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted by the end of reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment properties are depreciable and held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Corporate Climate Responsibility ("CCR")

The Company is subject to CCR at a rate of 2% on the current year's chargeable income, if the turnover of the Company exceeds MUR 50 million.

Corporate Social Responsibility ("CSR")

The Company is subject to CSR and the contribution is at a rate of 2% on chargeable income of the preceding financial year.

Effective 01 January 2021, the contribution to the Mauritius Revenue Authority must be at least 75% or reduced up to 50% if prior written approval of the National CSR Foundation is obtained.

4.9 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents comprise cash in hand and at bank, net of bank overdrafts. Cash equivalents are short term, highly liquid investments maturing within 90 days from the reporting date that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. In the statement of financial position, bank overdrafts are shown within borrowings under current liabilities.

4.10 Equity and reserves

Stated capital represents the value of shares that have been issued.

Retained earnings include the current period's and all prior years' results as disclosed in the statement of comprehensive income.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Material accounting policies (Contd)

4.10 Equity and reserves (Contd)

All transactions with owners of the Company are recorded separately within equity.

Actuarial reserves comprise the actuarial losses arising from changes in demographic and financial assumptions and the return on plan assets.

4.11 Post-employment benefits and short-term employee benefits

The Company provides post-employment benefits through defined contribution and defined benefit plans.

Defined contribution plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions into an independent entity. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. Contributions to this plan are recognised as an expense in the period that relevant employee services are received.

Defined benefit plans

Under the Company's defined benefit plans, the amount of pension benefits that an employee will receive on retirement is defined by reference to length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation ("DBO") at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. The estimate of the post-retirement benefit obligations is based on standard rates of inflation, future salary increase and post retirement mortality rates. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Service costs on the net defined benefit liability are included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs.

State plan

Contributions to the National Pension Scheme are expensed to the statement of comprehensive income in the period in which they fall due.

Short-term employee benefits

Short-term employee benefits are included in employee benefits expenses.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Material accounting policies (Contd)

4.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

4.13 Foreign currencies

Functional and presentation currency

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

Transactions and balances

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

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

4.14 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

4.15 Leased assets

Leases are classified as finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases (net of any incentives received from the lessor) and are charged to surplus or deficit on a straight-line basis over the period of the lease.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Material accounting policies (Contd)

4.15 Leased assets (Contd)

The Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

4.16 Revenue recognition

Revenue comprises revenue from the provision of management services, rental income from investment properties and directorship fees on representation of directors in investee companies.

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

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

Revenue is recognised at point in time when the Company satisfies performance obligations by transferring the promised services.

Other income earned by the Company is recognised on the following bases:

- Rental income - on an accrual basis in accordance with the substance of the relevant agreements.
- Interest income - on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.
- Dividend income - when the shareholders' right to receive payment is established.
- Other income - in the accounting period in which it is receivable.

4.17 Operating expenses

Operating expenses are recognised in statement of comprehensive income upon utilisation of the services or as incurred.

4.18 Related parties

Related parties are individuals and companies where the individual or Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating policy decisions.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Material accounting policies (Contd)

4.19 Comparatives

The financial statements have been prepared for the period from 01 January 2023 to 30 June 2024. The comparative figures are for the period from 01 January 2022 to 31 December 2022 and consequently, the comparative figures for the financial statements are not comparable.

4.20 Significant management judgement in applying accounting policies and estimation uncertainty

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

Significant management judgements

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

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deductible temporary differences can be utilised.

Determination of functional currency

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

Determination of investment entity status of the Company

Management undertook an assessment on the status of the Company and the latter, in substance, has been deemed to meet the definition of an investment entity in accordance with IFRS 10: *Consolidated Financial Statements*, as the following characteristics exist:

- (1) The Company's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income;
- (2) The performance of investments made are measured and evaluated on a fair value basis. The Company's investments in subsidiaries are treated as financial assets at fair value through profit or loss and are therefore fair valued. Ownership interests in the Company, which are in the form of equity shares, are hence, exposed to variable returns from changes in fair value of the Company's net assets; and
- (3) In terms of funding, SIC is currently akin to a closed end fund with irregular inflow of funds. However, Management has the flexibility to raise finance as and when new investment opportunities arise. Any surplus is intended to be distributed to shareholders in the form of dividends.

Management has used significant judgement to determine that the Company has the characteristics of an investment entity set out in IFRS 10.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Material accounting policies (Contd)

4.20 Significant management judgement in applying accounting policies and estimation uncertainty (Contd)

Estimation uncertainty

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

Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each reporting period. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 16.

Revaluation of investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Company engaged an independent valuation specialist to determine the fair value of its investment properties. The latter used market value as valuation technique.

The determined fair value of the investment properties is most sensitive to the estimated yield as well as the long-term vacancy rate.

Fair value measurement

The fair value of securities not quoted in an active market are determined by the Company using valuation techniques including third party transaction values, earnings, discounted cash flows, dividend yield, whichever is considered to be appropriate. The Company exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, the directors must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of these cash flows.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Material accounting policies (Contd)

4.20 Significant management judgement in applying accounting policies and estimation uncertainty (Contd)

Estimation uncertainty (Contd)

Limitation of sensitivity analysis

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

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

Useful lives and residual values of intangible assets and property, plant and equipment

Management reviews its estimate of the useful lives and residual value of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Property, 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 disposal of the asset, if the asset were already of 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 assets at the end of their expected useful lives.

Impairment of financial assets

The Company uses the guidance of IFRS 9: *Financial Instruments*, to determine the degree of impairment of its loans receivable and other receivables. Management considers a broader range of information when assessing credit risk and estimating the credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the receivables. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Financial instruments risk

Risk management objectives and policies

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

Financial assets and financial liabilities

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Financial assets		
Non-current		
<i>Financial assets measured at fair value through profit or loss:</i>		
Investments in subsidiaries	2,638,935	2,192,992
Investments in associates	2,032,061	1,985,898
Investments in quoted and unquoted entities	2,760,189	3,392,904
<i>Financial assets measured at amortised cost:</i>		
Loans receivable	2,546	1,666
Current		
<i>Financial assets measured at amortised cost:</i>		
Loans receivable	16,717	17,007
Other receivables*	348,450	340,227
Cash and cash equivalents	509,557	475,332
Total financial assets	8,308,455	8,406,026
Financial liabilities		
Non-current		
<i>Financial liabilities measured at amortised cost:</i>		
Other liabilities	475,055	476,005
Borrowings	1,450,000	1,000,000
Current		
<i>Financial liabilities measured at amortised cost:</i>		
Other payables**	59,429	19,036
Borrowings	207,164	717,466
Total financial liabilities	2,191,648	2,212,507

*Other receivables exclude prepayments

**Other payables exclude current tax liabilities

The main types of risks are market risk, credit risk and liquidity risk. The Company's risk management is coordinated by management in close cooperation with the Board of Directors and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to financial markets.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Financial instruments risk (Contd)

Risk management objectives and policies (Contd)

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

(a) Market risk

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

(i) Currency risk

Foreign exchange risk arises from commercial transactions and financial assets and liabilities denominated in a currency that is not the Company's functional currency.

