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THE MAURITIUS DEVELOPMENT
INVESTMENT TRUST COMPANY LIMITED

14
ANNUAL REPORT



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ANNUAL REPORT

“MDIT’s objective is to secure for investors the benefits of a good dividend yield as well as long-term capital growth”

Company Profile

The Mauritius Development Investment Trust Company Limited (MDIT), incorporated in 1967 as the first approved Investment Trust in Mauritius, is also an Approved Investment Institution under the Stock Exchange Act 1988 and a Closed-end Fund authorised by the Financial Services Commission under the Securities Act 2005.

MDIT is also one of the first companies to be listed on the Official List of the Stock Exchange of Mauritius (SEM) on 29 June 1989, at the same time as The Mauritius Commercial Bank Ltd (MCB), Omnicane Ltd, formerly Mon Trésor and Mon Désert Ltd (MTMD), which was MDIT’s main shareholder until 31 March 2010, and The United Basalt Products Ltd (UBP).

At 30 June 2014, MDIT had 4,951 shareholders, with a substantial shareholder being Golden Foundation Ltd. The board of MDIT is made up of non-executive and independent directors who have a vast experience in their respective fields of expertise and participate actively in the board and committee meetings. MDIT is managed by Golden Fund Management Services Ltd, formerly Omnicane Fund Management Services Ltd, a wholly-owned subsidiary of Golden Foundation Ltd.

MDIT’s objective is to secure for investors the benefits of a good dividend yield as well as long-term capital growth. At 30 June 2014, its portfolio of investments was well spread in 107 local companies covering all sectors of the Mauritian economy, with Official Market (OM), Development and Enterprise Market (DEM) and Unquoted shares accounting for 89% of the total portfolio value, and the balance of 11% being in diversified overseas securities.

MDIT has been playing a major role over the last forty seven years in the development of the financial sector and capital markets in Mauritius. Through its active involvement on the SEM, MDIT exerts a significant influence in the advancement of an industry which is one of the main contributors to the country’s economic growth.

At 30 June 2014, MDIT’s main local portfolio value was in the sectors of Investments (54%), Finance (13%), Hotels (10%), Industry (5%), and Commerce (3%).

MDIT’s main income streams are derived from dividends and profits on sales of investments. As the investments of MDIT are in shares of companies that retain, on average, some 45% of their earnings, its policy is to distribute around 95% of its profit after tax on a cost basis. This policy together with the good performance of its well diversified portfolio, have over the years, enabled distributions of relatively higher dividend yields for investors.

At 30 June 2014, MDIT shares ranked 7th amongst all the listed securities, in terms of the SEM Total Return Index (SEMTRI) with an annualised return of 20.09% since its listing.



Notice of Meeting

Notice is hereby given that the forty-eight annual meeting of the members of the Company will be held at the Port Louis City Club on Monday 22 December 2014 at 15.00hrs to transact the following business:

1. Annual Report and Audited Financial Statements

To consider and approve the Annual Report including the Audited Financial Statements for the year ended 30 June 2014.

Election of Directors

2. The following directors retire by rotation and are being proposed for re-election (as separate resolutions):

- i. Mrs Catherine Ahnee-Gouérec
- ii. Mrs Aruna Collendavelloo
- iii. Mr Christian Foo Kune

3. Mr Tahen Kumar Servansingh who, appointed as a director since the last annual meeting, retires in terms of the Constitution and being eligible, offers himself for re-election.

4. Dividends

To ratify the payment of the interim and final dividends per share of 14 cents and 18 cents respectively declared by the directors and paid.

5. Directors' fees

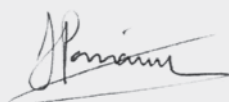
To fix the directors' fees for the year ending 30 June 2015.

6. Appointment of Auditors

To take note of the re-appointment of Deloitte as auditors under section 200 of the Companies Act 2001 and to authorise the directors to fix their remuneration.

A member may appoint a proxy to attend, speak and vote in his/her stead. The proxy need not be a member of the Company but the proxy forms should be forwarded to reach the Company's registered office, 7th Floor, Newton Tower, Sir William Newton Street, Port-Louis not less than twenty four hours before the time for holding the meeting.

By order of the Board



Lawrence Poisson F.C.I.S.

For and behalf of

JLP Company Secretarial Services Ltd

Company secretary

19 November 2014

Corporate Information

Managers

Golden Fund Management Services Ltd
(Formerly Omnicane Fund Management Services Ltd)

Registrars and Transfer Office

Mauritius Computing Services Ltd
Harel Mallac Building
18, Edith Cavell Street
Port Louis

Manager

Vicky Ducasse, F.C.C.A

Accountant

Natacha Babylone

Company Secretary

JLP Company Secretarial Services Ltd

Internal Auditor

KPMG

External Auditor

Deloitte

Notary

Jean Pierre Montocchio

Bankers

Bank One Ltd
Barclays Bank Mauritius Ltd
State Bank of Mauritius Ltd
The Mauritius Commercial Bank Ltd

Registered Office and Postal Address

7th Floor, Newton Tower
Sir William Newton Street
Port-Louis

Telephone

(230) 213 2298

Telefax

(230) 213 2636

Email

mdit@intnet.mu

Website

www.mdit.mu

Financial Highlights

COMPANY*	YEAR ENDED 30 JUNE				
	2014	2013	2012	2011	2010
Earnings/(loss) per share	0.23	0.84	(0.17)	0.78	0.70
Earnings per share (cost basis)**	0.46	0.59	0.32	0.43	0.35
Dividend per share	0.32	0.31	0.31	0.41	0.32
Net Asset Value per share***	4.00	4.09	3.72	4.25	3.81
Dividend yield (%)	5.33	5.74	6.14	6.95	8.17
Share price	6.00	5.40	5.05	5.90	3.88

* Figures are after the 1:5 bonus issue in March 2011

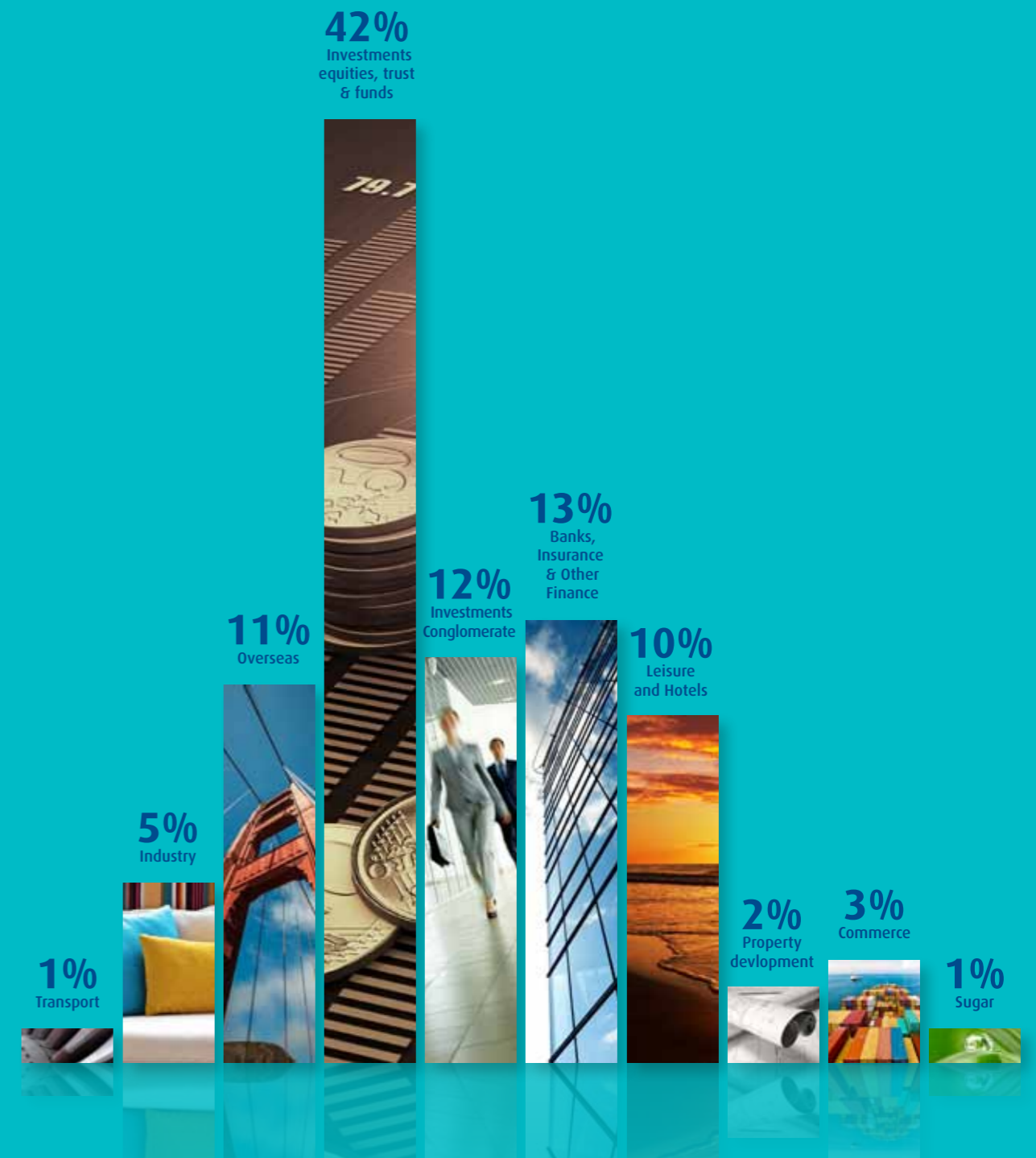
** Excludes revaluation surplus/(deficit)

*** Includes final dividend declared



LOCAL MARKET	2014	2013	2012	2011	2010
SEMDEX	2,085	1,915	1,776	2,098	1,654
SEM-7	403	375	340	395	334
SEMTRI	6,703	5,957	5,381	6,171	4,737
DEMEX	185	154	149	156	141
DEMTRI	225	181	172	176	156

Portfolio by Sector



SECURITIES	June 2014		June 2013	
	Valuation Rs M	Holding %	Valuation Rs M	Holding %
Bank, Insurance & Other Finance				
- OM	206	13	188	12
- DEM	-	-	-	-
- Unquoted	-	-	-	-
	206	13	188	12
Commerce				
- OM	6	-	4	-
- DEM	18	1	18	1
- Unquoted	25	2	42	3
	49	3	64	4
Industry				
- OM	29	2	31	2
- DEM	22	1	24	2
- Unquoted	30	2	33	2
	81	5	87	6
Investments				
- OM	349	22	342	23
- DEM	413	26	521	34
- Unquoted	117	7	128	8
	879	54	991	65
Leisure and Hotels				
- OM	130	8	119	8
- DEM	30	2	23	1
- Unquoted	2	-	3	-
	162	10	144	10
Sugar				
- OM	-	-	-	-
- DEM	18	1	8	1
- Unquoted	-	-	8	1
	18	1	17	1
Property Development				
- DEM	27	2	2	-
Transport				
- OM	24	1	21	1
All Sectors				
- OM	770	46	707	47
- DEM	502	33	594	39
- Unquoted	174	11	214	14
LOCAL INVESTMENTS	1,445	89	1,515	91
OVERSEAS INVESTMENTS	172	11	154	9
TOTAL INVESTMENTS	1,617	100	1,669	100

The directors have pleasure in submitting the Annual Report and the audited financial statements for the year ended 30 June 2014.

MARKET REVIEW

Stock Exchange of Mauritius (SEM)

Official Market (OM)

The SEMDEX of 1,915 at 30 June 2013 fluctuated downwards to 1,853 at 17 July 2014 before moving on a generally upward trend to reach 2,038 on 31 October 2013. It then fluctuated within a narrow range and reached a peak of 2,110 on 3 January 2014. Thereafter, it fell to 2,061 on 24 March 2014 before going up again and was 2,085 at 30 June 2014, representing a rise of 8.9% for the year.

Despite difficult market conditions for the banking sector, the two leading constituents of the SEMDEX, MCB Group Ltd (MCBG) and State Bank of Mauritius Ltd (SBM) succeeded in maintaining the profit level of last year. Their share prices rose by 15.6% and 1.9% respectively, and a higher increase of 37.7% was realised by Cim Financial Services Ltd, mainly attributable to a stable MUR against the USD and increased profits from the global business. However, Bramer Banking Corporation Ltd and Swan Insurance Co Ltd share prices went down by 6.6% and 5.0% respectively.

Industrial share prices fell for United Basalt Products Ltd (14.3%), Mauritius Chemical & Fertilizers Ltd (7.5%) and Plastic Industry (Mauritius) Ltd (7.3%). However, Gamma Civic Ltd share price rose by 71.0%, boosted by the listing of its subsidiary Lottotech Ltd, after a 2.991 times subscription of its IPO shares, and increased profits from its core business segments.

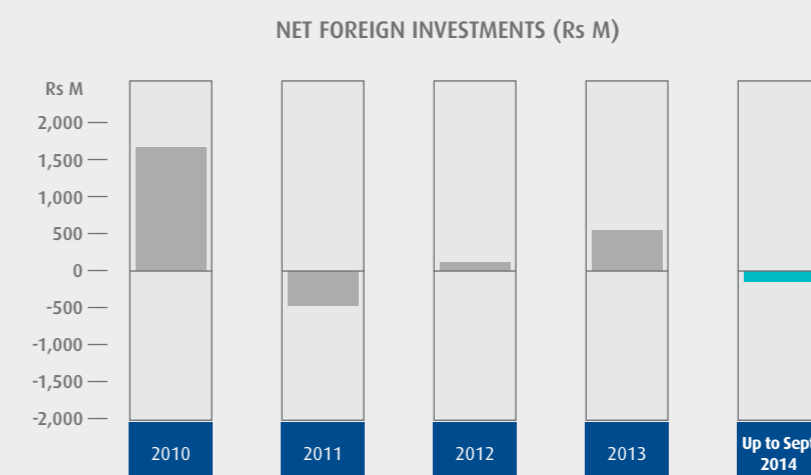
For the commercial sector, the share price increased by 15.2% for Ireland Blyth Ltd, further to the sale of its life insurance business and a stable financial sector, and 18.6% for Innodis Ltd, mainly due to sustained satisfactory results. On the other hand, the prices for Vivo Energy Mauritius Ltd and ENL Commercial Ltd shares dropped by 18.2% and 10.6% respectively.

Investment sector share prices went up, nearly 100% for The National Investment Trust Co Ltd, 27.7% for Belle Mare Holding Ltd, 21.5% for P.O.L.I.C.Y Ltd, 11.7% for Fincorp Investment Ltd and 11.1% for The Mauritius Development Investment Trust Co Ltd, Ltd. However, Terra Mauricia Ltd and Alteo Ltd share prices fell by 10.8% and by 4.2%, mainly due to the sharp fall in the price of sugar.

The recovery of the local tourism sector impacted positively on hotel share prices which increased by 102.3% for Lux Island Resorts Ltd, 40.9% for Sun Resorts Ltd and 25.3% for New Mauritius Hotels Ltd. Other Leisure share prices also went up, by 10.4% for Automatic System Ltd, and by 17% for Lottotech Ltd since its listing on 11 June 2014.

In the property development sector, the share price rose by 25.1% for BlueLife Ltd (previously known as Fuel Properties Ltd) and declined by 40.8% for Le Meritt Holdings Ltd (Le Meritt) as a result of its poor performance, due to delayed property completion and declining sales. Le Meritt was removed from listing after it went into receivership.