The Company is exposed to foreign currency risk since part of its investments, cash and cash equivalents and borrowings are denominated in United States Dollar ("USD") and Euro ("EUR").

The currency portfolio is as follows:

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Financial assets		
MUR	7,398,629	6,938,399
USD	242,676	241,228
EUR	667,140	1,226,399
	8,308,445	8,406,026
	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Financial liabilities		
MUR	2,191,648	2,210,893
USD	-	23
EUR	-	1,591
	2,191,648	2,212,507

The following table illustrates the sensitivity of profit and equity in regard to the Company's financial assets and liabilities and the USD/MUR and EUR/MUR exchange rate, "all other things being equal".

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Financial instruments risk (Contd)

Risk management objectives and policies (Contd)

(a) Market risk (Contd)

(i) Currency risk (Contd)

	Increase/ decrease in rates %	Effect on profit/equity Rs'000
30 June 2024		
USD	+5	12,134
	-5	(12,134)
EUR	+5	33,357
	-5	(33,357)
31 December 2022		
USD	+5	12,061
	-5	(12,061)
EUR	+5	61,320
	-5	(61,320)

(b) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk from various financial instruments including loans receivable and other receivables.

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

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Financial instruments risk (Contd)

Risk management objectives and policies (Contd)

(b) Credit risk (Contd)

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Financial assets		
Non-current		
<i>Financial assets measured at fair value through profit or loss:</i>		
Investments in subsidiaries	2,638,935	2,192,992
Investments in associates	2,032,061	1,985,898
Investments in quoted and unquoted entities	2,760,189	3,392,904
<i>Financial assets measured at amortised cost:</i>		
Loans receivable	2,546	1,666
Current		
<i>Financial assets measured at amortised cost:</i>		
Loans receivable	16,717	17,007
Other receivables	348,450	340,227
Cash and cash equivalents	509,557	475,332
Total financial assets	8,308,455	8,406,026

Financial assets measured at fair value through profit or loss

As described in Notes 10, 11 and 12, the Company holds investments in several listed and unlisted entities. These investments are classified as financial assets at fair value through profit or loss since the Company meets the criteria of an investment entity in accordance with IFRS 10: *Consolidated Financial Statements*.

For investments which are quoted on the stock market, the fair values of these investments are based on the quoted prices prevailing on the Stock Exchange of Mauritius at the reporting date. In respect of the securities which are not quoted, the Company uses valuation techniques including third party transaction values, earnings, discounted cash flows, dividend yield, whichever is considered to be appropriate. The Company exercises judgement on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

For the period ended 30 June 2024, the fair values of these investments have decreased, resulting in a fair value loss of Rs 78.6 million (Year ended 31 December 2022: fair value gain of Rs 574.3 million).

Loans receivable

Loans receivable pertain to loans provided to staffs and related parties. Management considered that no credit risk is associated with facilities provided to employees as these staffs are still in employment with the Company. In respect of the related parties, Management has made an assessment and confirmed the inability of some related parties to repay their dues to the Company and has therefore applied Stage 3 of the expected credit loss model. Consequently, during the period under review, an amount of Rs. 1,258,480 was impaired (Year ended 31 December 2022: Rs Nil) in these financial statements.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Financial instruments risk (Contd)

Risk management objectives and policies (Contd)

(b) Credit risk (Contd)

Other receivables

Other receivables include mainly short-term deposits held with banks amounting to Rs. 293,815,000 (exclusive of interest receivable) and consideration receivable amounting to Rs 47,360,000 following the disposal of shares held in Marina Village Hotel Ltd and New Mauritius Hotels Limited. The credit risk on the short-term deposit is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings. Management has assessed the recoverability of the consideration receivable and confirmed that the related parties will have sufficient funds to meet their obligations.

Any provision on the remaining balance will have an immaterial impact on the financial statements.

Cash and cash equivalents

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

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

(c) Liquidity risk

Liquidity risk is the risk arising from the Company not being able to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecasted cash inflows and outflows due in day-to-day business.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

	Less than 1 year Rs'000	More than 1 year Rs'000
<i>As at 30 June 2024</i>		
Borrowings	207,164	1,450,000
Other payables	59,429	-
Other liabilities	-	475,055
	266,593	1,925,055
	Less than 1 year Rs'000	More than 1 year Rs'000
<i>As at 31 December 2022</i>		
Borrowings	717,466	1,000,000
Other payables	19,036	-
Other liabilities	-	476,005
	736,502	1,476,005

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

4. Financial instruments risk (Contd)

Risk management objectives and policies (Contd)

(d) Interest rate risk

The Company has interest bearing financial assets in terms of loans provided to employees and fixed deposits held with different banking institutions and interest-bearing financial liabilities in terms of borrowings from banks. However, the Company is not exposed to interest rate risk since these rates are fixed in nature.

5. Fair value measurement

5.1 Fair value measurement of financial instruments

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (that is unobservable inputs).

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

	As at 30 June 2024			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
<i>Investments at fair value through profit or loss:</i>				
Agriculture	-	-	1,307	1,307
Communications	-	80,440	113,480	193,920
Distribution	-	-	425,695	425,695
Entertainment & Tourism	140,438	-	131,566	272,004
Financial Services	189,757	302,439	1,515,133	2,007,330
Gaming	344,250	-	-	344,250
ICT	-	14,245	27,340	41,585
Manufacturing	-	-	376,232	376,232
Other Services	2	-	16,670	16,670
Real Estate	-	2,442,531	1,309,660	3,752,191
	674,447	2,839,655	3,917,083	7,431,185

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

5. Fair value measurement (Contd)

5.1 Fair value measurement of financial instruments (Contd)

	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
<i>Investments at fair value through profit or loss:</i>				
Agriculture	-	-	1,889	1,889
Communications	-	68,910	86,664	155,575
Distribution	-	-	1,081,990	1,081,990
Entertainment & tourism	157,251	40,641	199,825	397,716
Financial services	180,502	435,501	1,083,900	1,699,903
Gaming	490,875	-	52,314	543,189
ICT	-	33,919	-	33,919
Manufacturing	1,313	159,695	236,270	397,278
Other services	-	-	19,771	19,771
Real estate	-	2,132,976	1,070,156	3,203,132
Construction	-	-	37,432	37,432
	829,941	2,871,642	3,870,211	7,571,794

During the period under review, the Company changed the valuation model for several investments in order to give a more realistic representation of the fair value of the investments. Consequently, there were transfer between level 2 and level 3 during the period ended 30 June 2024.

Measurement of fair value

Quoted investments (Level 1)

The quoted investments are listed on The Stock Exchange of Mauritius and the fair values have been determined by the reference to the quoted bid prices at the reporting date.

Unquoted investments (Level 2)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates.

Unquoted investments (Level 3)

The fair value of securities not quoted in an active market is determined by the Company using valuation techniques including third party transaction values, earnings, net asset value of discounted cash flows, whichever is considered to be appropriate.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

5. Fair value measurement (Contd)

5.1 Fair value measurement of financial instruments (Contd)

Level 3 fair value measurement

	30 June 2024		Key	
	Fair value	Valuation	Unobservable	Unobservable
	Rs'000	approach	inputs	input
<i>Investments at fair value through profit or loss:</i>				
Agriculture	1,307	Net Asset Value	-	-
Communications	113,480	Net Asset Value	-	-
Distribution	425,695	Earning	PER	5%
Entertainment & Tourism	131,566	Net Asset Value	-	-
Financial Services	1,515,133	Net Asset Value	-	-
Gaming	-	Net Asset Value	-	-
ICT	27,340	Net Asset Value	-	-
Manufacturing	376,232	Net Asset Value	-	-
Other Services	16,670	Net Asset Value	-	-
Real Estate	1,309,660	Rental Yield	Yield	5%
	3,917,083			

	31 December 2022		Key	
	Fair value	Valuation	Unobservable	Unobservable
	Rs'000	approach	inputs	input
<i>Investments at fair value through profit or loss:</i>				
Agriculture	1,889			
Communications	86,664			
Entertainment & Tourism	199,825	Discounted		
Financial Services	1,083,900	cash flows	Discount	13.19%
Manufacturing	236,270			
Other Services	19,771			
Real Estate	1,070,156			
Construction	37,432			
Gaming	52,314			
Distribution	1,081,990	Earnings	PER	5%
	3,870,211			

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

5. Fair value measurement (Contd)

5.1 Fair value measurement of financial instrument (Contd)

Level 3 fair value measurement (Contd)

The reconciliation of the carrying amounts of financial assets classified within Level 3 is as follows:

	Balance at 01 January 2023 Rs'000	Additions Rs'000	Transfer Rs'000	Disposals Rs'000	Fair value gain/(loss) Rs'000	Balance at 30 June 2024 Rs'000
Agriculture	1,889	-	-	-	(582)	1,307
Communications	86,664	-	-	-	26,816	113,480
Distribution	1,081,972	-	-	-	(656,277)	425,695
Entertainment & Tourism	199,825	33,468	40,641	(151,515)	9,147	131,566
Financial Services	1,083,900	-	115,643	-	315,591	1,515,134
Gaming	52,314	41,349	-	-	(93,663)	-
ICT	-	27,340	-	-	-	27,340
Manufacturing	236,270	-	159,694	-	(19,732)	376,232
Other Services	19,771	3,130	-	-	(6,231)	16,670
Real Estate & Construction	1,107,606	11,382	134,390	(458)	56,739	1,309,659
	3,870,211	116,669	450,368	(151,973)	(368,192)	3,917,083

	Balance at 01 January 2022 Rs'000	Additions Rs'000	Disposals Rs'000	Fair value gain/(loss) Rs'000	Balance at 31 December 2022 Rs'000
Agriculture	1,889	-	-	-	1,889
Communications	69,475	4,533	-	12,656	86,664
Distribution	1,020,758	-	-	61,214	1,081,972
Entertainment & Tourism	87,187	18,395	-	94,243	199,825
Financial Services	1,074,287	-	-	9,613	1,083,900
Gaming	236,671	25,651	-	(210,008)	52,314
Manufacturing	77,093	102,722	-	56,445	236,270
Other Services	17,676	-	-	2,095	19,771
Real Estate & Construction	1,033,932	31,978	(11,964)	53,660	1,107,606
	3,618,968	183,289	(11,964)	79,918	3,870,211

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Notes to the financial statements

For the period ended 30 June 2024

5. Fair value measurement (Contd)

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

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

5.3 Fair value measurement of non-financial assets and non-financial liabilities

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis as at 30 June 2024 and 31 December 2022:

30 June 2024	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Investment property	-	1,478,800	-	1,478,800
31 December 2022	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Investment property	-	978,800	-	978,800

The fair value of the Company's investment properties is estimated based on valuation performed by an independent, professionally qualified property valuer. The significant inputs and assumptions are developed in close consultation with Management.

The investment properties include prime land to the extent of approximately 712,000 m² located at Cote D'or, Republic of Mauritius. The Ministry of Agro-Industry and Food Security has consented for the conversion of the land into Residential and Commercial Use in 2024. The investment property was consequently revalued in January 2025 at Rs 1,537,350,000. The value of the land was discounted at 30 June 2024 and consequently, a gain on revaluation amounting to Rs 500 million was recorded in these financial statements.

The Company's other non-financial assets consist of property, plant and equipment, intangible assets, deferred tax assets, current tax assets and the non-financial liabilities consist of employee benefits obligations.

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

6. Capital management policies and procedures

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

6. Capital management policies and procedures (Contd)

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders or sell assets to reduce debt.

The Company monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (share capital, actuarial reserves and retained earnings).

The debt-to-adjusted capital ratios were as follows:

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Total debt	1,657,164	1,717,466
Less: cash in hand and at bank	(509,557)	(475,332)
Net debt	1,147,607	1,242,134
Adjusted capital	7,525,193	7,076,482
Debt-to-adjusted capital ratio	15%	18%

The Directors consider that the level of gearing is reasonable given the nature of operations of the Company.

7. Property, plant and equipment

	Buildings Rs'000	Office furniture and fittings Rs'000	Motor vehicles Rs'000	Total Rs'000
30 June 2024				
Cost				
At 01 January 2023	25,122	23,216	1,204	49,542
Additions during the period	-	545	-	545
At 30 June 2024	25,122	23,761	1,204	50,087
Depreciation				
At 01 January 2023	13,816	21,931	1,204	36,951
Charge for the period	753	670	-	1,423
At 30 June 2024	14,569	22,601	1,204	38,374
Net book values				
At 30 June 2024	10,553	1,160	-	11,713

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

7. Property, plant and equipment (Contd)

	Buildings	Office furniture and fittings	Motor vehicles	Total
31 December 2022	Rs'000	Rs'000	Rs'000	Rs'000
Cost				
At 01 January 2022	25,122	22,773	1,204	49,099
Additions during the year	-	443	-	443
At 31 December	25,122	23,216	1,204	49,542
Depreciation				
At 01 January 2022	13,314	21,228	1,204	35,746
Charge for the year	502	703	-	1,205
At 31 December	13,816	21,931	1,204	36,951
Net book values				
At 31 December 2022	11,306	1,285	-	12,591

8. Investment property

	Period ended	Year ended
	30 June	31 December
	2024	2022
	Rs'000	Rs'000
Opening balance	978,800	978,800
Fair value gain during the period/year	500,000	-
Closing balance	1,478,800	978,800

- (i) The Company's investment property consists of various properties located in strategic and well-situated regions. Management determined that the investment properties consist of two classes of assets - Land and Building - based on the nature, characteristics and risks of each property.
- (ii) The Company carries its investment property at fair value, with changes in fair value being recognised in the statement of comprehensive income. The properties include prime land to the extent of approximately 712,000 m² located at Cote D'or, Republic of Mauritius. The Ministry of Agro-Industry and Food Security has consented for the conversion of the land into Residential and Commercial Use in 2024. The investment property was consequently revalued in January 2025 at Rs 1,537,350,000. The value of the land was discounted at 30 June 2024 and consequently, a gain on revaluation amounting to Rs 500 million has been recorded in these financial statements.