As for foreign investments on the OM, a net disinvestment of Rs 121M was registered for the first nine months to 30 September 2014 (2013: net investment of Rs 521M), mainly in the shares of the two leading banks, MCB and SBM, after their issue of notes and bonds during the year and a stagnation of the hospitality sector. Below is the chart showing the net foreign investments over the past 5 years:



Report of the Directors

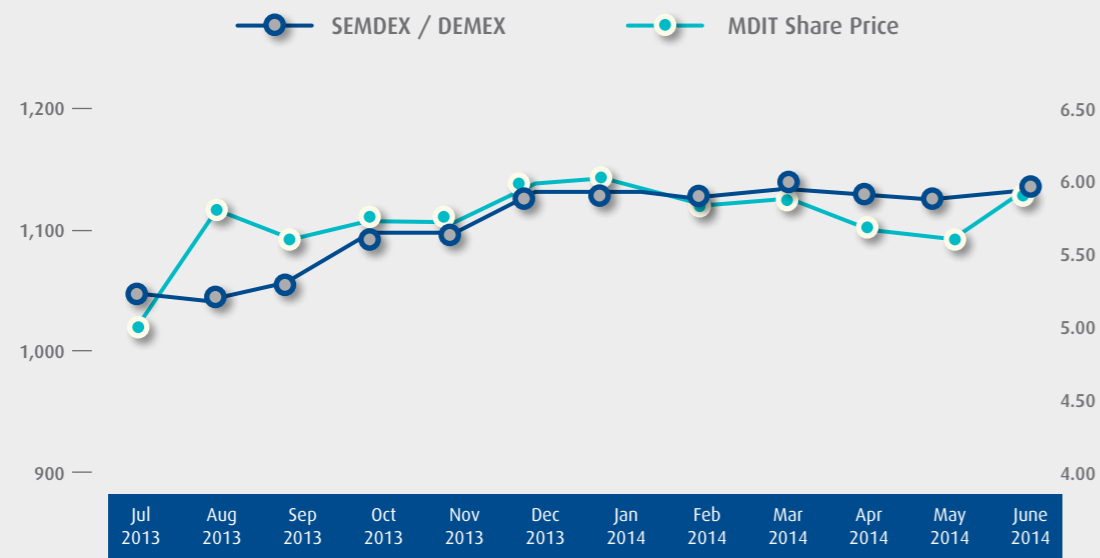
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Development and Enterprise Market (DEM)

The DEMEX of 153.58 at 30 June 2013 fell to a low of 151.02 on 19 July 2013 before rising almost continuously to a high of 181.44 on 13 January 2014. It then fluctuated within a narrow range before moving down to 176.74 on 23 May 2014. Thereafter, it was on an upward trend again in February 2014 and reached a peak of 185.02 at 30 June 2014, a rise of 20.5% during the year.

The main share price increases were 102.0% for Alma Investments Co Ltd, following the announcement of a cash dividend and the distribution of all its shares held in Medine Ltd and EUCOS. Other substantial increases were 52.5% for the Mauritius Freeport Development Co Ltd, 50.7% for Ciel Textile Ltd with a better performance for the Knits cluster, 50.0% for Hotelest Ltd, due to improved occupancy and consolidation of Constance Haveli Resort Ltd and 41.7% for Constance Hotel Services Ltd. However, the share price of Sté de Développement Industriel et Agricole Ltée fell by 27.3%, ABC Motors Co Ltd by 26.6%, Livestock Feed Ltd (Preference) by 26.4 and Bychemex Ltd by 16.4%.

At 30 June 2014, the shares listed on the OM and the DEM represented 48% and 31% of the MDIT's portfolio. The graph below shows that, during the year ended 30 June 2014, the MDIT share price was above the weighted average of the SEMDEX and DEMEX for the period from mid July 2013 to 31 January 2014 and below the said average for the remaining period to 30 June 2014.



Report of the Directors

(continued)

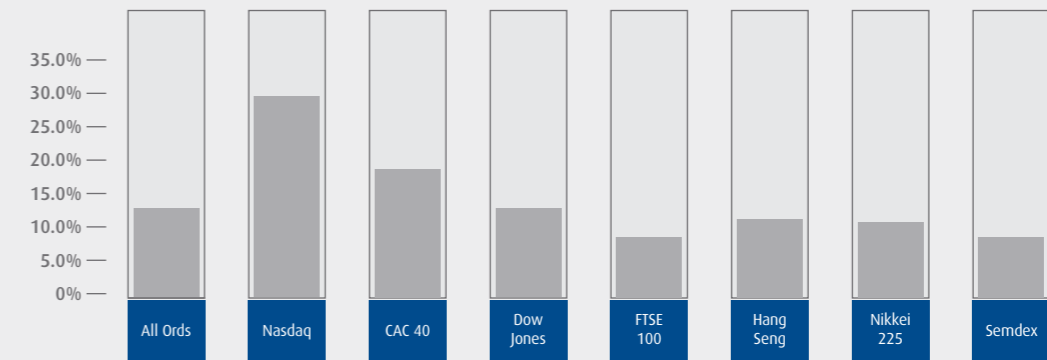
Overseas market

The global growth for the third quarter 2013 was 3%, which is about the same pace as for the corresponding quarter of 2012, with recovery having caused a rise in demand in the advanced economies and lifted growth in emerging markets.

In the first quarter 2014, the global growth to 2.7% with a forecast of 3.4% for 2014 by World Economic Outlook and an ease in the financial conditions on the world financial markets enabled a positive upside activity for Japan, Germany, Spain and United Kingdom. However, there remains still a downside risk due to the geopolitical tensions in Russia which weakened demand and consumer confidence, and reduced consumption in China.

The graph below shows positive returns for the major world indices for the year ended 30 June 2014, with a sharp rise of 29.5% and 18.3% for the NASDAQ and the CAC 40. The SEMDEX was lower than the overseas market indices, except for that of the FTSE 100 Index.

WORLD STOCK MARKET RETURN (YEAR TO 30.06.14)



Investment Strategy

The strategy of MDIT remains the constant re-balancing of its local investment portfolio to reduce any over-concentration in any one company or sector of the economy. Trading activities being also one of the main characteristics of the Fund, the strategy on the trading side is to ensure that local securities are bought and sold when their prices are at relatively low and high levels respectively.

The Company invests in stocks where their respective prices have fallen below their fundamentals and subscribes to rights issues of shares and bonds with good growth potentials. Moreover, disinvestments would likely occur for shares held in companies involved in medium term projects which would adversely impact on their results and thus weigh down on their share prices.

The Investment Committee is consulted in respect of substantial transactions and meets regularly to monitor movements in the securities' portfolio and consider the factors that may affect not only the value of the investments but also the short and long term profitability.

Report of the Directors

(continued)

CORPORATE ACTIONS AND ANNOUNCEMENTS

OFFICIAL MARKET (OM)

United Basalt Products Ltd (UBP)

UBP announced, on 24 September 2013, that up to 10,000,000 5-Year Repo +1.2% bonds at a nominal value of Rs 100 each subscribed by way of a private placement will be listed on the SEM on 5 November 2013.

Rogers and Co Ltd (Rogers)

On 22 October 2013, Rogers announced that its shareholders have approved that the Board of Ascencia Ltd be authorized to issue a new class of convertible ordinary shares of Ascencia ('Class B' shares), rename the existing class of ordinary shares of Ascencia as 'Class A' shares, and allot the Class B shares to the Sellers, namely MDA Properties Ltd, ENL Property Ltd and Foresite Property Holding Ltd, in the manner set out in the table below:

Sellers	Number of Class B shares	Class B shares of Ascencia
MDA Properties Ltd	192,098	18.32%
Foresite Property Holding Ltd	106,914	10.20%
ENL Property Ltd	749,403	71.48%

1,085,415 Class B convertible shares of Ascencia were listed on the DEM Market on 28 October 2013 with 500 Class B shares made available to the public at an indicative price of Rs 1,500 per share.

Terra Mauricia Ltd (TERA)

On 28 October 2013, TERA announced the acquisition of 36.4M ordinary shares of United Investments Ltd (UIL) which represented 24% of the issued share capital of UIL.

The Mauritius Commercial Bank Ltd (MCB)

Following an announcement on 14 November 2013, MCB obtained leave from the Supreme Court (Bankruptcy Division) to convene a Special Meeting at which the shareholders approved a Scheme of Arrangement which, through exchange of shares, has made MCB shareholders, the shareholders of a newly formed company called MCB Group Ltd, the sole shareholder of MCB Investment Holding Ltd, which in turn is the sole shareholder of MCB. Furthermore, the banking subsidiaries and associates of MCB have been unbundled into MCB Investment Holding Ltd and its non-bank subsidiaries and associates into MCB Group Ltd.

Automatic Systems Ltd (ASL)

ASL announced, on 28 November 2013, that the 59.60% shares held by Draper Investments Ltd (DIL) in ASL have been distributed to DIL shareholders in pro rata of their shareholdings.

Phoenix Beverages Limited (PBL)

PBL informed, on 20 December 2013, the sale of its entire holding in associate company Nouvelle Brasserie de Madagascar to its partner UNIBRA S.A. in Madagascar. This is in the interest of its shareholders given the prevailing conditions of operations in Madagascar remaining uncertain and likely to require substantial further cash injections, and had a net positive impact of Rs 290M on the Group Results for the year to 30 June 2014.

Omnican Ltd (Omnican)

In line with its diversification strategy, the Board of Omnican Limited informed, on 24 January 2014, that its subsidiary Omnican Hydro Energy Limited has signed a joint venture agreement with Hydrono Afrique Ltd, a subsidiary of MECAMIDI. The latter is one of the world leaders in the construction of small and medium hydroelectric power plants.

Report of the Directors

(continued)

The 50:50 venture concerned the development and construction of hydroelectric power plants of size ranging from 5 to 25 MWe in East Africa for the next 3 years.

ENL Commercial Ltd (ENL Commercial)

The Board of ENL Commercial Ltd, announced, on 28 January 2014, that it has reached an agreement for a partnership with ENL Property for the restructuring of its subsidiary, Cogir Ltd, a building and Civil Engineering contractor, whereby ENL Property will hold some 54% of Cogir Ltd, while ENL Commercial will retain some 46%, down from its current holding of 99%. Thus, following this, Cogir will become a subsidiary of ENL Property and an associate of ENL Commercial.

Mauritius Stationery Manufacturers Ltd (MSM)

MSM informed, on 25 November 2013, that despite its best efforts on financial restructuring exercises since 2011, it has not been able to secure the continued support of its main financiers and that no alternatives has been seen but to put MSM under administration with Mr. Gérald Lincoln being appointed as administrator.

On 30 January 2014, following the sale of its business activities and certain assets to la Sentinelle Ltd, MSM informed its shareholders that the high level of indebtedness of the company meant that the sale proceeds will fall substantially short settling such liabilities so that there will be no fund available for distribution to shareholders. Subsequently, the company's shares were removed from the Official List of the Stock Exchange of Mauritius.

Compagnie des Magasins Populaires Ltée (CMPL)

On 4 February 2014, the Board of Directors of CMPL informed that it has resolved to recommend to its shareholders the proposed acquisition of the stock and plant and equipment of Red Apple (Bagatelle) Ltd and Red Apple (Cascavelle) Ltd by two of its wholly-owned subsidiaries, CMPL (Bagatelle) Ltée and CMPL (Cascavelle) Ltée.

After CMPL shareholders' approval, CMPL (Bagatelle) Ltée and CMPL (Cascavelle) Ltée operate stores rented at Bagatelle Mall of Mauritius and Cascavelle Shopping Village respectively, under the franchise of Monoprix.

Bramer Banking Corporation Ltd (BBCL)

The Board of Directors of BBCL informed, on 11 February 2014, that it has entered into a Memorandum of Understanding (MOU) to commence discussions with an African Bank for a merger or amalgamation of their respective businesses to create a larger banking concern that would operate across Africa.

ENL Land Ltd (ENL Land) and ENL Commercial Ltd (ENL Commercial)

On 19 February 2014, ENL Land and ENL Commercial informed that their shares have been classified in the 'Investment' and 'Commerce' segments on the Official List of the Stock Exchange of Mauritius as from 24 February 2014.

National Investment Trust Ltd (NIT)

NIT informed its shareholders, on 10 October 2013, that its Board has accepted the offer received from the State Investment Corporation Ltd (SIC) to buyback NIT'S 15% holding stake for a total consideration of Rs 423M.

The transaction consideration was determined on the basis of desktop valuation of SIC carried out by Mazars, Chartered Accountants. The benefits of the disposal of these shares by NIT in exchange for cash include:-

- The opportunity to monetize such an unquoted investment thereby freeing up resources for more productive purposes;
- Increased focus on the core fund management activities;
- Laying the groundwork for a possible realignment of the Company's share price with the net asset value.

On 8 April 2014, NIT informed that its Board was willing to sell its 12% shareholding in the State Insurance Company of Mauritius Ltd for a total cash consideration of Rs 450M.

Report of the Directors

(continued)

CORPORATE ACTIONS AND ANNOUNCEMENTS (continued)

OFFICIAL MARKET (OM) (continued)

LUX Island Resorts Ltd (LUX)

LUX announced, on 27 September 2013, that its wholly owned subsidiary, LUX Hospitality Ltd (LHL), signed a long term Hotel Management Agreement and a Technical and Advisory Services Agreement with Al Zorah Development (Private) company Ltd, a joint venture between the Government of Ajman and 'Solidere International for the design, construction and management of a 5-star luxury resort of 190 keys in Ajman, United Arab Emirates. Construction works for phase one is expected to be around December 2015. Besides, LHL is in negotiations with a Chinese group for a joint venture agreement with a view of securing management contracts to operate hotels & resorts in the People's Republic of China (PRC) under the LUX® Brand. Also announced was the renewal of the employment contract of Mr. Paul Jones as CEO of LUX until the end of June 2017.

On 14 April 2014, LUX informed that its Board of Directors has entered into negotiations with a potential buyer for the eventual sale of Hotel Le Recif in Reunion Island.

Gamma Civic Ltd (Gamma Civic) / Lottotech Ltd (Lottotech)

Gamma Civic informed, on 12 November 2013, that Lottotech Ltd, its subsidiary company operating in the lottery cluster, will apply for listing on the Official Market of the Stock Exchange of Mauritius Ltd. Following this approval, Lottotech announced, on 17 April 2014, an Offer for Sale of up to 85,000,000 ordinary shares at Rs 10 each and the listing of 340,000,000 ordinary shares of no par value.

The Offer for Sale was over-subscribed 2.991 times. Applicants of up to 100,000 shares were allotted in full and those above were allocated the first 100,000 shares plus 22.17% of the excess shares above 100,000. June 2014 Trading on the Official List of the Stock of Mauritius Ltd started on 11 June 2014.

On 16 June 2014, Lottotech informed that a court case had been entered into against the company in relation to the prospectus filed with the Financial Services Commission, but assured the shareholders and the public in general that the company's legal advisors are dealing with and that all necessary actions have been taken to defend and protect the interests of the company and its shareholders.

The Mauritius Union Assurance Co Ltd (MUA)

On 3 October 2013, MUA informed the acquisition of all of the issued shares of Phoenix Transafrica Holdings Limited, which currently holds a controlling interest in Phoenix of East Africa Assurance Company Limited (PEAL), a company incorporated in the Republic of Kenya. This is in line with MUA's expansion strategy in South Eastern Sub-Saharan Africa. PEAL in turn holds controlling interest in subsidiaries operating in Uganda, Tanzania and Rwanda. The transaction was estimated at USD 21.8M, partly financed from MUA's own resources.

On 2 June 2014, MUA announced it has entered into a sale and purchase agreement with third party vendor in relation to the proposed acquisition of all the issued shares of Phoenix Transafrica Holdings Ltd (PTHL) and on completion of this transaction. MUA has become the registered owner of all the issued shares of PTHL which holds a controlling interest in Phoenix of East Africa Assurance, a company incorporated in Kenya and duly licensed to carry out general insurance business in Kenya. The proposed Transaction, estimated at USD 22.6M, is in line with MUA's expansion strategy in South Eastern Sub-Saharan Africa to create value for its shareholders in the future..

In September 2014, MUA made a 1:1 bonus issue and raised Rs 200M through a bond issue.

Report of the Directors

(continued)

Air Mauritius Ltd (Air Mauritius)

Air Mauritius announced, on 16 July 2014, its decision to replace its existing fleet of six A340 – 300 aircrafts with six A350 – 900. The first two will be acquired through operating leases and the remaining four through finance leases. For the re-fleeting exercise, the first two are expected in the second half of 2017, the next two in the second half of 2019 and the remaining two in the second half of 2020.

Alteo Ltd (Alteo)

On 3 October 2013, Alteo informed the signature of a Memorandum of Understanding (MoU) with Nsoko Msele promoters with respect to the development of a sugar project in Swaziland. The MOU provides for an exclusivity period of six months to determine the viability of the project.

On 26 March 2014, the Alteo Board of directors announced its decision to consider the possible disposal of its non-core investment in Anahita Hotel Limited which owns the Four Seasons Hotel at Anahita Mauritius, to Sun Resorts Ltd.

On 16 July 2014, Alteo informed that its subsidiary company, Sucrière des Mascareignes Ltd, signed a non-binding Heads of Terms for the proposed acquisition of 51% share of Transmara Sugar Company Ltd, a Kenyan company operating a sugar mill. This is in line with its strategy to expand in regional growth markets. The proposed acquisition is to be completed within the next three months.

Sun Resorts Ltd (SUN)

On 24 July 2014, SUN resolved to proceed with a Rights Issue of Rs 1.2 billion made up of 33,333,333 new ordinary shares. The new shares will be issued in the ratio of 0.355361 new ordinary shares for every one (1) ordinary share held and the share price will be Rs 36 per new ordinary share, payable in one full installment.

Further to its announcement on 26 March 2014 and 16 June 2014 which is in line with its new strategy to partner with world class international hotel operators, SUN informed, on 05 August 2014, that Shangri-La Group has acquired, for a total consideration of USD 28.6M, a minority participation of 26% in Touessrok Hotel Ltd (THL), with the balance 74% being held by SUN. Also, that the long term management agreement between Shangri-La International Hotel Management Ltd and THL has been signed.

Gamma Civic Ltd (Gamma Civic)

Gamma Civic announced, on 7 August 2014, its intention to exercise its pre-emptive right to acquire the totality of the 51% shares owned by Holcim in Holcim (Mtius) Ltd

Belle Mare Holding Ltd (BMH)

To strengthen its presence in the hospitality sector, BMH acquired, on 8 August 2014, 18.40% stake in Hotelest Ltd (HTLS) from a number of HTL shareholders at Rs 27.00 per share and increased its holding to 30.01%. BMH also held 100,000 shares or 0.16% of Constance Hotel Services Ltd (CHSL), a subsidiary company of HTL. Due to this, BMH was obliged to make a mandatory offer to HTLS and CHSL shareholders at the market prices on the announcement date i.e. Rs 29.85 and Rs 31.50 for HTLS and CHSL respectively.

To finance the acquisitions, BMH has proceeded with a rights issue of 5:12 shares to raise Rs 410M, at a share price of Rs 230 which represents a discount of 9% over the 3-months volume weighted average price of BMH.

Report of the Directors

(continued)

CORPORATE ACTIONS AND ANNOUNCEMENTS (continued)

OFFICIAL MARKET (OM) (continued)

CIEL Ltd (CIEL)

The Board of CIEL approved the acquisition of the 10% participation of GML Investissement Ltée in Sun Resorts Ltd (SUN), by CIEL to be effected on March 26, 2014 at a price of Rs 41.00 per share. This transaction increased CIEL's effective control over SUN to 39.32%. CIEL was thus obliged to offer to purchase the shares of other SUN shareholders at a price of Rs. 41 per share and announced, on 18 June 2014 the acquisition of 13,159,637 ordinary shares of SUN which has increased its shareholding in SUN to 53.35%.

Following the approval of the Authorities and shareholders, the Board of CIEL has, on 2 May 2014, approved the issue of 344,827,586 new no par value Ordinary Shares, representing 22.67% of CIEL's Ordinary Share Capital, at a price of Rs 5.80 each to five selected strategic investors, namely, FFP Invest, Di Cirne Holding Ltd, Group Marc Ladriet de Lacharriere, Codial Asie Ltd and Proparco, a Development Financial Institution with strong interests for our region and with high expertise and experience in Africa and the Indian Ocean. The injection of Rs 200M fund was to finance different projects of CIEL, in Mauritius, the region and in Africa.

On 11 August 2014, CIEL announced the sale of its 20% shareholding in Constance Hotels Services Ltd.

State Bank of Mauritius Ltd (SBM)

On 15 November 2013, SBM announced a Restructuring Exercise under which it will issue a multi-currency senior unsecured bonds to raise funds in Rs and USD to qualify as Tier 2 Capital for its banking operations.

On 4 March 2014, SBM proceeded with a public issue of Rs 1 billion Class A 1 Series Floating Interest Rate Senior Unsecured Bonds due 2024. As the issue was oversubscribed, SBM retained a maximum of Rs 1.5 billion of bonds which were first traded on the SEM on 25 March 2014. Similarly, an amount of USD 65.04M was retained for the issue of Class B USD Bond of USD 50M launched on 15 February 2014.

After the Restructuring Exercise completed in August 2014, SBM Holdings Ltd (SBMH) is the lead holding company of the group and existing shareholders of SBM are shareholders of SBMH and all Class A and B bondholders of SBM are bondholders of SBMH. Further, SBM is a subsidiary of SBMH, the assets of which are classified under three distinct segments, namely 'Bank', 'Non-Bank Financial' and 'Non-Financial' investments.

Report of the Directors

(continued)

DEVELOPMENT AND ENTERPRISE MARKET (DEM)

Union Flacq Ltd (UFL), BlueLife Ltd (BLL), and Forward Investment and Development Enterprises Ltd (Fides)

UFL announced, on 23 October 2013, that before the amalgamation of Indian Ocean Real Estate Co Ltd with and into BLL, it would, subject to shareholders' approval, voluntarily wind up and that its stakes in FIDES and BLL be distributed as dividend in specie to shareholders.

Following shareholders' approval, UFL announced, on 14 February 2014, its winding up and the following distributions to its shareholders for every UFL share held, 0.0477845667708129 share in Forward Investment and Development Enterprises Ltd and 57.8505192921487 share in BlueLife Ltd

Medine Ltd (Medine)

The Board of Medine announced, on 18 June 2014, a Restructuring aimed at eliminating the Holding Companies to unlock value for the existing shareholders of the group given that Holding Companies are trading at a discount to the value of the underlying assets i.e. their respective holdings in Medine, EUDCOS and SODIA. Additionally, such Restructuring will allow the Group to save on administrative costs in the medium to long term.

The Restructuring received the necessary approval of the Authorities and Shareholders, so that the preference shares of Medine and Medine Shareholding Ltd (MSH) were converted into ordinary shares of Medine in the ratio of 1:1 and the Holding Companies have been liquidated and the Medine shares, EUDCOS shares and SODIA shares of the Holding Companies have been distributed to their shareholders.

Upon implementation of the Restructuring, Promotion and Development Ltd is expected to hold 34.97% of the shares of Medine, 34.50% of the shares of SODIA and 20.97% of the shares of EUDCOS.

ENL Ltd (ENL)

On 1 August 2014, ENL announced the successful issue of Rs 1.15 billion in Secured Notes to refinance its existing bank debts and to support ENL's development plans. The Notes, for a term of six years, are structured in two equal tranches bearing interest at fixed and variable rates respectively.

Ascencia Ltd (Ascencia)

On 13 June 2014, Ascencia announced the approval of its amalgamation with Kendra Saint Pierre Ltd and Les Allées D'Helvetia Commercial Centre Ltd. The effective date of the amalgamation is 1 July 2014 and the three companies are amalgamated into one company with Ascencia Ltd being the amalgamated company.

On 28 August 2014, Ascencia announced a share split of each Class A and Class B share into 150 Class A and Class B shares respectively and that, thereafter, its stated capital would be made up of 213,500,550 Class A Shares and 157,262,250 Class B Shares.

Tropical Paradise Co. Ltd (TPL)

TPL intended, on 15 September 2014, to proceed with a rights issue to raise Rs 125M. The issue price per share and the number of shares to be issued were to be communicated shortly.



PERFORMANCE REVIEW

Official Market (OM) Investments

The improved market condition resulted in a 16.0% increase in sales of OM investments to Rs 154.9M (2013: Rs133.5M), generating a profit on cost of Rs 65.2M, 78.7% of which was on shares in the following five OM companies:

OM Companies - Shares	Profit (Rs M)	% of Profit from OM Investments	% of total profit from local investments
Alteo Ltd	16.6	25.5	10.7
Lux Island Resorts Ltd	14.8	22.7	9.5
Bluelife Ltd	9.0	13.8	5.8
CIM Financial Services Ltd	6.1	9.3	3.9
MCB Group Ltd	4.7	7.3	3.1
Total	51.3	78.7	33.1

At 30 June 2014, the value of the top five OM holdings of Rs 497.0M represented 64.6% of the OM portfolio value and 34.4% of the total portfolio value as shown in the table below:

TOP FIVE OM INVESTMENTS	Value (Rs M)	% of OM Portfolio Value	% of Total Portfolio Value
Alteo Ltd	227.0	29.5	15.7
MCB Group Ltd	132.8	17.3	9.2
State Bank of Mauritius Ltd	49.4	6.4	3.4
Lux Island Resorts Ltd	49.3	6.4	3.4
New Mauritius Hotels Ltd	38.5	5.0	2.7
Total	497.0	64.6	34.4

Report of the Directors

(continued)

Alteo Ltd (Alteo)

Alteo, is controlled by Deep River Investment Ltd and Groupe Mon Loisir, with a stake of 21.0% and 27.5% respectively. It merged Deep River Beau Champ Ltd (DRBC) and Fuel United Estates Ltd (FUEL) and overall performance should be improved from the synergies of the activities in cane growing, sugar milling and refining as well as energy production, property development, hospitality and leisure activities.

For the year ended 30 June 2014, group turnover fell by 2.2% to Rs 5,932M mainly due to the fall in the sugar price of Rs 2,500 per tonne. PAT fell to Rs 568.8M (2013: Rs1,415.6M), with lower profit of Rs 486M from sugar and Rs 145M from power generation, offset by the reduced loss of Rs 104.1M from property.

The operations in Tanzania reported a record cane production of 101.0 tonnes per hectare but their profit was reduced by 75.5M to Rs 708.8M due to the fall in sugar price. Profit from joint ventures also fell by 48.4% to Rs 52.7M but finance costs was reduced to Rs 262.9M (2013: Rs 323.0M).

For the quarter to September 2014 compared to the same quarter in 2013, group revenue decreased from Rs 2,067M to Rs 1,706M, owing to the temporary delay in the 2014 harvest with 23,000 tonnes of sugar processed against 38,000 tonnes for the same period last year and the fall in sugar price. The loss from joint venture and associates of Rs 18M and increasing finance costs, also contributed to the profit being reduced by 63.1% to Rs 279M. For the full year, better efficiency for the power generation and the disposal of Anahita Hotel are expected to enhance group revenue.

Alteo share price of Rs 35.60 at 30 June 2013 rose to Rs 36.00 on 31 March 2014 before decreasing to Rs 34.10 on 30 June 2014 and Rs 34.00 on 17 November 2014. The latter price is very high for its EPS of 20 cents but is at a 35.6% discount to its NAV of Rs 52.77 as at 30 June 2014.

MCB Group Ltd (MCBG)

MCBG is the holding company for MCB the leading bank in Mauritius since 1838 and a major financial services provider in the region, with a presence in eight countries. It has as associates Promotion and Development Ltd (PAD) and Banque Francaise Commerciale Ocean Indien Ltée (BFCOI) and has the highest market capitalisation of around USD 1.6 billion, representing a share of nearly 22.3%.

Despite the difficult operating conditions across markets, the group net profit increased by 1.7% to Rs 4.4 billion in 2013/14. Net interest income rose by 3.0% to Rs 7.26 billion and net fee and commission by 9.8% to Rs 2.8 billion. Profit from foreign currencies went up by Rs 0.9 billion to Rs1.2 billion and the share of profit from associate by Rs 0.3 billion to Rs 0.5 billion, with a better performance of PAD and BFCOI. A one-off profit of Rs 400M was realised from sale of securities but the provision for credit impairment rose substantially to Rs 2.0 billion.

For the quarter to 30 September 2014, MCB banking activities showed a very satisfactory growth of 16% in profit over the corresponding quarter of last year to Rs 1,190M. Growth was marginal for net interest income, strong for non-interest income, 13% for treasury profits to Rs 277M, 20% for fee and commission income to Rs 674M, boosted by revenues from international trade and portfolio management activities. Operating expenses were very well managed, with a 1% increase only for the period, and allowances for credit impairment substantially lower on an annualised basis.

MCB share price of Rs 186.00 at 30 June 2013 went up to a record of Rs 215.00 at 31 March 2014 and at 30 June 2014. Based on the 2012/2013 EPS of Rs 6.35, its price of Rs 203.00 on 18 November 2014 had a P/E ratio of 11.07 which is less attractive than that of SBMH.

SBM Holdings Ltd (SBMH)

SBMH is since September 2014 the holding company of SBM, the second largest bank in Mauritius and has subsidiaries or associates in two other distinct segments, namely, Non-Bank Financial and Non Financial investments. It has the second highest market capitalisation of over USD 1 billion, representing some 14% of the total market capitalisation on the SEMDEX.

Report of the Directors

(continued)

The group net profit for the six months to 30 June 2014 was Rs 1.3 billion, a decrease of 8.0% compared to last profit of Rs 1.5 billion, due to higher interest expense and credit impairment. Net interest income rose by 1.2% to Rs 2.0 billion with a lower yield from government securities. The capital adequacy ratio under Basel II and Basel III was 24.4% and 24.3% respectively, which is well above the minimum requirement of 10.0%. However, net fee and commission decreased by 12.6% to Rs 0.2 billion and net impairment on financial assets amounted to Rs 5.9 billion.

For the quarter ended 30 September 2014, the group profit before tax rose by 9.4% to reach Rs 2.8 billion, mainly driven by an increase in net interest income due a growth in demand for credit. Net fee and commission continued to decrease and was Rs 0.6 billion (2013: 0.7 billion). The group Tier 1 risk weighted ratio was 19.7% which is well above the minimum requirement of 10.5% and the Tier 1 to risk weighted assets increased by 0.9% to 19.7%.

SBM share price of Rs1.03 as at 30 June 2013 fluctuated within a narrow range during the year and was slightly higher at Rs 1.05 at 30 June 2014. At Rs 1.04 on 18 November 2014, it has a P/E ratio of 8.08 which is more attractive than that of MCBG.

LUX ISLAND RESORTS LTD (LUX)

Lux owns and manages hotels in Mauritius and Reunion and has opened its first boutique hotel in China, Lux Lijiang, with a second one under construction in Benzilan, and expects to open another hotel Lux Al Zorah in the United Arab Emirates in early 2016.

For the year ended 30 June 2014, the group revenue rose by 11.7% to Rs 4.2 billion, though facing difficult market conditions and operating profit by 27.8% to Rs 588.9M. Maldives performed very well in 2014, with a 12% growth in its number of tourists to 1.17 million, which increased its profits by 35.2% to Rs 246.8M. Reunion reported an operating loss of Rs 7.2M, compared to a profit of Rs 6.3M for 2013. The share of profit from associate was Rs 0.2M (2013: Loss of Rs 12.1M) and finance costs decreased by 14.5% to Rs 259.4M, due to a reduction in borrowing rate from 7% to 5%.