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Notes to the financial statements

For the period ended 30 June 2024

8. Investment property (Contd)

The following amounts have been recognised in profit or loss:

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Rental income derived from investment properties	2,340	1,560
Operating expenses arising on the investment property that generated rental income during the period	1,647	636

During the period under review and as at reporting date, no restrictions on the releasability of investment properties, or the remittance of income and proceeds of disposal were present. The Company does not have any contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.

9. Intangible assets

	Leasehold rights Rs'000	Computer software Rs'000	Total Rs'000
30 June 2024			
Cost			
At 01 January 2023 and 30 June 2024	15,000	11,667	26,667
Amortisation			
At 01 January 2023	3,015	11,241	14,256
Charge during the period	375	240	615
At 30 June 2024	3,390	11,481	14,871
Net book values			
At 30 June 2024	11,610	186	11,796

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Notes to the financial statements

For the period ended 30 June 2024

9. Intangible assets (Contd)

	Leasehold rights Rs'000	Computer software Rs'000	Total Rs'000
31 December 2022			
Cost			
At 01 January	15,000	11,288	26,288
Additions during the year	-	379	379
At 31 December	15,000	11,667	26,667
Amortisation			
At 01 January	2,765	11,054	13,819
Charge during the year	250	186	436
At 31 December	3,015	11,240	14,255
Net book values			
At 31 December 2022	11,985	427	12,412

Intangible assets include leasehold rights with a remaining useful life of fifty-one years.

The leasehold rights relate to lands situated at:

- 1 Arpent at Victoria Avenue, Quatre Bornes, Republic of Mauritius, of an extent of 4,221m² at a cost of Rs. 10,000,790; and
- 50 Perch at Victoria Avenue, Quatre Bornes, Republic of Mauritius, of an extent of 2,110m² at a cost of Rs 4,999,210.

10. Investments in subsidiaries

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Opening balance	2,192,992	1,952,415
Additions during the period/year	59,042	33,831
Net change in fair value during the period/year	386,901	206,746
Closing balance	2,638,935	2,192,992

THE STATE INVESTMENT CORPORATION LIMITED

Notes to the financial statements

For the period ended 30 June 2024

10. Investments in subsidiaries (Contd)

(i) Details of the subsidiaries are as follows:

	Class of shares held	Year end of entities	Proportion of ownership						Activity
			Direct			Indirect			
			30 June 2024	31 December 2022	30 June 2024	31 December 2022	30 June 2024	31 December 2022	
			%	%	%	%	%	%	
Beach Casinos Limited	Ordinary	30-06-24	100.00	100.00	-	-	-	-	Gaming
Capital Asset Management Limited	Ordinary	30-06-24	100.00	100.00	-	-	-	-	Fund Management
Casino de Maurice Limited	Ordinary	30-06-24	100.00	100.00	-	-	-	-	Gaming
Compagnie Mauricienne D'Hippodromes Liée	Ordinary	30-06-24	10.00	10.00	72.00	72.00	-	-	Property Development
Domaine Les Pailles Limitée	Ordinary	30-06-24	8.63	8.63	66.46	66.46	-	-	Food & Consumer goods
EREIT Management Ltd	Ordinary	30-06-24	100.00	100.00	-	-	-	-	Management services
Grand Baie Casino Limited	Ordinary	30-06-24	100.00	100.00	-	-	-	-	Gaming
Guibies Holding Ltd	Ordinary	30-06-24	10.00	10.00	72.00	72.00	-	-	Property Development
Guibies Properties Ltd	Ordinary	30-06-24	10.00	10.00	72.00	72.00	-	-	Property Development
Lakepoint Limited	Ordinary	30-06-24	100.00	100.00	-	-	-	-	Leisure & Entertainment
Le Caudan Waterfront Casino Limited	Ordinary	30-06-24	51.00	51.00	-	-	-	-	Gaming
Le Grand Casino Du Domaine Limited	Ordinary	30-06-24	62.36	62.36	-	-	-	-	Gaming
Le Val Development Limited	Ordinary	30-06-24	70.00	70.00	-	-	-	-	Property Development

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For the period ended 30 June 2024

10. Investments in subsidiaries (Contd)

(i) Details of the subsidiaries are as follows (Contd):

	Class of shares held	Year end of entities	Proportion of ownership				Activity
			Direct		Indirect		
			30 June 2024	31 December 2022	30 June 2024	31 December 2022	
			Rs'000	Rs'000	Rs'000	Rs'000	
Mauritius Technologies Holdings Ltd	Ordinary	30-06-24	100.00	100.00	-	-	ICT
MJTI Properties Limited	Ordinary	30-06-24	100.00	100.00	-	-	Property Development
Prime Partners Limited	Ordinary	30-06-24	100.00	100.00	-	-	Corporate Services
Prime Real Estate Limited	Ordinary	30-06-24	80.00	80.00	-	-	Property Development
SIC Development Co. Ltd	Ordinary	30-06-24	100.00	100.00	-	-	Financial Intermediary Services
SBM Infrastructure Development Co Ltd	Ordinary	30-06-24	100.00	100.00	-	-	Line of Credit
SIC Capital Support Ltd	Ordinary	30-06-24	100.00	100.00	-	-	Management Services
SIC Management Services Company Limited	Ordinary	30-06-24	100.00	100.00	-	-	Fund Management
State Investment Finance Corporation Limited	Ordinary	30-06-24	80.00	80.00	-	-	Management Services
Sun Casinos Limited	Ordinary	30-06-24	100.00	100.00	-	-	Investment
Grand Bale Casino Limited	Ordinary	30-06-24	100.00	100.00	-	-	Gaming
			100.00	100.00	-	-	Gaming

All the subsidiaries are incorporated in the Republic of Mauritius.

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10. Investments in subsidiaries (Contd)

- (ii) The Company meets the definition of an investment entity. Therefore, the Company does not consolidate its subsidiaries but rather recognised them as investments at fair value through profit or loss. The fair value of the investments is estimated by reference to the maintainable earnings, dividend yield, net assets value of the underlying assets, observable market data and indices of similar entities as appropriate.
- (iii) The Company derives income in the form of dividends, interest and director fees from its investments in unconsolidated subsidiaries, and there are no significant restrictions on the transfer of funds from these entities to the Company.
- (iv) The Board has decided to provide continuous financial support to some of its unconsolidated subsidiaries.
- (v) Subsidiaries are denominated in the following currencies:

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Mauritian Rupee ("MUR")	2,602,835	2,156,892
United States Dollar ("USD")	36,100	36,100
	2,638,935	2,192,992

- (vi) The fair value measurement of the shares held by the Company in its subsidiaries is categorised into the following fair value hierarchy:

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
At 30 June 2024				
Investments in subsidiaries	-	2,262,695	376,240	2,638,935
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
At 31 December 2022				
Investments in subsidiaries	-	1,939,700	253,292	2,192,992

- (vii) The table below shows the changes in level 3 instruments.