For the low season quarter to 30 September 2014, group revenue rose by 10% to reach Rs 866M. A higher occupancy rate (74%) and revenue per available room, reduced the loss to Rs 0.9M (2013: Loss of Rs 101.9M), after deducting the share of loss from associate of Rs 1.0M and lower finance costs of Rs 6.1M and one off closure cost of Rs 25.3M for Lux Belle Mare. Lux is optimistic for the quarter to 31 December 2014, with increased arrivals from China and number of flights to Mauritius.

Lux share price of Rs 22.00 on 30 June 2013 rose sharply to Rs 28.00 on 30 September 2013, Rs 39.00 on 31 March 2014, Rs 44.00 on 30 June 2014 and Rs 56.00 on 18 November 2014, At the latter price, its P/E ratio of 23.53 is historically high based on the EPS of Rs 2.29 for 2013/2014.

NEW MAURITIUS HOTELS LTD (NMH)

NMH, the largest hotel group, owns eight hotels in Mauritius, namely Royal Palm, Dinarobin, Paradis, Trou aux Biches, Shandrani, Le Victoria and Le Cannonier. It also owns St Anne Resort and Spa in Seychelles and Royal Palm Marrakech in Morocco and a 100% stake in Domaine Pam Marrakech.

NMH's PAT for the nine months to 30 June 2014 decreased by Rs 4.9M to Rs 551.7M, after deductions of Rs 4.1M share of loss from associates and pre-operational cost of Rs 85.0M for the completion of Marrakech. For the quarter to 30 June 2014, tourist arrivals rose by 10.5% and enhanced group occupancy to 62.8% and revenue by 4.9% to Rs 6.6 billion.

The performance for the last quarter to 31 December 2014, is expected to be lower than last year, with the closure of Royal Palm for renovation for five months and the hotel in Marakech operating only at limited capacity.

NMH share price of Rs 70.25 at 30 June 2013 continued its upward trend to Rs 80.00 on 30 September 2013, Rs 83.50 on 31 March 2014 and Rs 88.00 on 30 June 2014. At its price of Rs 87.00 on 18 November 2014, its P/E ratio of 38.00 is historically a high one.



Development and Enterprise Market (DEM)

Sales of DEM investments during the year under review amounted to Rs31.6 M and yielded a profit on a cost basis of Rs 89.9M, 91.6% of which was on shares in the following companies:

DEM Companies	Profit (Rs M)	% of Profit from DEM Investments	% of total profit from local investments
Union Flacq Ltd	43.1	47.9	27.8
CIEL Investments Ltd	30.0	33.4	19.3
Ciel Textile Ltd	4.8	5.3	3.1
ENL Investments Ltd	3.1	3.5	2.1
Excelsior United Development Co Ltd	1.3	1.5	0.8
Total	82.3	91.6	53.1

At 30 June 2014, the value of the top five DEM holdings was Rs 418.1M and represented 83.4% of the DEM portfolio value and 28.8% of the total portfolio value as shown in the table below:

TOP FIVE DEM INVESTMENTS	Value (Rs M)	% of DEM Portfolio Value	% of Total Portfolio Value
ENL Ltd - (P)	339.0	67.6	23.4
ENL Investment Ltd	30.1	6.0	2.1
Forward Investment & Development Enterprises Ltd	20.6	4.1	1.4
Medine Ltd	14.1	3.0	1.0
Ciel Textile Ltd	13.5	2.7	0.9
Total	418.1	83.4	28.8

Report of the Directors

(continued)

ENL LTD (ENL)

ENL is a major group with five business units, namely ENL Agri, ENL Commercial, ENL Investment, ENL Property, reorganised under Ascencia Ltd, and ENL Lifestyle. ENL is by far the largest investment in our DEM portfolio, with a value of Rs 418.8M at 30 June 2014 after taking into account Rs 79.8M for the 3,129,608 ENL ordinary shares also held.

ENL group turnover for the year ended 30 June 2014 rose 14.8% to reach Rs 10,591M due to a full year consolidation for subsidiary Rogers, compared to nine months in 2012/2013, sales of residential land at Bagatelle and a higher turnover by Axess Ltd. Excluding the one-off exceptional profit of Rs 1.6 billion from the Rogers transaction last year, PAT dropped by 32% to Rs 1,268M, owing to the profit from the property and sugar segments declining by Rs 903M and Rs 124M respectively as a result of delay in sale of land and a 10% sugar price decrease. The share of profit from associated companies was Rs 561M and fair value gain on property, plant and equipment was Rs 4.5 billion.

For the quarter to 30 September 2014, turnover increased by 18% over that of last year, driven mainly by higher sales by Rogers and Axess. Associated companies and jointly controlled entities continued to perform well and a significant increase in profits on sale of non-strategic land and investments was registered. PBT was similar to last year's which was impacted by a fair value gain on the deemed disposal of an associated company. However, PAT was up by 78% due to a lower income tax charge.

The ENL (P) share price of Rs 30.35 as at 30 June 2013 went down to a low of Rs 25.50 on 30 June 2014. It rose to Rs 31.50 on 13 October 2014 after its ratios were inserted on the DEM quotation schedules but was 26.75 on 18 November 2014 i.e. at a high discount of 66.7% to its NAV per share.

ENL INVESTMENT LTD (ENIT)

ENL Investment Ltd (ENIT) is ENL's core investment company, with a 59.7% holding in Rogers and subsidiary Ascencia and a significant investment in associates, the Food and Allied Industries Ltd (FAIL), which is one of the leading agro-industrial groups in Mauritius, Swan and NMH.

For the year ended 30 June 2014, Group turnover rose by 26% to reach Rs 6.2 billion, impacted by its enlarged fully operational commercial centres. PAT fell to Rs 835M (2013: Rs 1,126M exclusive of exceptional income of Rs 1.1 billion). 60% of PAT was realised by the property segment, of which Rs 203M was from the Bagatelle Mall and Rs 73M was on acquisition of Ascencia. Associates FAIL and Swan performed well in line with the previous year and NMH's performance was satisfactory given the particularly difficult circumstances facing the sugar industry.

Group turnover increased by 11% for the quarter, mainly on account of the property segment, to reach Rs 1.5 billion. PAT increased by Rs 72M to reach Rs 121M. This is due to better performance by associated companies and a profit of Rs 65M on the sale of its 21.3% stake in Foresite.

ENIT share price was Rs 43.00 at 30 June 2013 went up Rs 50.00 at 31 December 2013 and then fell Rs 45.00 at 30 June 2014. Its price of Rs 47.00 on 18 November 2014 is at a discount of 44.5% to its NAV per share of Rs 85.91 at 30 June 2013.

FORWARD INVESTMENT AND DEVELOPMENT ENTERPRISES LIMITED (FIDES)

FIDES, of the GML Group, holds 80.5% in Flacq Associated Stonemasters Ltd (FAST), involved in stone crushing and block making, as well as a diversified investment portfolio.

For the year ended 30 June 2014, the operating profit rose by 15.6% to Rs 51.6M, mainly attributable to a 6.2% increase in FAST turnover to Rs 103M. However, due to Rs 34.6M of loss from associate and a lower revaluation surplus by Rs 31.0M (2013: Rs 141.0M), PAT was reduced to Rs 23.1M.

Profit for the quarter amounted to Rs 2.4M, compared to a loss of Rs 13.8M for the same quarter last year, due to construction industry recovery improving FAST turnover by 38% and the share of losses from the hotel associates remaining constant before the cruising speed for the hotels is reached.

FIDES share price of Rs 87.00 at 30 June 2013 went on a continued upward trend to a peak of Rs 101.50 in December 2013 but then fell back to Rs 87.00 at 30 June 2014. The price was Rs 83.50 on 18 November 2014, which is at a discount of 48.9% to its NAV of Rs 163.46 at 30 June 2014.

Report of the Directors

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MEDINE LTD (MEDINE)

Medine Ltd, founded in 1911, has 3 major clusters, namely property development, leisure and agriculture. It has a masterplan from 2005 to 2025, with a focus on the integrated development of 3,000 hectares in the west coast, and has launched its education cluster in July 2014.

For the year ended 30 June 2014, the company revenue rose by 3.9% to Rs 1,373M owing to a better performance of its nature park, Casela and Tamarina Beach Hotel following a 13.2% increase in revenue for the leisure cluster. However, operating loss increased by 14.3% to Rs 144.6M, adversely impacted by the sugar price reduction and Rs 76.3M of lower profit from property cluster.

During the quarter to 30 September 2014, group revenue rose by 6.1% to Rs 452M owing to higher sugar proceeds resulting from a higher tonnage compared to 2013, which impacted positively on the group results which showed a lower loss of Rs 4.6M (2013: Rs 8.0M), inclusive of Rs 65.4M profit on sale of land. However profit from leisure cluster fell to Rs 2.9M, due to a lower hotel occupancy.

MSE share price of Rs 68.00 as at 30 June 2013, decreased to Rs 66.00 on 30 September 2013 and was again at Rs 68.00 at 30 June 2014. The price of Rs 70.00 on 18 November 2014 is at a discount of 14.3% to its net asset value of Rs 81.74 at 30 June 2014.

CIEL TEXTILE LTD (Ciel Textile)

Forming part of the textile cluster of the CIEL Group, Ciel Textile is engaged in the manufacture of knitted and woven garments and exports approximately 60% of its production to Europe, 25% to India and South Africa and 15% to USA.

For the year ended June 2013, the group revenue rose by 10.1% to reach Rs 9,565M, despite challenging markets conditions. PAT increased by 17.1% to Rs 674M (2013: Rs 576M), which is due to a better performance of the knits and knitwear cluster and growth of the group presence on the worldwide markets, being the supplier of famous brand as Marks & Spencer (UK), Zara (Spain) and Levis (USA). The surplus on revaluation increased by Rs 230M to Rs 232M in 2014. (2013: Rs 2M).

During the quarter to 30 September 2014, group turnover rose by 5.8% to Rs 2,935M and profit increased by 17.6% to Rs 202.0M, driven mainly by the woven cluster operations. EPS went up from Rs 1.58 to Rs 1.89, however softer sales in the knitwear cluster will be impacting the forecast sales.

CIEL Textile Ltd's share price rises by 50.6% from Rs 22.50 at June 2013 to Rs 33.90 at 30 June 2014, reaching a peak of 25.3 in December 2013 and was 30.00 at 31 March 2014 and Rs 39.00 on 18 November 2014, with an attractive P/E ratio of 7.66 as at 30 June 2014.

Report of the Directors

(continued)



Overseas Investment

Investments Funds	Classification	Value of investment at 30 June 2014 Rs M	% Return for the year (excluding exchange rate conversion effect)
JF Funds	Equities	49.7	9.1
COGEFI	Equities	35.1	15.1
Fidelity	Equities	24.5	21.1
Black Rock Global Funds	Equities	21.2	22.7
Comgest and other Funds	Equities	29.1	19.9
London & Capital	Equities	3.1	6.0

At 30 June 2014, the value of the overseas portfolio was Rs172.1M and represented for 11% of the total investment portfolio (2013:10%).

Positive returns were recorded for all investment funds, COGEFI return (+15.1%) and JF Funds Asia return (+9.1%) being slightly lower than the CAC 40 (+15.5%), and Hang Seng (+10.3%) respectively. Black Rock Global Funds (+22.7%) and Comgest & other funds (+19.9%) managed through Anglo and MCB Capital Markets, as well as Fidelity (+21.1%) outperformed the Dow Jones (+11.4%). London & Capital return (+6.0%) was the lowest but better than -1.3% for 2013.

Income and Dividend

For the year ended to 30 June 2014, the top five dividends received from the local investments amounted to RS 26.7M and represented 55.3% of total dividend income, as shown in the table below:

LOCAL COMPANIES	Profit (Rs M)	% total of dividend income
ENL LTD - (P)	9.9	20.5%
Medine Ltd	6.0	12.5%
MCB Group Limited	4.0	8.2%
State Bank of Mauritius	3.8	8.0%
Alteo Ltd	3.0	6.2%
Total	26.7	55.3%

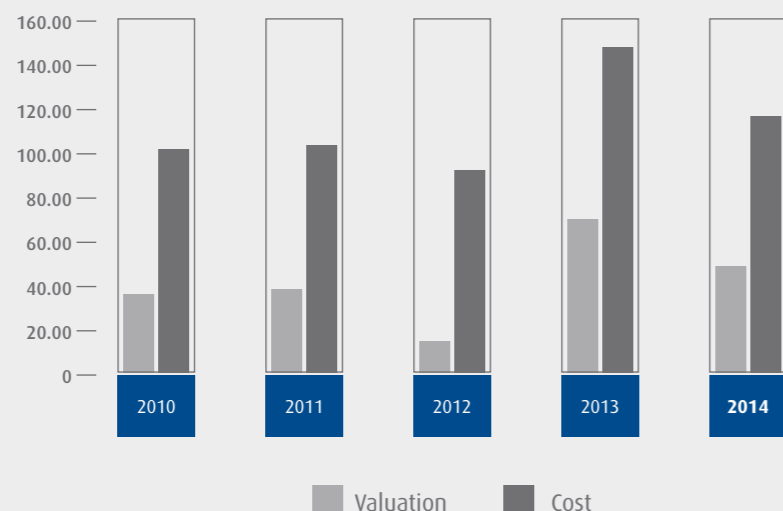
During the year ended 30 June 2014, investment income excluding dividend in specie went up by Rs 4.3M to reach to Rs 40.3M and dividend in specie amounted to Rs 8.1M (2013: Rs 88.5M). Earnings per share (EPS) to 84 cents in 2013, a decline to 23 cents due to a lower surplus on revaluation of investments of Rs 19.1M (2013: Rs 239.0M). At cost and excluding revaluation surplus/deficit, EPS decreased by 13 cents to 46 cents, out of which 32 cents was paid as dividends, including the final dividend of 18 cents per share which was paid on 22 September 2014. Based on the share price of Rs 6.00 at 30 June 2014, the dividend yield at 5.33% remained one of the highest yields among the OM and DEM listed companies.

Report of the Directors

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Yield on Investments

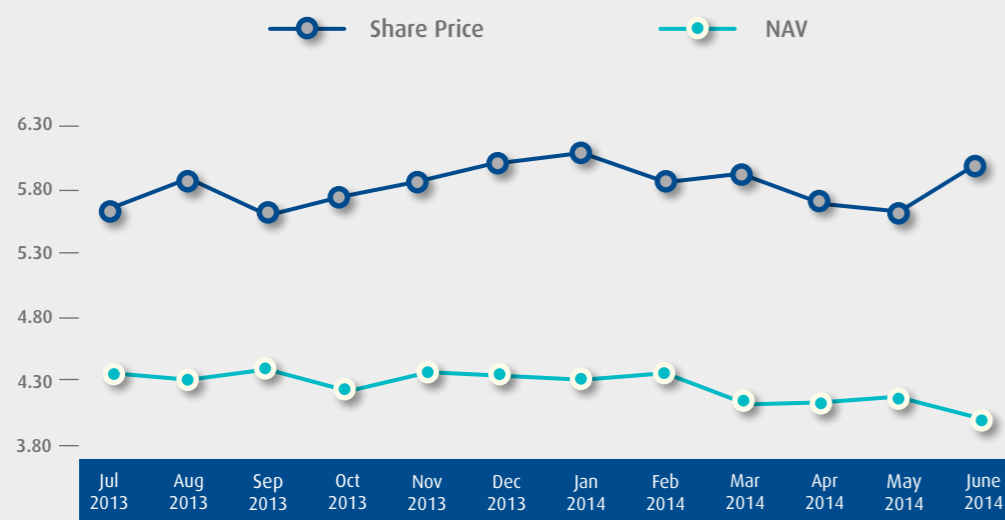
After crediting interest receivable and exclusive of the revaluation surplus/ (deficit), the net yield on equity capital for the year ended 30 June 2014 fell to 46.4%, from 68.5% in 2012/13. On a cost basis, the net yield amounted to 114.1% (2013: 143.7%).



Share Price and NAV

Between 30 June 2013 and 2014, the MDIT share price went up from Rs 5.40 to Rs 6.00 (+6.4%), and its NAV increased by 0.01% to Rs 4.10, which is lower than the increase of 8.9% and 20.5% for the SEMDEX and DEMEX respectively.

Moreover, as will be seen in the graph below, MDIT share price has, throughout the year, maintained its substantial percentage premium above its NAV, with an upward trend in the quarter to December 2013 to reach a peak of Rs 6.06 in January 2014. This is clear sign of the continued investor's confidence in the Fund and its dividend yield being higher than that of the market. At 11 November 2014, MDIT share price and the SEMDEX were Rs 5.84 and 2,105 respectively.



Report of the Directors

(continued)

Profile of Taken Kumar Servansingh appointed as Independent Director in October 2014

Taken Kumar Servansingh has been appointed as director in October 2014. He holds a Bachelor's degree in Physics and started his career as a physics teacher. After serving as adviser in 1992 to the Minister of Finance, he was appointed senior adviser from 2005 to 2010 where he contributed in the formulation and implementation of national economic policies, capacity building, national economic empowerment programme and corporate social responsibility framework.

He is a former Chairman of the Sicom Group, and has been a director of the State Investment Corporation, the Mauritius Duty Free Paradise, the National Equity Fund and the Real Estate Investment Trust. He was also a board member of the Gambling Regulatory Authority and is currently the special adviser to the Chairman of Mauvilac Group. He is a director of Building and civil Engineering, the India Equity Partners Fund and the Mauritius Institute of Directors.

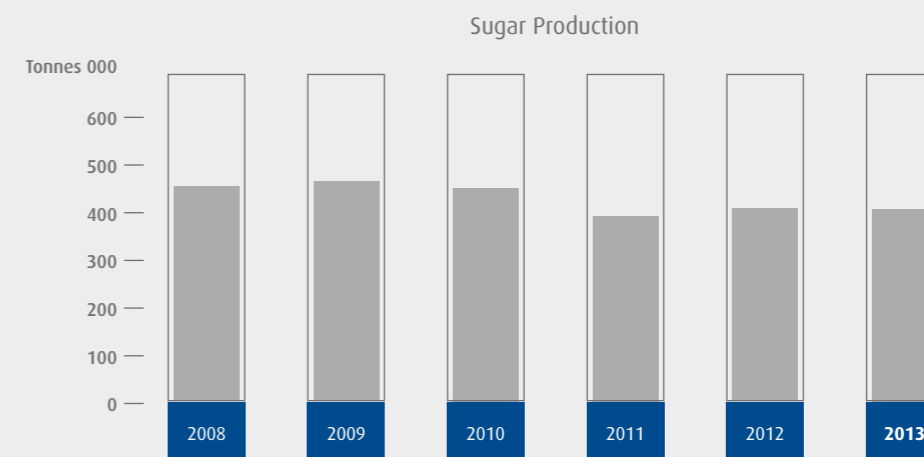
The Economy

The economic growth decreased slightly to 3.2% in 2013 (2012: 3.4%), mainly attributable to the sugar sector (-1.3%) and lower growths of 7.1% and 3.3% in information and communication and wholesale and retail sector respectively. These were partly offset by the better performance of insurance and financial services (5.4%) as well as accommodation and food services (3.5%) and manufacturing (3.0%). Investment contracted in 2013 by 4.3% (2012: 0.8%), while inflation and savings rates were lower at 3.4% and 14.0% respectively (2012: 3.9% and 15.1%).

In 2014, the domestic economy is expected to expand by 3.5%, with growths of 6.5% in information and communication, 5.3% in insurance and financial services, 3.5% for accommodation and food services, 1.9% for sugar and 1.7% for manufacturing. However, it would be negative for construction (-4.8%). Other estimates are rises of 2.6% and 0.4% in consumption and investment respectively, and inflation and savings rates of 3.3% and 12.8% respectively.

Sugar and other agricultural production

In 2013, the sugar production was 407,000 tonnes, a decrease of 1.3% (2012: 5.8%) but a 3.8% increase is expected in 2014 to reach 415,000 tonnes. Other agricultural products grew by 1.7% (2012: fell by 11.6%). The 2013 sugar production were in the form of 77% refined (2012: 74%), 23% special (2012: 26%) and the 2014 forecast growth assumed imports of 25,000 tonnes of raw sugar.



Report of the Directors

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Tourism

Tourist arrivals rose by 2.9% to reach 993,106 in 2013 (2012: 0.1% rise to 965,441). This was due to an increase in the emerging markets, China (+ 100.7%), India (+3.7%) and the main markets of United Kingdom (+11.8%), Germany (+9.7%) and South Africa (+5.8%), offset by a fall for France (-4.7%) and Reunion Island (-0.8%) which are still suffering from the difficult economic conditions.



Tourist earnings for 2013 fell by 8.6% to Rs 40.5 billion (2012: Rs 44.3 billion). For the first semester 2014, tourist arrivals amounted to 490,697, representing an increase of 4.0% over the same period last year. As a result, gross receipts went up by 2.3% to reach Rs 22.5 billion.

For 2014, the CSO estimates tourist arrivals to rise by 3.7% to reach a record of 1,030,000 and tourist earnings to reach Rs 44.5 billion following recovery from the main European markets and the expanding Chinese markets. However, the tourism sector still remains in a challenging environment with its development being dependent upon the industry's global strategies, including diversification and more air access to the new airport terminal which was opened in 2014.

Other Sectors

Manufacturing - Textile and Seafood

A growth of 2.0% for the textile sector in 2013 after a decline of 0.9% in 2012, as a result of the good performance compared to same period last year. Other manufacturing expanded by 7.0% with a boost in the building of boats and ship activity.

The seafood sector increased by 1% in 2013, compared to 7.6% in 2012, adversely impacted by the decline in the food processing activity and a growth of 3.0% is expected for 2014.

Financial services

The financial services sector is expected to grow to 5.4% compared to 5.7% in 2012, with better results for insurance companies and a stable growth for the banking sector. A growth rate of 5.3% is expected in 2014, whilst the possible renegotiation of double taxation agreements between Mauritius and India remains a source of concern.

Report of the Directors

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Construction

The construction sector is expected to contract further in 2014 with a negative growth of 4.8% (2013: -9.4%), mainly due to the delays in some major private constructions projects and offset by the positive growth of 4% for Gamma Civic Ltd.

Information, communications and technology

The information, communications and technology sector grew at a slower rate of 7.1% in 2013 (2012: 8.6%), with a fall in the computer programming, consultancy and related activities and an even lower growth rate of 6.5% is expected in 2014.

FUTURE PROSPECTS

The SEMDEX of 2,085 at 30 June 2014 continued on an upward trend to a high of 2,157 in October 2014, following a recovery in the global economy and good performance of the major constituents of the Official Market. However, the index has since trended downwards and was on 18 November 2014 slightly less than 2,100, with MCB being at a 10 month low of Rs 203.00.

The surplus of Rs 69.2M on revaluation of the Company's investments resulted in an EPS per share of 19.2 cents for the four months ended 30 September 2014, (2013: 28.2 cents). Adjusting for profits on sale of investments to a cost basis, EPS amounted to 25.3 cents (2013: 32.7 cents).

With 60% of the Official Market companies having reported lower earnings for the quarter to 30 September 2014, the forthcoming elections on 10 December 2014 and the threat of strike in the sugar industry, the local indices would likely to continue to fall despite the higher profitability of the two major banking groups. Moreover, though the world economy has shown sign of recovery, there is a downside risk with increasing unemployment in France and the modest growth in the Euro zone and the prevailing political instability related to the Ukrainian conflict.

In the light of the above, the forthcoming months would be challenging times for the local stock market but your Company would be more resilient to any further fall in the local indices due to the attractive Price/NAV ratios of shares in the investment sector where 42% of its portfolio is held.

CHANGE IN DIRECTORSHIP

The Board would like to thank Mr Louis Rivalland for his contribution as a director until his resignation on 16 April 2014 and is pleased to welcome Mr Tahen Kumar Servansingh as a new director.

By order of the Board

Georges Leung Shing
Chairperson

Date: 18 November 2014

Substantial Shareholding as at 30 June 2014

Corporate Governance Report

Shares	AT 30 JUNE 2014		
	Shares and Bonds Number	Market Value per Share Rs	Valuation Rs
ENL Ltd - (P)	13,295,192	25.50	339,027,396
Alteo Ltd	6,657,229	34.10	227,011,509
Mauritius Commercial Bank Group Ltd	617,926	215.00	132,854,090
ENL Ltd - (O)	3,129,608	25.50	79,805,004
State Bank of Mauritius Ltd	47,037,800	1.05	49,389,690
Lux Island Resorts Ltd -Shares	1,108,516	44.50	49,328,962
New Mauritius Hotels Ltd	437,476	88.00	38,497,888
CIEL Ltd	5,313,149	6.92	36,766,991
ENL Investment Ltd	668,825	45.00	30,097,125
BlueLife Ltd	3,572,734	7.32	26,152,410
Pharmacie Nouvelle Ltd	1,217,238	20.61	25,093,122
Sun Resorts Ltd	608,876	41.00	24,963,916
Rogers & Co Ltd	116,823	202.00	23,598,246
Air Mauritius Ltd	1,437,829	16.40	23,580,396
Forward Investment & Development Enterprises Ltd	236,487	87.00	20,574,411
Sud Concassage Ltd	60,000	287.94	17,276,634
Promotion and Development Ltd	182,760	90.00	16,448,400
Fincorp Investment Ltd	803,679	20.10	16,153,948
Medine Ltd - (O)	220,400	68.00	14,987,200
NIT Local Equity Fund	17,180,288	0.87	14,946,850
United Basalt Products Ltd	177,724	84.00	14,928,816
Ciel Textile Ltd	399,391	33.90	13,539,355
Phoenix Investment Co Ltd	111,474	113.50	12,652,299
Hotelest Ltd	376,851	33.00	12,436,083
Ipro Growth Fund	416,449	28.06	11,685,565
Tropical Paradise Co Ltd - (O)	1,516,056	7.50	11,370,420
National Investment Trust Ltd	215,016	50.00	10,750,800
Mauritius Freeport Development Ltd	931,170	9.00	8,380,530
Medical & Surgical Centre Ltd	4,809,200	1.70	8,175,640
Cim Financial Services	889,421	8.76	7,791,328
NIT Global Opportunities fund	7,419,828	1.01	7,494,026
Rey & Lenferna Ltd	1,233,256	5.60	6,900,559
Terra Mauricia Ltd	181,666	37.00	6,721,642
Caudan Development Ltd	4,652,140	1.17	5,443,004
United Docks Ltd	79,187	68.00	5,384,716
Mauritius Union Assurance Co Ltd	32,700	134.00	4,381,800
Alma Investments Ltd	20,082	200.00	4,016,400
Mauritian Eagle Insurance Co Ltd	35,910	109.00	3,914,190
Plastic Industry Mauritius Ltd	48,594	76.00	3,693,144
Allied Motors Co Ltd	112,750	32.34	3,646,434
Convertible Bonds and Debentures			
Lux Island Resorts Ltd-Convertible Bonds	1,230,432	11.50	14,149,968
State Bank of Mauritius Ltd - Class A 1 Series Bonds	750	10,091.27	7,568,453
United Basalt Products Ltd - Bonds	78,519	100.51	7,891,945

Statement of Compliance

The Board of Directors of The Mauritius Development Investment Trust Company Ltd ('MDIT' or 'the Company') is committed to best practices of business integrity, transparency and professionalism. It recognises that adhering to good governance principles is not mere compliance with a set of rules and regulations, but entails aiming for the highest standards of Corporate Governance.

Constitution

The Constitution of the Company complies with the provisions of the Mauritian Companies Act 2001 and the Listing Rules, a copy of which is available for consultation at the Company's Registered Office.

Corporate details and shareholding

MDIT, incorporated in 1967, is the first approved Investment Trust in Mauritius and is a Closed-end Fund authorised by the Financial Services Commission under the Securities Act 2005. The Company is also listed on the Official Market of the Stock Exchange of Mauritius Ltd (SEM).

MDIT's objective is to secure for investors the benefits of a good dividend yield as well as long-term capital growth.

At 30 June 2014, the stated capital of the Company was made up of 423,387,518 ordinary shares of no par value. Golden Foundation Ltd is the only shareholder holding more than 5% of the issued share capital, namely 50,785,279 shares, representing 11.99% of the capital.

The Board of Directors

The Board of MDIT comprises of nine independent and non-executive Directors having a vast experience in their respective fields of expertise and who participate actively in the Board meetings which are held on a quarterly basis. In these circumstances, the Board believes its composition to be adequate.

The Board of MDIT is responsible for the successful running of the Company and to ensure that the Company complies will all relevant legislation, the rules of the SEM and the principles of good Corporate Governance. The Board performs their duties, responsibilities and powers to the extent permitted by law and in accordance with the Constitution of the Company.

At the Board meetings, a report is presented by the Manager, analysing the Company's performance and a review of the local market is presented in the report. The main purchases and sales made during the quarter are summarised and commented on.

Board Evaluation

An evaluation of the collective performance of the Board of directors will be carried out in August 2014 and will be completed by December 2014. The process for Directors' individual performance in being put in place.

Chairperson

The Chairperson is responsible for the management and effective performance of the Board, and the implementation of good corporate governance policy and practices. The Chairperson participates in the implementation of the Company's strategic objectives and is the link between management and the Board.

Company Secretary

All Directors have access to the advice and services of the Company Secretary and also have the authority to request independent professional advice at the reasonable expense of the Company. The Company Secretary administers, attends and prepares minutes of all Board and Shareholders' meetings. The Company Secretary is responsible for the external communication of the Company and assists the Chairperson and the Board in implementing good corporate governance practices and processes to maximise shareholders' wealth. The Company Secretary is JLP Company Secretarial Services Ltd represented by Mr Lawrence Poisson.

Corporate Governance Report

(continued)

Directors' Profiles

Georges Leung Shing

Independent Chairperson, Appointed to the Board in 1995

Georges Leung Shing holds a Bachelor's degree in Economics and is a Chartered Tax Adviser and a Fellow Chartered Accountant. After working as Senior Economist of the Mauritius Chamber of Agriculture (MCA), he joined Lonrho Mauritius and was, in 1996, appointed Executive Chairperson of the Group which comprised Mon Trésor and Mon Désert Ltd (MTMD) and hotel subsidiary companies and 18% interest in MDIT. After the take-over of MTMD (subsequently called Omnicane Ltd) by Illovo Sugar Ltd in July 1997 and Omnicane Holdings Ltd in April 2001, he continued as Managing Director until his retirement on 31 March 2007 and as consultant for a further year.

He is presently the Chairperson of The Mauritius Development Investment Trust Co Ltd, and a Director of Omnicane Ltd, Pharmacie Nouvelle Ltd and Standard Bank Mauritius Ltd, and is a member of the Advisory Council of the Chartered Financial Analysts Society Mauritius and the Assessment Review Committee of the Financial Reporting Council. He is also the Chairman of the Audit Committee Forum of the Mauritius Institute of Director (MIOD) and a member of the Sugar Insurance Fund Board. He is a former Chairman of MCA, MIOD, the Mauritius Sugar Producers' Association and Stock Exchange of Mauritius Ltd (SEM) Listing Committee, and member of the Financial Reporting Council and Monitoring Panel, and was also a member of the Joint Economic Council, Mauritius Employers' Federation, Mauritius Sugar Syndicate and SEM.