	Investments in subsidiaries measured at fair value through profit or loss	
	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Opening balance	253,292	413,534
Transfer from level 2	134,390	-
Additions during the period/year	59,042	30,131
Net change in fair value during the period/year	(70,484)	(190,373)
Closing balance	376,240	253,292

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Notes to the financial statements

For the period ended 30 June 2024

11. Investments in associates

	Period ended	Year ended
	30 June	31 December
	2024	2022
	Rs'000	Rs'000
Opening balance	1,985,898	1,919,935
Transfer from investments classified as financial assets at FVTPL	547,254	-
Disposals during the period/year	(40,640)	-
Net change in fair value during the period/year	(460,451)	65,963
Closing balance	2,032,061	1,985,898

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For the period ended 30 June 2024

11. Investments in associates (Contd)

(i) Details of investments in associates are as follows:

	Class of Shares held	Year end of entities	Proportion of ownership				Activity
			Direct		Indirect		
			30 June 2024	31 December 2022	30 June 2024	31 December 2022	
			%	%	%	%	
Mauritius Duty Free Paradise Co Ltd	Ordinary	30-06-24	20.00	20.00	-	-	Distribution
Mauritius Shopping Paradise Co Ltd	Ordinary	31-03-24	-	43.35	-	-	Distribution
Pointe Coton Resorts Hotels Co Limited	Ordinary	31-03-24	-	28.54	-	-	Leisure and Entertainment
Port Louis Fund Ltd	Ordinary	30-06-24	39.28	39.28	-	-	Investment fund
Splendid Property Co Ltd	Ordinary	31-12-24	25.00	25.00	-	-	Real Estate
State Informatics Limited	Ordinary	31-12-24	20.00	20.00	-	-	ICT
Ebene Car Park Ltd	Ordinary	31-12-24	27.96	27.96	-	-	Real Estate
Yihai Investment	Ordinary	31-12-24	48.96	-	-	-	Real Estate
Jumeirah Investment Ltd	Ordinary	31-12-24	40	-	-	-	Leisure and Entertainment
Rodrigues Educational Development Co Ltd	Ordinary	31-12-24	20	-	-	-	Real Estate
SCC Holding Mauritius Ltd	Ordinary	31-12-24	33.33	-	-	-	Education

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11. Investments in associates (Contd)

- (ii) The fair value of investments in associates are estimated by reference to the maintainable earnings, net assets value of the underlying assets, observable market data and indices of similar entities as appropriate.
- (iii) The Company derives income in the form of dividends and interest from its associates. There are no significant restrictions on the transfer of funds from these entities to the Company.
- (iv) Associates are denominated in the following currencies:

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Mauritian Rupee ("MUR")	1,606,366	903,926
Euro ("EUR")	425,695	1,081,972
	2,032,061	1,985,898

- (v) The fair value measurement of the shares held by the Company in its associates is categorised into the following fair value hierarchy:

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
30 June 2024				
Investments in associates	-	14,245	2,017,816	2,032,061
31 December 2022				
Investments in associates	-	74,560	1,911,338	1,985,898

- (vi) The table below shows the changes in level 3 instruments:

	Investment in associates at fair value through profit or loss	
	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Opening balance	1,911,338	1,839,844
Transfer from level 2	40,640	-
Transfer from investments classified as financial assets at FVTPL	547,254	-
Disposals during the period/year	(40,640)	-
Net change in fair value during the period/year	(440,776)	71,494
Closing balance	2,017,816	1,911,338

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For the period ended 30 June 2024

12. Financial assets at fair value through profit or loss ("FVTPL")

- (i) Investments measured at fair value through profit or loss constitute investments in quoted and unquoted equities.

30 June 2024	Fair value through profit or loss		
	Quoted Rs'000	Unquoted Rs'000	Total Rs'000
Opening balance	829,942	2,562,962	3,392,904
Transfer to investments in associates	-	(547,254)	(547,254)
Additions during the period	-	57,645	57,645
Disposals during the period	(21,802)	(116,206)	(138,008)
Net change in fair value during the period	(133,710)	128,612	(5,098)
Closing balance	674,430	2,085,759	2,760,189

31 December 2022	Fair value through profit or loss		
	Quoted Rs'000	Unquoted Rs'000	Total Rs'000
Opening balance	855,231	2,219,466	3,074,697
Additions during the year	-	46,957	46,957
Disposals during the year	(18,395)	(11,979)	(30,374)
Net change in fair value during the year	(6,894)	308,518	301,624
Closing balance	829,942	2,562,962	3,392,904

- (ii) Other investments at fair value through profit or loss are denominated in the following currencies:

Currency	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Mauritius Rupee ("MUR")	2,017,128	3,046,293
United States Dollar ("USD")	243,626	203,775
Euro ("EUR")	499,435	142,836
	2,760,189	3,392,904

- (iii) The fair value measurement of the shares held by the Company in the other investments at fair value through profit or loss is categorised into the following fair value hierarchy:

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
At 30 June 2024				
Investments at fair value through profit or loss	674,448	562,714	1,523,027	2,760,189

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12. Financial assets at fair value through profit or loss ("FVTPL") (Contd)

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 31 December 2022				
Investments at fair value through profit or loss	829,941	857,382	1,705,581	3,392,904

(iv) The table below shows the changes in Level 3 instruments for the year ended 31 December:

	Fair value through profit or loss	
	Period ended	Year ended
	30 June	31 December
	2024	2022
	Rs'000	Rs'000
Opening balance	1,705,581	1,364,839
Reclassification during the period/year	(547,254)	-
Transfer from level 2	275,338	106,952
Additions during the period/year	57,627	46,957
Disposals during the period/year	(111,333)	(11,964)
Net change in fair value during the period/year	143,068	198,797
Closing balance	1,523,027	1,705,581

(v) Net change in investments at fair value through profit or loss:

	Period ended	Year ended
	30 June	31 December
	2024	2022
	Rs'000	Rs'000
Investments in subsidiaries (Note 10)	386,901	206,746
Investments in associates (Note 11)	(460,451)	65,963
Financial assets at fair value through profit or loss (Note 12)	(5,098)	301,624
Net change in fair value	(78,648)	574,333

13. Loans receivable

	Period ended	Year ended
	30 June	31 December
	2024	2022
	Rs'000	Rs'000
Non-current		
Loans receivable from employees (Note 13(i))	2,546	1,666
Current		
Loans receivable from employees (Note 13(i))	662	475
Loans receivable from related parties (Note 13(ii))	16,055	16,532
	16,717	17,007

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Notes to the financial statements

For the period ended 30 June 2024

13. Loans receivable (Contd)

- (i) The Company provides loans to employees which bear a fixed rate of interest, and the monthly repayments are deductible from the employees' salaries.