Catherine Ahnee-Gouérec

Independent Director, Appointed to the Board in 2011

Catherine Ahnee Gouérec holds a DESS d'Affaires Internationales and a Maitrise d'Economie Appliquée of Université Paris IX-Dauphine. She started a career in Mauritius in 1988 as Consultant at Price Waterhouse before joining the Food and Allied Group as economist of Management and Development Company. Since 2008, she is Chargée d'Etudes at Les Moulins de la Concorde Ltée, responsible for identification, conception, analysis and coordination of projects. She also contributes to marketing strategy and is in charge of corporate communication and CSR activities.

Aruna Collendavelloo

Independent Director, Appointed to the Board on 2 April 2012

Aruna holds a BA (Hons) degree in Jurisprudence from Balliol College, Oxford University and was admitted to practise as a Solicitor of England and Wales. In Mauritius, she qualified as an Attorney-at-Law and practised for three years before joining Rogers and Company Ltd where she was the Group Company Secretary in July 2001, then Group Chief Legal Executive in 2007 and Executive Director in 2013. She is currently the Vice Chairman of the Central Depository & Settlement Co. Ltd of the Stock Exchange of Mauritius and a director of a number of other companies.

Lloyd Coombes

Independent Director, Appointed to the Board in 1997

Lloyd Coombes holds a Bachelor's degree in Mechanical Engineering and is a Fellow of the Institute of Engineers. He was the Assistant Factory Manager of Belle Vue S.E and served as Technical Adviser of Harel Frères and Espitalier Noel sugar groups before joining MCFI Ltd where he was appointed the Group Managing Director in 1988. He left in June 2006 to occupy an Executive Director position with the Mauvilac Group until December 2013. He is the Chairman of Building and Civil Engineering Co Ltd and an independent director of The Mauritius Development Investment Trust Co Ltd and the Honorary Consul of the Principality of Monaco. He is a past Chairman of the Mauritius Chamber of Commerce and Industry and the Institute of Engineers.

Corporate Governance Report

(continued)

Christian Foo Kune

Independent Director, Appointed to the Board in 2010

Christian Foo Kune holds a Diploma in Sugar Technology and Agriculture and a Diplôme Supérieur en Administration des Entreprises. He started his career in 1972 as Chemist at Rose Belle Sugar Estate and joined in 1984 Omnicane Ltd (formerly Mon Trésor and Mon Désert Ltd) where he occupied several senior positions, the last as Deputy CEO, from January 2008 until his retirement in March 2010.

He was also a Director of Omnicane Ltd and Alternate Director to Jacques M d'Unienville on the MDIT board from 2007 to March 2010. He served as a board member of several sugar sector institutions and was President of the Mauritius Chamber of Agriculture in 2005/2006.

Kim Foong (Roger) Leung Shing Cheung

Independent Director, Appointed to the Board in 2000

Roger Leung Shin Cheung is an Associate of the Chartered Institute of Bankers in UK and a Fellow of the Mauritius Institute of Directors. He retired from Barclays Bank Plc as Regional Corporate Director (Africa) and was a Director of Barclays Leasing Company (Mauritius) Ltd and a trustee of the Barclays Employees Pension Fund (Mauritius). He presently works as Consultant in business restructuring and performance optimisation and is presently the Chairman of Bank One Ltd and a Director of IPRO Funds Ltd, Vivo Energy Mauritius Ltd, Dolberg Asset Finance Ltd, Dolberg Financial Holding Ltd, Indian Ocean Financial Holding Limited.

François Montocchio

Independent Director, Appointed to the Board in 2010

François Montocchio is a Fellow of the Association of International Accountants (UK). He was an Executive Director of Harel Mallac & Co Ltd (HML) from 1967 to 1982 and held financial and administrative positions in South Africa until 1994. He then occupied senior positions within HML and was Chief Executive Officer from 2005 until his retirement in 2007 and remained a Board member until May 2010. He is a past Chairperson of The Mauritius Chemical and Fertiliser Industry Ltd, The Mount Sugar Estates Company Ltd and Union Sugar Estates Ltd, and is an independent director of The Mauritius Development Investment Trust Co Ltd and Terra Mauricia Ltd.

Geereesha Ramsarran-Kandhai

Independent Director, Appointed to the Board in 2007

Geereesha Ramsarran-Kandhai holds a Bachelor's degree in law. She started her career as legal researcher at Etude Duval in 2004. In 2005, she followed the vocational courses for Attorneys offered by the Council of Legal education and thereafter sat for the examination towards the end of the year. After her pupilage at Narendra Appa Jala Chambers and Etude de Comarmond & Koenig respectively, she has been practising as Attorney At Law since January 2007, working in close collaboration with Mr Hervé Duval of Etude Duval until September 2013. With effect from October 2013, Geereesha Ramsarran-Kandhai works as a sole practitioner and in close collaboration with BLC Chambers.

Senior Management

Vicky Ducasse

Manager

Vicky Ducasse is a Fellow of the Chartered Association of Certified Accountants. She started her career in the Audit Department of Margeot and Associates in 2000 and worked as Accounts Supervisor at La Sentinelle Ltd from 2004 to 2006. She joined the Company in December 2012, after having been an Executive in the Advisory Department of Ernst and Young and Supervisor at DTOS Ltd, a subsidiary of IBL group.

Natacha Babylone

Accountant

Natacha Babylone holds a BSC in Accounting and Finance and is currently undertaking the level 3 of the Association of Chartered and Certified Accountants. She joined the Company in August 2012 after working four years at in the Finance Department the State Bank of Mauritius as Finance Officer, and two years in the IBU department of Anglo Mauritius as Sales & Investment Advisor.

Corporate Governance Report

(continued)

Attendance at Board Meetings

The Directors' attendance at Board meetings held during the year ended 30 June 2014 is shown below:

Name of directors	Meetings attended
Catherine Ahnee-Gouérec	4 out of 4
Aruna Collendavelloo	3 out of 4
Lloyd Coombes	4 out of 4
Christian Foo Kune	3 out of 4
Roger Leung Shin Cheung	2 out of 4
Georges Leung Shing	4 out of 4
François Montocchio	4 out of 4
Louis Rivalland	2 out of 4
Geereesha Ramsarran-Kandhai	2 out of 4

Board Committees

In line with the Code, the Board of MDIT has established the following committees to assist it in its decision-making process and help it to carry out all its duties and responsibilities.

- Audit and Risk Committee
- Corporate Governance Committee
- Investment Committee

Each Committee acts accordingly to clearly defined terms of reference approved by the Board and reports to the Board on matters discussed at Committee meetings.

Audit and Risk Committee

The Audit and Risk Committee, has been set up to provide a link between the Board, internal audit and external auditors and is also responsible for the Company's Risk Management function. The Committee is composed of a majority of non-executive Directors. Its responsibilities include reviewing the appropriateness of the Company's accounting policies, assessing the effectiveness of the internal control processes, reviewing the annual financial statements before their submission to the Board, discussing the results of the external audit process with the external auditors, and with the support of the internal and external auditors directing the Risk Management function.

The Chairperson of the Committee informs the Board of Directors any matter which, in its opinion, the Board should be made aware of.

The members of the Audit and Risk Committee are:

- François Montocchio (Chairperson)
- Catherine Ahnee-Gouérec
- Roger Leung Shin Cheung

Corporate Governance Report

(continued)

Corporate Governance Committee

The Corporate Governance Committee is committed to the best practices of corporate governance. The need for a nomination committee and a remuneration committee does not arise since the Company is managed by Golden Fund Management and Services Ltd and does not have any employees.

The members of the Corporate Governance Committee (CGC) are:

- Lloyd Coombes (Chairperson)
- Georges Leung Shing
- Geereesha Ramsarran-Kandhai

As per the CGC's recommendations, the Board approved that Rs 293,500 of CSR contributions be disbursed to the following NGOs mainly focussed towards the eradication of absolute poverty, the promotion of the welfare of vulnerable children and the prevention of non-communicable disease:

- APSA Mauritius - Education of people and their families on diabetes
- Association Alzheimer – Day care project and assisting families and persons suffering from Alzheimer
- Lions Club of Moka – Empowerment of children from vulnerable groups
- Mahebourg Espoir – Budget 2013/14 for the Education Centre
- Mauritius Wildlife Foundation – Kestrel project
- Quartier de Lumière – La Valette project
- Terrain for Interactive Pedagogy through Arts (TIPA)- Funding budget 2013/2014 for disenfranchised children and those in ZEP schools.
- Ti Rayon Soleil - Educational Support to underprivileged children in Black River.

Investment Committee

The Investment Committee has been set up to ensure that the major investments made are in line with the Board's strategy. It also assures proper liaison with the Fund Managers responsible to look after the Company's interests overseas and considers avenues which may give opportunities for growth.

This Committee comprises the following members:

- Georges Leung Shing (Chairperson)
- Lloyd Coombes
- Christian Foo Kune
- Roger Leung Shin Cheung

Corporate Governance Report

(continued)

Attendance at Committee Meetings

The Directors' attendance at Committee meetings held during the year ended 30 June 2014 is shown below:

Directors	Audit and Risk	Corporate Governance	Investment
Catherine Ahnee-Gouérec	3 out of 3	N/A	N/A
Aruna Collendavelloo	N/A	N/A	N/A
Lloyd Coombes	N/A	3 out of 3	5 out of 5
Christian Foo Kune	N/A	N/A	3 out of 5
Roger Leung Shin Cheung	3 out of 3	N/A	4 out of 5
Georges Leung Shing	N/A	3 out of 3	5 out of 5
François Montocchio	3 out of 3	N/A	N/A
Geereesha Ramsarran-Kandhai	N/A	2 out of 3	N/A
Louis Rivalland	N/A	N/A	N/A

Interest of Directors in the Equity Capital

Shares held by Directors at 30 June 2014

Name of Directors	Directly	Indirectly
Catherine Ahnee-Gouérec	300,215	78,987
Aruna Collendavelloo	-	-
Lloyd Coombes	481,363	1,593,040
Christian Foo Kune	-	-
Roger Leung Shin Cheung	-	-
Georges Leung Shing	5,304	9,522,240
François Montocchio	749,880	3,808,896
Geereesha Ramsarran-Kandhai	-	-
Louis Rivalland	-	1,587,040

Dealing in shares by the director for the year ended 30 June 2014

The Directors ensure that their dealings in the Company's shares are conducted in accordance with the principles of the model code on securities transactions by Directors, as detailed in Appendix 6 of the Stock Exchange of Mauritius Listing Rules.

During the year, 22,400 shares were acquired by Mr Lloyd Coombes and there was no dealing by the other directors.

Corporate Governance Report

(continued)

Statement of remuneration philosophy

The Non-Executive Directors are remunerated for their knowledge, experience and insight provided to the Board and respective Committees.

Directors' Remuneration	2013/2014	2012/2013
	Rs'000	Rs'000
Catherine Ahnee-Gouérec	113	114
Aruna Collendavelloo	82	90
Lloyd Coombes	151	165
Christian Foo Kune	112	121
Roger Leung Shin Cheung	134	162
Georges Leung Shing	266	288
François Montocchio	125	124
Geereesha Ramsarran-Kandhai	90	107
Louis Rivalland	65	85
Total	1,138	1,256

Share Option Plan

The Company does not have any Executive Director or employee or share option plan.

Directors' Benefits

The directors do not receive any other salary or benefits in kind from the Company.

Interest of Directors in Contracts

All the directors have confirmed that they are not, either directly or indirectly, materially interested in any contract of significance with the Company.

Service Contracts

The Company has no service contract with any of its directors.

Agreements with third parties

MDIT, acting as the 'Employer' has a management contract involving Golden Fund Management Services Ltd (GFMS), acting as the 'Employee' to provide management services to the Company. Thus, in pursuance of the management contract, the Manager and Company Secretary of GFMS ('the Managers') hold the same positions in MDIT and are in attendance at all the MDIT Board and Committee meetings.

The Registrar and Custody services are undertaken by Mauritius Computing Services Ltd and MCB Ltd respectively. The Company does not have any agreement with its shareholders.

Risk Management

The Directors acknowledge the ultimate responsibility of the Board for the risk management process and the necessity of having the relevant processes in place within the Company. Risk issues are systematically addressed at both the Investment and Audit and Risk Committee meetings.

Corporate Governance Report

(continued)

Risks Management Framework

Some of the more prominent risks to which the Company is exposed are:

- **Compliance Risk:** Failure to comply with laws and regulations may lead to penalties.
- **Political, Economic and Financial Market Events:** Investment values and returns which may adversely affect the Company's operation and financial results.
- **Technologies and Systems:** To varying degrees, the Company is reliant upon certain technologies and systems for the smooth and efficient running of its business. Disruption to these technologies could adversely affect its operating costs and efficiency.
- **Reputation:** Any event capable of damaging the reputation of the Company and its appeal to its shareholders and putting at risks the market value and attractiveness of the Company.

The Company has various policies and methods to counter such risks effectively as covered in this Corporate Governance Report and in the Notes to the Financial Statements on page 62.

Internal Control

The Company has put in place policies and procedures to implement strong internal control and identify measure and control risk as well solutions to mitigate risks exposures, at strategic and operational level. The Audit Risk Committee provides assurance to the Board on the performance of the internal control system, after examination of internal and external audit reports.

Internal Audit Function

The Board is ultimately responsible for the Company's internal control system and assessing its effectiveness.

The Internal Audit Function is being carried out by KPMG Advisory Services since June 2011. They report to the Audit and Risk Committee on the Company's financials and internal controls and review the extent to which its recommendations have been implemented.

During 2013/14, KPMG Advisory Services assessed the internal control system procedures put in place by the Company and their compliance with laws and regulations. There was no material problems relating the internal control system in place during the year under review.

Independent Auditors' Remuneration

Fees paid to Deloitte for:	2013/2014	2012/2013
	Rs'000	Rs'000
External Audit services	250	250
Non-audit services	20	20

The non-audit services relate to tax computation services provided to the Company.

Fees paid to KPMG for:	2013/2014	2012/2013
	Rs'000	Rs'000
Internal Audit services	110	252

Corporate Governance Report

(continued)

Related party transactions

The related party transactions are set out in Note 17 of the Financial Statements.

Donations

The Company made no donations during the year other than the above mentioned Corporate Social Responsibility (CSR) contributions.

Dividend Policy

MDIT's policy is to distribute around 95% of its profit after tax, as adjusted for profit on sale of investments on a cost basis, and excluding year end revaluation surplus/deficit.

The Board ensures that the Company satisfies the solvency test for each declaration of dividend and a certificate of compliance with the solvency test is signed in accordance with the provisions of the Companies Act 2001.

Share Price Information

The evolution of the share price over the past five years has been as follows:

30 June	Share Price Rs
2009	4.88
2010	4.33
2011	5.90
2012	5.05
2013	5.40
2014	6.00

Communication with shareholders for the year ended 30 June 2014

The Company communicates with its shareholders through its Annual Report, Press Communiqués and Annual Meeting. The calendar of events during the year is set out below:

Financial year end	June
Annual meeting	December
Reports and profits statements	
Half-yearly	March
Preliminary report for the year	September
Annual report and financial statements	December
Dividends	
Interim	
- Declared	20 December 2013
- Paid	03 March 2013
Final	
- Declared	27 June 2014
- Paid	22 September 2014

Corporate Governance Report

(continued)

Shareholders' Analysis at 30 June 2014

Size of shareholding (Number of shares)	Shareholders		Ordinary Shares	
	Number	%	Number	%
1 – 500	726	14.66	148,230	0.03
501 – 1,000	345	6.97	264,830	0.06
1,001 – 5,000	1,255	25.35	3,225,426	0.76
5,001 – 10,000	591	11.94	4,358,872	1.03
10,001 – 50,000	1,138	22.98	27,028,661	6.38
50,001 – 100,000	328	6.62	23,586,984	5.57
100,001 – 250,000	289	5.84	45,600,201	10.77
250,001 – 500,000	121	2.44	43,913,131	10.37
500,001 & Above	158	3.20	275,261,183	65.03
Total	4,951	100.00	423,387,518	100.00

Summary by Shareholder Category

Category	Number	%	Number	%
Individuals	4,696	94.85	273,480,896	64.59
Insurance Companies	9	0.18	17,512,836	4.14
Pension Funds	7	0.14	2,557,604	0.60
Investment Companies and Unit Trusts	13	0.26	3,552,574	0.84
Other Corporate Bodies	226	4.57	126,283,608	29.83
Total	4,951	100.00	423,387,518	100.00

Corporate Governance Report

(continued)

Company's Constitution

The Company's Constitution is in conformity with the provisions of the Companies Act 2001 and the Stock Exchange regulations. A copy is available for consultation at the Company's Registered Office.

The salient features of the Company's Constitution are:

- The Company may purchase or otherwise acquire its Shares
- If the Company proposes to purchase or otherwise acquire more than twenty five percent (25 %) of a Class of Shares, it must make a tender offer to all the holders of the relevant Class of Shares.
- Shares to be freely transferable
- The Board may refuse or delay the registration of a transfer
- The Board may, if it is satisfied on reasonable grounds that the Company will satisfy the Solvency Test immediately after the Distribution, authorise a Distribution by the Company to Shareholders of any amount and to any Shareholder as it thinks fit.
- The Directors on making a Distribution and/or on declaring a Dividend may resolve that the payment of such Distribution or Dividend be made wholly or in part by the Distribution of specific assets, and in particular of paid up shares, debentures, debenture stock, bonds or other obligations of any other company or in any one or more or such ways.
- The Board may pursuant to a discount scheme resolve that the Company shall offer to Shareholders discounts in respect of some or all goods sold, or services provided by, the Company.
- A quorum for a General Meeting shall be present where two (2) Shareholders, their representatives, or proxies are representing at least twenty five per cent (25%) of the voting rights present, or have cast postal votes, on the business to be transacted by the General Meeting.
- The Board shall consist of not less than nine (9) or more than twelve (12) Directors.
- The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number fixed in accordance with this Constitution. The Director appointed to fill up the vacancy shall hold office only until the next following Annual Meeting and shall then be eligible for re-election.
- At the next Annual Meeting and at each subsequent Annual Meeting, four (4) of the Directors for the time being appointed by the Annual Meeting shall retire from office
- Subject to any restrictions in the act or this Constitution, the business and affairs of the Company shall be managed by or under the direction or supervision of the Board.
- The Directors shall elect one of their number as Chairperson of the Board and determine the period for which he is to hold office.

Corporate Governance Report

(continued)

Integrated Sustainability Reporting

The Company is committed to the highest standards of fairness, integrity and ethical conduct with all its stakeholders.

MDIT'S core investment strategy is basically striving towards a balanced profit oriented business in view of increasing shareholders' wealth via a good dividend yield and a long term capital appreciation of its assets to maintain confidence of investors in the share.

As a leading investment company in Mauritius with over 90% of its investment portfolio concentrated in the local market, MDIT'S financial performance is closely related with the financial health of the Mauritian economy.

In its endeavour to achieve sustainable growth and return on capital, MDIT has laid emphasis on managing corporate reputation to maintain our financial credibility and credit worthiness by implementing measures to improve our operational efficiency through a

- Reduction in waste from operation through paper saving and intensive usage of mails
- Reduction of energy use in operations
- Leveraging sustainability of existing products to reach new investors and retain existing ones
- Mitigating operational risk related to climate change especially in Mauritius where major disturbances within the environment such as natural calamities can impact on performances on share in specific sectors hence investments
- Achieving higher return on investment by investing companies that represent the major pillars of the economy.

As the Company does not have any employees, it therefore does not require the implementation of a Code of Ethics and Health and Safety Standards.

Statement of Directors Responsibilities

In respect of the preparation of Financial Statements, Directors acknowledge their responsibilities for:

adequate accounting records and maintenance of effective internal control systems;

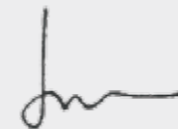
the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the cash flows for that period and which comply with International Financial Reporting Standards (IFRS);

the selection of appropriate accounting policies supported by reasonable and prudent judgements.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

- adequate accounting records and an effective system of internal controls and risk management have been maintained;
- appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- applicable accounting standards have been adhered to. Any departure has been disclosed, explained and quantified.
- the Code of Corporate Governance has been adhered to in all material aspects and reasons provided for non-compliance.



Lloyd Coombes
Director



Francois Montocchio
Director

30 September 2014

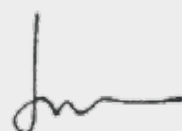
Certificate of Compliance

(Section 75(3) of the Financial Reporting Act)

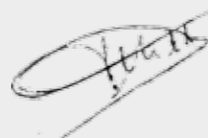
Name of Public Interest Entity: **The Mauritius Development Investment Trust Company Limited (MDIT)**

Reporting Period: **1st July 2013 to 30th June 2014**

We, the Directors of MDIT confirm to the best of our knowledge that the PIE has complied with all of its obligations and requirements under the Code of Corporate Governance, except for Section 2.2.3 for reasons stated under the Agreements section in the Corporate Governance Report.



Lloyd Coombes
Director



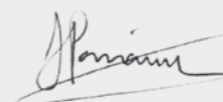
Francois Montocchio
Director

30 September 2014

Secretary's Certificate

This is to certify that, in accordance with Section 166(d) of the Companies Act 2001, all such returns as required by the Company under the Companies Act 2001 have been filed with the Registrar of Companies.

By order of the Board



Lawrence Poisson, F.C.I.S

For and on behalf of

JLP Company Secretarial Services Ltd
Company Secretary

19 November 2014

Independent Auditor's Report to the Shareholders of The Mauritius Development Investment Trust Company Limited

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of **The Mauritius Development Investment Trust Company Limited** on pages 49 to 70 which comprise the statement of financial position as at 30 June 2014 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cashflows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 49 to 70 give a true and fair view of the financial position of **The Mauritius Development Investment Trust Company Limited** as at 30 June 2014, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Report on other legal requirements


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

- We have no relationship with, or interests in, the company other than in our capacities as auditor and tax advisor;
- We have obtained all information and explanations that we have required; and
- In our opinion, proper accounting records have been kept by the company as far as appears from our examination of those records.

The Financial Reporting Act 2004

The Directors are responsible for preparing the corporate governance report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.



Deloitte
Chartered Accountants



Jacques de C. Du Mée, ACA
Licensed by FRC

30 September 2014

Statement of Financial Position

at 30 June 2014

	Notes	2014 Rs'000	2013 Rs'000
ASSETS			
Non-current assets			
Investments	5	1,617,421	1,669,306
Current assets			
Loans receivable at call	6	100,000	140,500
Accounts receivable	7	74,105	34,353
Cash at bank		15,561	13,247
		189,666	188,100
Total assets		1,807,087	1,857,406
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	8	423,388	423,388
Fair value reserve		681,563	734,805
Surplus on realisation of investments reserve		460,362	394,520
Retained surplus		128,068	178,445
Total equity		1,693,381	1,731,158
Current liabilities			
Bank overdraft (Unsecured)		282	-
Loans payable at call	9	24,000	39,000
Accounts payable	10	12,317	14,660
Taxation	11	897	612
Dividends	12	76,210	71,976
		113,706	126,248
Total equity and liabilities		1,807,087	1,857,406
Net asset value per share (Rs)	13	4.00	4.09

Approved by the Board of Directors and authorised for issue on 30 September 2014.



Georges Leung shing
Director



François Montocchio
Director

Statement of Comprehensive Income

for the year ended 30 June 2014

	Notes	2014 Rs'000	2013 Rs'000
Income from investments			
Local		48,236	124,427
Overseas		128	78
Total investment income	14	48,364	124,505
Interest receivable		13,787	16,663
(Loss)/gain on exchange	18	(405)	654
Profit on sale of listed (Official market) investments		27,030	397
Profit on sale of other investments		13,718	2,933
Profit/(loss) on sale of overseas investments		11	(5)
		102,505	145,147
Surplus on revaluation of investments	5	19,082	239,000
		121,587	384,147
Deduct: Expenses			
Management	15	(14,062)	(14,955)
Directors' fees & Secretarial fees		(1,250)	(1,257)
Listing fees		(571)	(666)
Printing and stationery		(687)	(644)
Professional fees		(277)	(486)
Closed-end fund expenses		(427)	(529)
Sundry expenses		(2,720)	(2,841)
Finance costs		(1,474)	(3,343)
Corporate social responsibility		(294)	(553)
		(21,762)	(25,274)
Profit before taxation		99,825	358,873
Taxation			
Income tax		(2,118)	(1,341)
Foreign tax on investment income		-	(5)
Income tax expenses	11(i)	(2,118)	(1,346)
Profit for the year		97,707	357,527
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		97,707	357,527
Transferred (to)/from:			
Fair value reserve - Surplus on revaluation of investments	5	(19,082)	(239,000)
Fair value reserve - Transfer of:			
Surplus on sale of listed (Official Market) shares		38,187	90,760
Surplus on sale of other investments		(31,705)	(2,928)
		(12,600)	(151,168)
		85,107	206,359
Earnings per share	16 (a)	24 cents	84 cents
Earnings per share excluding surplus on revaluation of investments	16 (b)	19 cents	28 cents

Statement of Changes in Equity

for the year ended 30 June 2014

	Notes	Stated capital Rs'000	Fair value reserve Rs'000	Surplus on realisation of investments Rs'000	Retained surplus Rs'000	Total Rs'000
Balance at 1 July 2012		423,388	625,994	352,163	103,336	1,504,881
Profit for the year		-	-	-	357,527	357,527
Other comprehensive income		-	-	-	-	-
Total comprehensive profit for the year		-	-	-	357,527	357,527
Transfers:		-	108,811	42,357	(151,168)	-
- Profit on revaluation of investments	5	-	239,000	-	(239,000)	-
- Realised surplus on sale of listed (official market) shares		-	(90,760)	-	90,760	-
- Realised surplus on sale of other investments from retained earnings		-	-	2,928	(2,928)	-
- Realised surplus on sale of other investments from fair value reserve		-	(39,429)	39,429	-	-
Dividends for the year		-	-	-	(131,250)	(131,250)
- Interim proposed and paid during the year	12	-	-	-	(59,274)	(59,274)
- Final proposed at year end	12	-	-	-	(71,976)	(71,976)
Balance at 30 June 2013		423,388	734,805	394,520	178,445	1,731,158
Balance at 1 July 2013		423,388	734,805	394,520	178,445	1,731,158
Profit for the year		-	-	-	97,707	97,707
Other comprehensive income		-	-	-	-	-
Total comprehensive profit for the year		-	-	-	97,707	97,707
Transfers:		-	(53,242)	65,842	(12,600)	-
- Profit on revaluation of investments	5	-	19,082	-	(19,082)	-
- Realised surplus on sale of listed (official market) shares		-	(38,187)	-	38,187	-
- Transfer on conversion		-	24,350	(24,350)	-	-
- Realised surplus on sale of other investments from retained earnings		-	-	31,705	(31,705)	-
- Realised surplus on sale of other investments from fair value reserve		-	(58,487)	58,487	-	-
Dividends for the year		-	-	-	(135,484)	(135,484)
- Interim proposed and paid during the year	12	-	-	-	(59,274)	(59,274)
- Final proposed at the year end	12	-	-	-	(76,210)	(76,210)
Balance at 30 June 2014		423,388	681,563	460,362	128,068	1,693,381

Statement of Cash Flows

for the year ended 30 June 2014

	2014 Rs'000	2013 Rs'000
Cash flows from operating activities		
Profit before taxation	99,825	358,873
Adjustments for:		
Profit on sale of listed investments	(27,030)	(397)
Profit on sale of other investments	(13,718)	(2,933)
(Profit)/Loss on sale of overseas investments	(11)	5
Surplus on revaluation of investments	(19,082)	(239,000)
Gain on conversion/merger through reserves	(17,296)	-
Interest receivable	(13,787)	(16,663)
Finance costs	1,474	(3,343)
Loss/(gain) on exchange	405	(654)
Operating profit before working capital changes	10,780	95,888
(Increase)/decrease in accounts receivable	(36,704)	3,338
Increase in accounts payable	1,370	3,938
	(35,334)	7,276
Cash (used in)/generated from operations	(24,554)	103,164
Interest paid	(5,187)	(577)
Income tax paid	(1,833)	(1,818)
Net cash (used in)/generated from operating activities	(31,574)	100,769
Cash flows from investing activities		
Loans given	(71,500)	(110,580)
Loans refunded	112,000	141,610
Purchase of investments	(144,561)	(164,340)
Proceeds from sale of investments	274,256	190,310
Interest received	10,066	14,750
Net cash generated from investing activities	180,261	71,750
Cash flows from financing activities		
Dividends paid	(131,250)	(131,250)
Loan received	236,500	45,000
Loan repaid	(251,500)	(95,000)
Net cash used in financing activities	(146,250)	(181,250)
Net increase/(decrease) in cash and cash equivalents	2,437	(8,731)
Cash and cash equivalents at 1 July	13,247	21,324
Effect of exchange rate changes on cash and cash equivalents	(405)	654
Cash and cash equivalents at 30 June	15,279	13,247
Represented by:		
Cash at bank	15,561	13,247
Bank overdraft	(282)	-
	15,279	13,247

Notes to the Financial Statements

for the year ended 30 June 2014

1. PRINCIPAL ACTIVITIES

The Mauritius Development Investment Trust Company Limited (the "Company") is a public company incorporated in Mauritius and listed on the Stock Exchange of Mauritius. The Company registered office and principal place of business is situated at 7th floor, Newton Tower, Sir William Newton Street, Port Louis.

The Company is an "approved investment institution" with the objective of holding and managing securities and is a Closed-end Fund authorised by the Financial Services Commission under the Securities Act 2005.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2013.

2.1 Standards applied with no material effect on the financial statements

The following relevant revised Standards have been applied in these financial statements. The application of these revised standards has not had any material impact on the amounts reported in the current and prior years but may affect the accounting for future transactions or arrangements.

IAS 1 Presentation of Financial Statements - Amendments resulting from Annual Improvements 2009-2011 cycle (comparative information).

IAS 32 Financial Instruments: Presentation - Amendments resulting from Annual Improvements 2009-2011 Cycle (tax effect of equity distributions).

IFRS 7 Financial Instruments: Disclosures - Amendment relating to the offsetting of assets and liabilities

IFRS 13 Fair Value Measurement - Original Issue.

2.2 Standards in issue not yet effective

At the date of the authorisation of these financial statements, the following relevant Standards were in issue but effective for annual periods beginning on or after the respective dates as indicated:

IAS 24 Related Party Disclosures - Amendments resulting from Annual Improvements 2010-2012 Cycle (Management outlines) (effective July 1, 2014).

IAS 32 Financial Instruments - Presentation and amendments to application guidance on the offsetting of financial assets and financial liabilities (effective 1 January 2014)

IAS 36 Impairment of Assets - Amendments arising from recoverable amount disclosures for Non-Financial Assets (effective 1 January 2014)

IAS 39 Financial Instruments: Recognition and Measurement - Amendments for novations of derivatives (effective January 1, 2014).