As per Management's assessment, no credit risk is associated with these facilities since these employees are still being employed by the Company.

- (ii) The Company provides loans to its related parties which are interest-free and repayable on demand. Based on their assessment, Management confirmed the inability of some related parties to repay their dues to the Company and has therefore applied Stage 3 of the expected credit loss model. During the period under review, loans receivable amounting to Rs 1,258,480 were fully impaired in these financial statements (Year ended 31 December 2022: Nil).

14. Other receivables

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Dividend receivable (Note 14(i))	2,328	-
Directors' fees receivable	-	270
Fixed deposits (Note 14(ii))	294,890	337,900
Others (Note 14(iii))	51,232	2,300
	348,450	340,470

- (i) During the period under review, the Company earned dividend income amounting to Rs. 147,324,246 (Year ended 31 December 2022: Rs. 81,705,585) from its investee companies. As at reporting date, an amount of Rs. 2,328,000 was still receivable from these investee companies.
- (ii) The Company holds fixed deposits with banking institutions. The associated credit risk is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. The fixed deposits have maturity terms of more than 3 months.
- (iii) Others include mostly consideration receivable as at reporting date following the disposal of shares held in Marina Village Hotel Ltd and New Mauritius Hotels Limited amounting to Rs. 47,360,000. Management has assessed the recoverability of the other receivables and confirmed that the carrying amount has not suffered any impairment.

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15. Stated capital

30 June 2024	Number of shares	Rs'000
Authorised, issued & fully paid		
Ordinary shares of Rs 10 each	8,500,100	85,000
31 December 2022	Number of shares	Rs'000
Authorised, issued & fully paid		
Ordinary shares of Rs 10 each	8,500,100	85,000

16. Retirement benefit obligations

	Period ended	Year ended
	30 June	31 December
	2024	2022
	Rs'000	Rs'000
Amount recognised in the statement of financial position:		
Defined benefit pension plan	110,008	61,987
Amount charged to profit or loss:		
Defined benefit pension plan	8,018	4,361
Amount credited to other comprehensive income:		
Defined benefit pension plan	(41,966)	1,422

- (i) The Company contributes to a defined benefit pension plan which is a final salary plan, providing benefits to the employees in the form of a guaranteed level of pension payable for life. The level of benefits to be provided depends on employees' length of service and their salary in the final year leading up to retirement.
- (ii) The assets of the fund are held independently and administered by the State Insurance Company of Mauritius Ltd ("SICOM"). The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- (iii) The amounts recognised in the statement of financial position are as follows:

	Period ended	Year ended
	30 June	31 December
	2024	2022
	Rs'000	Rs'000
Present value of funded obligations	161,602	116,509
Fair value of plan assets	(51,594)	(54,522)
Liability in the statement of financial position	110,008	61,987

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Notes to the financial statements

For the period ended 30 June 2024

16. Retirement benefit obligations (Contd)

- (iv) The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Opening balance	61,987	60,624
Amount recognised in profit or loss	8,018	4,361
Amount recognised in other comprehensive income	41,966	(1,421)
Contributions paid	(1,963)	(1,577)
Closing balance	110,008	61,987

- (v) The movement in the defined benefit obligations is as follows:

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Opening balance	116,509	126,611
Current service cost	2,958	1,964
Interest expense	10,819	6,077
Actuarial loss/(gain)	45,109	(8,859)
Benefits paid	(13,793)	(9,284)
Closing balance	161,602	116,509

- (vi) The movement in the fair value of the plan assets is as follows:

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Opening balance	54,522	65,987
Expected return on plan assets	4,842	2,999
Contributions by plan participants	981	786
Contributions by the employer	1,963	1,577
Benefits paid	(13,857)	(9,390)
Asset gain/(loss)	3,143	(7,437)
Closing balance	51,594	54,522

- (vii) The amounts recognised in profit or loss are as follows:

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Current service cost	2,957	1,964
Employee contributions	(981)	(788)
Fund expenses	66	107
Interest expense	5,976	3,078
Total included in employee benefit expenses (Note 26)	8,018	4,361

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Notes to the financial statements

For the period ended 30 June 2024

16. Retirement benefit obligations (Contd)

(iv) The amounts recognised in other comprehensive income are as follows:

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Liability experience (loss)/gain during the period/year	(18,509)	8,859
Asset experience gain/(loss) during the period/year	3,143	(7,437)
Liability loss due to change in financial assumptions	(26,600)	-
	(41,966)	1,422

(v) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Period ended 30 June 2024 %	Year ended 31 December 2022 %
Fixed interest securities and deposits	49.90	56.90
Loans	3.10	0.50
Local equities	15.20	14.80
Overseas bonds and equities	31.30	27.20
Property	0.50	0.60
	100.00	100.00

(vi) The principal actuarial assumptions used for the purposes of the actuarial valuations were:

	Period ended 30 June 2024 %	Year ended 31 December 2022 %
Discount rate	5.60	6.58
Future salary growth rate	4.50	4.00
Future pension growth rate	3.50	3.00

The discount rate is determined by reference to market yield on bonds.

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period:

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Notes to the financial statements

For the period ended 30 June 2024

16. Retirement benefit obligations (Contd)

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligation would decrease by Rs 18.8 million (increase by Rs 23.2 million) if all other assumptions were held unchanged.
- If the expected salary growth would increase (decrease) by 1%, the defined benefit obligation would increase by Rs 7.0 million (decrease by Rs 6.1 million), if all other assumptions were held unchanged.
- If the life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 4.9 million (decrease by Rs 4.9 million), if all other assumptions were held unchanged.

In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depend to a certain extent on expected inflation rates. The analysis above abstracts from these interdependences between the assumptions.

17. Deferred tax assets

Deferred income tax for the period ended 30 June 2024 is calculated on all temporary differences under the liability method at 17% (Year ended 31 December 2022: 17%).

There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statement of financial position:

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Deferred tax assets	15,147	9,338

The movements on deferred income tax account are as follows:

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Opening balance	(9,338)	(9,338)
Movement in profit or loss	1,325	-
Movement in other comprehensive income	(7,134)	-
Closing balance	(15,147)	(9,338)

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Notes to the financial statements

For the period ended 30 June 2024

17. Deferred tax assets (Contd)

Deferred tax liabilities, deferred tax credit in the profit or loss are attributable to the following items:

	At 01 January 2023 Rs'000	Charged to profit or loss Rs'000	Credited to other comprehensive income Rs'000	At 30 June 2024 Rs'000
Deferred income tax				
Accelerated tax depreciation	967	296	-	1,263
Retirement benefit obligations	(10,305)	1,029	(7,134)	(16,410)
Net deferred tax assets	(9,338)	1,325	(7,134)	(15,147)

	At 01 January 2022 Rs'000	Charged to profit or loss Rs'000	Credited to other comprehensive income Rs'000	At 31 December 2022 Rs'000
Deferred income tax				
Accelerated tax depreciation	967	-	-	967
Retirement benefit obligations	(10,305)	-	-	(10,305)
Net deferred tax assets	(9,338)	-	-	(9,338)

18. Income tax

Statement of financial position

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Current tax (assets)/liabilities		
Opening balance	-	(32)
Charge during the period	-	-
Paid during the period	(939)	32
Closing balance	(939)	-

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Notes to the financial statements

For the period ended 30 June 2024

18. Income tax (Contd)

Statement of profit or loss

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Deferred tax movement (Note 17)	1,325	-
Tax expense	1,325	-

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

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Profit before tax	484,869	549,328
Tax calculated at a rate of 17% (2022: 17%)	84,428	93,386
Tax effect of:		
Expenses not deductible for tax purposes	36,955	19,183
Income not subject to tax	(121,769)	(112,077)
Under provision	4,161	1,957
Loss brought forward	(3,775)	(2,449)
Tax expense for the period/year	-	-

19. Other payables

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Payable to Government of Mauritius under ISP (Notes 19(ii) & 28)	37,909	2,410
Other payables (Note 19(i))	21,520	85,061
	59,429	87,471

- (i) Pursuant to a board meeting dated 23 February 2024, an amount of MUR 65,397,000 payable to the Mauritius Revenue Authority regarding several tax assessments was written back in these financial statements since the Company was able to negotiate a lower amount. Other miscellaneous amounts payable of MUR 2,351,300 were also written back as at reporting date.
- (ii) The amount payable to Government of Mauritius is in respect of the Investment Support Programme ("ISP") and represents cash held by the Company in a fiduciary capacity and is non-interest bearing.

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Notes to the financial statements

For the period ended 30 June 2024

20. Other liabilities

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Guibies Properties Ltd (Note 20(i))	430,055	431,005
Yihai International Investment Ltd (Note 20(ii))	45,000	45,000
Total	475,055	476,005

- (i) The amount payable is in respect to the transfer of land from Guibies Properties Ltd ("GPL") for the JV Smart City Project. The amount payable is interest free, unsecured and with no specific repayment terms.
- (ii) The amount due to Yihai International Investment Ltd represents amounts payable upon completion of Phase 1 of the JV Smart City Project.

21. Borrowings

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Non-current		
<i>Term Loans:</i>		
SBM Bank (Mauritius) Ltd (Note 21(iii))	400,000	-
MauBank Ltd (Note 21(iv))	50,000	-
<i>Line of credit:</i>		
Bank of Mauritius (Note 21(ii))	1,000,000	1,000,000
Total	1,450,000	1,000,000
Current		
<i>Bonds:</i>		
SBM Bank (Mauritius) Ltd (Note 21(i))	-	500,000
MauBank Ltd (Note 21(i))	-	200,000
<i>Loans:</i>		
SBM Bank (Mauritius) Ltd (Note 21(iii))	100,000	-
MauBank Ltd	100,000	-
Interest payable on bonds	-	11,806
Interest payable on line-of-credit (Note 21(ii))	4,750	4,789
Interest payable on loans (Note 21(iv))	2,144	-
Bank overdrafts	270	871
Total	207,164	717,466

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Notes to the financial statements

For the period ended 30 June 2024

21. Borrowings (Contd)

- (i) Bonds held with SBM Bank (Mauritius) Ltd and Maubank Ltd carry an annual interest rate of 5.85% and have a maturity date of 17 September 2023. The bonds were fully redeemed during the period under review. The Company incurred a total interest expense of Rs. 34,867,103 (Year ended 31 December 2022: Rs. 40,950,000) on these bonds as at reporting date.
- (ii) On 08 October 2021, the Company was granted a line of credit facility by the Bank of Mauritius amounting to Rs. 1,000,000,000. The line of credit carries interest at an annual rate of 1.90%. The loan is supported by a letter of comfort from the Government. The Company incurred a total interest expense of Rs. 28,460,958 (Year ended 31 December 2022: Rs. 19,000,000) during the period under review out of which an amount of Rs 4,750,000 (Year ended 31 December 2022: Rs. 4,789,041) was payable at reporting date.
- (iii) Pursuant to the terms and conditions of the Term Loan Agreement dated 23 October 2023 entered between the Company and SBM Bank (Mauritius) Ltd ("Lender"), SIC was granted a term loan of Rs. 500,000,000. The Term Loan has a maturity term of 24 months. The capital is repayable at maturity however, the interest is payable on a monthly basis. Interest is charged on daily balances at 0.30% below the SBM Prime Lending Rate with a minimum of 6.75% per annum. As security, the Company has pledged 9,643,395 shares held in New Mauritius Hotels Limited and 51,000,000 shares in Lottotech Ltd. The Lender allows SIC to sell any shares being pledged as required subject to the whole proceeds being routed to SBM Bank (Mauritius) Ltd for a reduction of the loan amount. During the period under review, the Company incurred interest expense amounting to Rs. 19,927,795 on loan due to SBM Bank (Mauritius) Ltd.
- (iv) Pursuant to the terms and conditions of the Term Loan Agreement dated 11 September 2023 entered between the Company and MauBank Ltd ("Lender"), SIC was granted a term loan of Rs. 200,000,000. The Term Loan has a maturity term of 24 months. During the period under review, the Company incurred interest expense amounting to Rs. 6,561,336 on loan due to MauBank Ltd out of which Rs. 2,144,372 was payable at reporting date. The interest and capital is repayable half yearly in instalments of Rs 54,288,744. As security, the Company has pledged 42,032,580 shares of SBM Holdings Ltd. During the period under review, the Company repaid an amount of Rs. 50,000,000.

22. Cash and cash equivalents

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
MUR	509,236	472,365
EUR	-	1,591
USD	321	1,376
	509,557	475,332

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Cash and cash equivalents		
Cash in hand and at bank	471,647	472,922
Cash held on behalf of Government of Mauritius for ISP scheme (Notes 19 and 28)	37,910	2,410
	509,557	475,332

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Notes to the financial statements

For the period ended 30 June 2024

23. Interest income

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Interest income on staff loans	206	134
Interest income on fixed deposits	37,587	6,860
Interest income on debentures	16,420	-
	54,213	6,994

24. Interest expense

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Interest on bonds (Note 21(i))	34,867	40,950
Interest on Line-of-Credit (Note 21(ii))	28,461	19,000
Interest on Term Loan (Note 21(iii) & (iv))	26,489	-
	89,817	59,950

25. Other income

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Management fees	2,663	1,790
Rental income	3,100	1,816
Directorship fees	12,508	7,513
Other miscellaneous income	2,503	955
	20,774	12,074

26. Employee benefit expenses

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Wages and salaries, including termination benefits and social security costs	53,870	37,090
Pension costs - defined benefit plans	8,018	4,361
	61,888	41,451

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Notes to the financial statements

For the period ended 30 June 2024

27. Related party transactions

	Secretarial fees	Dividend income	Remuneration	Amounts owed by related parties	Amounts owed to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
30 June 2024					
Subsidiaries	2,528	-	-	11,717	430,055
Associates	-	15,910	-	5,000	-
Directors and key management personnel	-	-	19,578	-	-
Related bodies	-	-	-	-	37,901
31 December 2022					
Subsidiaries	1,725	-	-	11,033	431,005
Associates	-	12,902	-	5,500	-
Directors and key management personnel	-	-	10,450	-	-
Related bodies	-	-	-	-	2,410

Outstanding balances at reporting date are unsecured, interest-free and repayable/repayable on demand.

During the year under review, a total amount Rs. 85,517,775 was remitted to Grand Baie Casino Ltd, Casino de Maurice Limited, Le Caudan Waterfront Casino Ltd, Beach Casinos Limited, Sun Casinos Limited and Le Grand Casino du Domaine Limitee through the Company by the Ministry of Finance.

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Notes to the financial statements

For the period ended 30 June 2024

28. Investment support program (ISP)

In 2009, Government introduced the Mechanism for Transitional Support for the Private Sector ("MTSP") under the Additional Stimulus Package ("ASP") to assist firms facing difficulties in the context of the world's economic crisis by way of: equity support, liquidity/working capital including guarantee for bank support, asset purchase, swap or lease back for asset rich but cash poor enterprises.

In August 2010, the MTSP was renamed Economic Restructuring and Competitiveness Program ("ERCP") which took over the role of MTSP.

Following the 2012 Budget Speech, the then Vice Prime Minister and Minister of Finance and Economic Development announced the setting up of the National Resilience Fund ("NRF"), which in turn took over the role and responsibilities of ERCP.

Government of Mauritius ("GOM") as such is not in a position to enter into agreement with individual beneficiaries. Therefore, the SIC is assisting the enterprises affected by the financial slowdown, on behalf of Ministry of Finance, Economic Planning and Development ("MOFED"), in terms of equity, debentures, loans and working capital. It has the responsibility for disbursing to the beneficiaries and receiving repayments from the later. SIC also acts as Guarantor on behalf of the Government of Mauritius. Agreements are signed between the beneficiary clients and SIC.

As at date several schemes under the ISP programme (*formerly RWG programme*) have been introduced by the Government and SIC has been entrusted with the management and implementation of the different schemes set up by Government. The different schemes under the ISP programme are as follows:

- Stimulus Package
- Leasing Modernisation Scheme
- Export Credit Insurance Scheme
- ERCP Credit Financing Scheme
- Planters Harvest Scheme
- Import facility
- Direct support under stimulus package
- Technopreneurship Scheme
- Women enterprise Scheme
- ICT Centre of excellence

The Company does not bear any credit risk of the funds' beneficiaries given its fiduciary role in the schemes under ISP. Further, SIC does not bear any risk in relation to the guarantees they provide to the beneficiaries as the Government of Mauritius guarantees all the schemes and indemnifies SIC against any losses incurred in relation to the ISP schemes as stated in the memorandum of understanding Section 6, Paragraph 2, where MOFED has agreed to "guarantee", make good and cover all losses/defaults incurred by SIC".

In prior years, cash received under each scheme were not refunded to Ministry of Finance, Economic Planning and Development ("MOFED"). There were no obligations to remit the funds. In the absence of the pass-through arrangements, an asset and a corresponding liability were recognised in the financial statements representing amount receivable from beneficiaries and amount payable to MOFED respectively.

However, an agreement has been reached between the parties in 2013 and SIC now has the obligation to refund the cash flows on a regular basis. This is effective as from 01 January 2013.

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Notes to the financial statements

For the period ended 30 June 2024

28. Investment support program (ISP) (Contd)

During the year ended 31 December 2015, SIC had made refunds and provided in regular returns to the MOFED as required per the agreement.

The formalisation of the contractual terms regarding the remittance of cash has resulted in the derecognition of the assets and liabilities relating to the various schemes.

The Ministry of Finance and Economic Development, Investment Support Programme (“ISP”) Limited and The State Investment Corporation Limited entered into an agreement on 25 October 2019 with regards to the implementation of the various schemes and programmes following budgetary measures 2019-2020.

29. Cash flow information

Net debt reconciliation

	Period ended 30 June 2024 Rs'000	Year ended 31 December 2022 Rs'000
Net debt		
Repayable after one year		
- Principal amount	1,450,000	1,000,000
Repayable within one year		
- Principal amount	200,000	700,000
- Interest payable	6,894	16,595
Total	1,656,894	1,716,595

	Repayable after after 1 year Rs'000	Repayable within within 1 year Rs'000	Total Rs'000
30 June 2024			
Net debt as at 01 January 2023	1,000,000	716,595	1,716,575
Cash flows:			
Loan received during the period	700,000	-	700,000
Repayments made	(50,000)	(700,000)	(750,000)
Repayment of interest expense	-	(99,518)	(99,518)
Non-cash movements:			
Reclassification during the period	(200,000)	200,000	-
Interest expense	-	89,817	89,817
Net debt as at 30 June 2024	1,450,000	206,894	1,656,894

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Notes to the financial statements

For the period ended 30 June 2024

29. Cash flow information (Contd)

Net debt reconciliation (Contd)

31 December 2022	Repayable after after 1 year Rs'000	Repayable within within 1 year Rs'000	Total Rs'000
Net debt as at 01 January 2022	1,700,000	16,595	1,716,595
Cash flows:			
Repayment of interest expense	-	(59,950)	(59,950)
Non-cash movements:			
Reclassification during the year	(700,000)	700,000	-
Interest expense	-	59,950	59,950
Net debt as at 31 December 2022	1,000,000	716,595	1,716,595

30. Contingent liabilities

As at 30 June 2024, the Company had contingent liabilities in respect of the following:

- Corporate Guarantees amounting to Rs 13.9M (Year ended 31 December 2022: Rs 26.8M), through the ISP Committee including import loans, have been given on behalf of the Government relating to the Investment Support Program. These loans are backed by Government guarantee to the Company.
- Following the impact of COVID-19, the Government introduced business support schemes granted by commercial banks with SIC guaranteeing between 50% and 60% of loan amounts provided by banks. As at 30 June 2024 and in case of default, the banks would initiate recovery procedures, and any amount not recovered would be claimed from SIC Total amount guaranteed was Rs. 751 million as at 30 June 2024. These guarantees are backed by a letter of comfort from the Government.
- Pursuant to Deed of Guarantee dated 6 December 2024, the Company acts as guarantor for an overdraft facility of Rs 340M provided to Grand Baie Casino Ltd ("Borrower") by MauBank Ltd ("Bank"). The Company guarantees to pay jointly with the Borrower, without benefits of division and discussion, to MauBank Ltd an amount aggregating to Rs 40M together with interest, costs, commissions, charges and expenses due and which may at any time become due to the Bank.

31. Events after the reporting date

There have been no material events since the end of the reporting date which would require disclosure or adjustment to the financial statements for the period ended 30 June 2024.

32. Ultimate shareholder

The ultimate shareholder of the Company is the Government of Mauritius.