IAS 39 Financial Instruments: Recognition and Measurement - Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception (effective January 1, 2018).

IFRS 7 Financial Instruments: Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective January 1, 2018).

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (continued)

2.2 Standards in issue not yet effective (continued)

IFRS 7 Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective January 1, 2018).

IFRS 9 Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective 1 February 2015)

IFRS 13 Fair Value Measurement - Amendments resulting from Annual Improvements 2010-2012 Cycle (short-term receivables and payables) (Amendments to basis for conclusions only).

IFRS 13 Fair Value Measurement - Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52) (effective July 1, 2014).

The directors anticipate that these amendments will be applied in the financial statements for the annual periods beginning on the respective dates as indicated above. The directors have not yet had an opportunity to consider the potential impact of the adoption of these amendments.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies of the Company are as follows:-

(a) Basis of preparation

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments and in accordance with International Financial Reporting Standards.

(b) Investment valuation

The Company classifies its investments as fair value through profit or loss ("FVTPL"). Purchases and sales of investments are recognised on

the trade-date basis – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Unrealised gains or losses arising from changes in fair value of FVTPL assets are included in profit or loss and subsequently transferred to fair value reserve, as the gains/losses are not distributable.

The gains and losses on disposal of FVTPL assets are recognised in profit or loss. Realised gains or losses on disposal of DEM and overseas investments are subsequently transferred to surplus on realisation of investment reserve. Realised gains and losses on listed official market investments are subsequently transferred from fair value reserve to retained earnings upon disposal of the investments.

Management determines the appropriate classification of the investments and re-evaluates such classification on a regular basis.

Fair value is determined as follows:

(i) Listed/DEM investments

Listed and DEM shares are valued at the market prices prevailing at reporting date or according to the trading session immediately preceding the reporting date.

(ii) Unquoted investments

Unquoted investments are valued by the directors on the basis of the average earnings per share of the companies concerned over the last two years and the average price earnings ratios of similar companies listed on the stock market, after applying a discounting factor of 25-30% for their restricted marketability.

(iii) Overseas investments

Overseas investments are valued at their prevailing market prices at year end. Their market valuations are obtained from the investment managers' month-end valuation.

(c) Investment income

Dividend income

Dividends receivable are credited to profit or loss when the company's right to receive payment is established.

Interest income

Interest receivable are accounted for on a time basis using the effective interest method.

(d) Foreign currency transactions

Monetary assets and liabilities outstanding at year-end in foreign currencies are translated into Mauritian rupees at the closing rates of exchange. Revenue items denominated in foreign currencies are converted into rupee at the rates of exchange ruling at the date of the transaction. Exchange differences arising on the settlement and retranslation of monetary assets and liabilities are recognised in profit or loss in the period in which they arise. Non-monetary items carried out at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(e) Cash and cash equivalents

Cash comprises cash at bank and in hand, net of bank overdraft.

(f) Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Company has become party to the contractual provisions of the financial instruments.

The carrying amounts of the Company's financial instruments approximate their fair values. These instruments are measured as follows:

(i) Investments

Investments in equity securities are stated at fair value. The accounting policy for investment valuation is disclosed in note 3(b).

(ii) Accounts receivable

Trade and other receivables are stated at amortised cost. An allowance for doubtful debts is made based on a review of all outstanding amounts at the reporting date. Bad debts are written off during the period in which they are identified.

(iii) Cash and cash equivalents

Cash and cash equivalents are measured at fair value, based on the relevant mid exchange rates at the reporting date.

(iv) Accounts payable

Trade and other payables are stated at amortised cost.

(v) Loans at call

Loans at call are stated at amortised cost.

(g) Impairment

At reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount.

(h) Provisions

A provision is recognised when and only when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

(i) 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 decisions.

3. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(j) Deferred Tax

Deferred tax is provided on the comprehensive basis using the liability method.

Deferred tax liabilities are recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

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

(k) Stated Capital

Stated capital classified as equity consists of ordinary shares.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Unquoted Investments

The company may, from time to time, hold investments that are not quoted on active markets. Fair values of such investments are determined by the directors on the basis detailed under 3(b)(ii). Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

5. INVESTMENTS

Fair value through profit or loss

	Listed			2014 Total Rs'000	2013 Total Rs'000
	Official Market Rs'000	Development and Enterprises Market (DEM) Rs'000	Unquoted Rs'000		
Local investments					
Valuation at beginning of year	707,132	594,234	213,519	1,514,885	1,315,651
Additions	95,210	48,886	465	144,561	164,189
Disposals	(127,866)	(87,550)	(123)	(215,539)	(186,666)
Transfer	12,297	(4,282)	(8,015)	-	-
	686,773	551,288	205,846	1,443,907	1,293,174
Movement in fair value at end of year	83,136	(49,625)	(32,102)	1,409	221,711
Valuation at end of year	769,909	501,663	173,744	1,445,316	1,514,885
Overseas investments					
Valuation at beginning of year				154,421	137,301
Additions				2,212	151
Disposals				(2,201)	(320)
				154,432	137,132
Movement in fair value at end of year				17,673	17,289
Valuation at end of year				172,105	154,421
Total investments				1,617,421	1,669,306

5. INVESTMENTS (continued)

- (a) The revaluation of the local and overseas investments, on the basis set out in note 3(b), resulted in a net surplus of Rs19.1M (2013: Surplus of Rs239.0 M) which was credited to profit or loss and subsequently transferred to the fair value reserve.
- (b) The net proceeds on disposals of local and overseas investments amounted to Rs274.3M (2013: Rs 190.3M).
- (c) Substantial holdings

Holdings in excess of 10% in nominal value of the issued class of shares:

Name	Category	Class of shares	2014 % Held	2013 % Held
Sud Concassage Ltd	Unquoted	Ordinary	10.0	10.0
La Sablonière Ltd	Unquoted	Participating Preference	11.8	11.8
ENL Ltd – (P)	Listed – DEM	Preference	12.7	12.7

6. LOANS RECEIVABLE AT CALL

	2014 Rs'000	2013 Rs'000
At beginning of year	140,500	188,430
Additions	71,500	110,580
Refunded	(112,000)	(141,610)
Transfer to related parties - current account loan	-	(16,900)
At end of year	100,000	140,500

The loans receivable at call carry average interest of 8.63% (2013 : 7.59%). Included in the above is an amount Rs 62.5M (2013: Rs 67.5M) which is secured on personal guarantee of the directors of the borrowing companies. The rest is secured on corporate guarantee.

7. ACCOUNTS RECEIVABLE

	2014 Rs'000	2013 Rs'000
Trade receivables	22,828	17,089
Interest receivable	2,633	1,915
Prepayments	116	34
Total amount due by related parties	48,528	15,315
	74,105	34,353

Trade receivables represent dividends receivable from Official Market and DEM companies which are accrued on the basis of the dates of dividend declaration and amount receivable from sales of local investments. At 30 June 2014, no trade receivable was impaired. The amount due by related parties is repayable on demand.

8. STATED CAPITAL

	2014 Rs'000	2013 Rs'000
<u>Issued share capital</u>		
423,387,518 Shares of no par value	423,388	423,388

Ordinary shares are not redeemable, carry voting rights, and carry entitlement to dividends or distributions and on winding up to any surplus assets of the Company.

9. LOANS PAYABLE AT CALL

The loans carry average interest 5.04% (2013: 5.60%) p.a., are unsecured and are repayable at call.

10. ACCOUNTS PAYABLE

	2014 Rs'000	2013 Rs'000
Trade payables	391	347
Accrued expenses	11,926	14,313
	12,317	14,660

The average credit period on purchases is 60 days and no interest is charged on trade payables. The company has policies in place to ensure that all payables are paid within the credit timeframe.

11. TAXATION

(i) **Income tax**

Income tax is calculated at the rate of 15% (2013: 15%) on the profit for the year as adjusted for income tax purposes.

	2014 Rs'000	2013 Rs'000
Income Tax Expense		
Provision for the year	1,417	1,495
Under/(over) provision in previous year	701	(154)
	2,118	1,341
Foreign tax on investment income	-	5
Income tax expense	2,118	1,346
Balance at beginning of year	612	1,089
Less: Income tax paid	(1,313)	(935)
Under/(over)provision in prior year	701	(154)
	-	-
Current tax liabilities	1,417	1,495
Less: Tax paid under APS	(520)	(883)
As per statement of financial position	897	612

11. TAXATION (continued)

(ii) Tax reconciliation

	2014 Rs'000	2013 Rs'000
Profit before tax	99,825	358,873
Tax at 15%	14,974	53,831
Tax effect of:		
- Exempt income	(15,193)	(55,013)
- Non-allowable expenses	1,636	2,677
	1,417	1,495
- Under/(over) provision of tax in prior year	701	(154)
	2,118	1,346
	2014 %	2013 %
Applicable tax rate	15.00	15.00
Tax effect of:		
- Exempt income	(15.22)	(15.30)
- Non-allowable expenses	1.64	0.71
	1.42	0.41
- Under/(over) provision of tax in prior year	0.7	(0.04)
	2.12	0.37

12. DIVIDENDS

	2014 Rs'000	2013 Rs'000
Dividend paid		
Final dividend of Re 0.17 per share in respect of year ended 30 June 2013 paid in September 2013 (2012: Re 0.17).	71,976	71,976
Interim dividend of Re 0.14 per share in respect of year ended 30 June 2014 paid in March 2014 (2013: Re 0.14).	59,274	59,274
	131,250	131,250
Dividend proposed		
Final dividend proposed in June 2014 of Re 0.18 per share in respect of year ended 30 June 2014, payable in September 2014 (2013: Re 0.17).	76,210	71,976

13. NET ASSET VALUE PER SHARE

Net asset value per share (NAV) is based on the net assets of Rs1,693M (2013: Rs 1,731M) and on 423,387,518 ordinary shares in issue throughout the year ended 30 June 2014 and 2013.

14. INVESTMENT INCOME

	2014 Rs'000	2013 Rs'000
Income from investments:		
Local - Listed - Official Market	19,266	16,175
- Listed - DEM	23,811	95,001
- Unquoted	5,159	13,251
	48,236	124,427
Overseas	128	78
	48,364	124,505

15. MANAGEMENT FEES

Expenses do not include any staff costs as the Company had no employees during the two years ended 30 June 2014.

16. EARNINGS PER SHARE

- (a) Earnings per share is based on the profit for the year of Rs 115.7M (2013: Rs 357.6M) and on 423,387,518 ordinary shares in issue throughout the year ended 30 June 2014 and 2013.
- (b) Earnings per share excluding surplus on revaluation of investments is based on the profit after taxation less surplus on revaluation of investments of Rs 19.1M (2013: Rs 239M) and on 423,387,518 ordinary shares in issue throughout the year ended 30 June 2014 and 2013.

17. RELATED PARTY TRANSACTIONS

During the year, the Company had the following transactions/balances receivable from and payable to related parties.

Names of companies	Relationship	Nature of transactions	Volume of transactions		30 June Receivable/Payable	
			2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
GFMS	CIS Manager	- Short Term Financing	2,309	(12,935)	9,074	6,765
		- Interest	725	697	1,540	815
		- Management Fees	14,062	14,699	(3,421)	(8,872)
		- Share of Office Expenses under common Management	1,227	1,381	(329)	(1,502)
				6,864	(2,794)	
GFL	Related Party	Short term Financing	21,544	(39,780)	37,294	15,750
		Interest	2,011	1,815	4,370	2,359
				41,664	18,109	
				48,528	15,315	

Compensation paid to key management personnel for the year amounted to Rs 1,138,000 (2013: Rs 1,257,000).

18. (LOSS)/GAIN ON EXCHANGE

	2014 Rs'000	2013 Rs'000
(Loss)/Gain on exchange arising on: Cash and cash equivalents	(405)	654

19. FINANCIAL INSTRUMENTS

Capital risk management

The Company's objectives when managing capital are:

To safeguard entity ability as a going concern so that they can continue to provide returns for shareholders and benefits of other stakeholders;

To secure a good dividend yield as well as long term capital appreciation.

The Company manages its capital structure and make such adjustments that are required in light of changes in economic conditions. The Board meets on a quarterly basis to monitor the operations of the Company so as to ensure that it is able to continue as a going concern, while maximising returns to shareholders.

Capital risk management

The Company monitors capital using gearing ratio, which is net debt divided by total equity. The strategy is to maintain the debt-to-adjusted capital ratio at a low level, in order to secure finance at the most competitive rates. The net debt consists of interest-bearing loans and borrowing, less cash at bank and in hand, and equity is made up of all components of share capital and reserves as disclosed in the Statement of Financial Position.

	2014 Rs'000	2013 Rs'000
Interest-bearing loans	24,000	39,000
Bank overdraft	282	-
	24,282	39,000
Less cash in hand and bank balances	(15,561)	(13,247)
Net debt	8,721	25,753
Total equity	1,693,381	1,731,158
Gearing ratio	0.5%	1.5%

The Company had no capital commitments at 30 June 2014.

19. FINANCIAL INSTRUMENTS (continued)

Significant accounting policies (continued)

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Fair values

Except as stated elsewhere, the carrying amounts of financial assets and liabilities approximate their fair values due to the short term nature of the balances involved.

Fair value measurements

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets are determined as follows:

The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The unquoted financial assets have been valued at on the basis of accounting policy 3(b)(ii).

Fair value of Company's financial assets that are measured at fair value on a recurring basis

Fair values hierarchy

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

	30 June 2014			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
<i>Financial assets designated at FVTPL</i>				
Quoted equities				
- Official Market	769,909	-	-	769,909
- Development and Enterprise Market	501,663	-	-	501,663
- Overseas Markets	172,105	-	-	172,105
Unquoted equities	-	113,984	59,760	173,744
Total	1,443,677	113,984	59,760	1,617,421

19. FINANCIAL INSTRUMENTS (continued)

Fair value of Company's financial assets that are measured at fair value on a recurring basis

Fair values hierarchy

	30 June 2013			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
<i>Financial assets designated at FVTPL</i>				
Quoted equities				
- Official Market	707,132	-	-	707,132
- Development and Enterprise Market	594,234	-	-	594,234
- Overseas Markets	154,421	-	-	154,421
Unquoted equities	-	125,486	88,033	213,519
Total	1,455,787	125,486	88,033	1,669,306

Reconciliation of Level 3 fair value measurements

Sector	30 June 2014					
	At 01 July Rs'000	Additions Rs'000	Disposals Rs'000	Transfers Rs'000	Fair value gain/(loss) Rs'000	At 30 June Rs'000
Commerce	312	-	-	-	(42)	270
Consumer discretionary	41,313	-	-	-	(16,220)	25,093
Financial Services	465	-	(123)	-	(119)	223
Hospitality	2,540	-	-	-	(1,037)	1,503
Investment	1,470	-	-	-	1	1,471
Investment property	9,766	-	-	(8,015)	(141)	1,610
Manufacturing	18,118	-	-	-	(237)	17,881
Retail	14,049	-	-	-	(2,340)	11,709
Total	88,033	-	(123)	(8,015)	(20,135)	59,760

Sector	30 June 2013					
	At 01 July Rs'000	Additions Rs'000	Disposals Rs'000	Transfers Rs'000	Fair value gain/(loss) Rs'000	At 30 June Rs'000
Commerce	356	-	-	-	(44)	312
Consumer discretionary	20,559	-	-	-	20,754	41,313
Financial Services	2,524	-	-	-	(2,059)	465
Hospitality	2,602	-	-	-	(62)	2,540
Investment	20,265	-	(18,796)	-	1	1,470
Investment property	1,760	7,955	-	-	50	9,765
Manufacturing	15,083	-	-	-	3,036	18,119
Retail	9,550	-	-	-	4,499	14,049
Total	72,700	7,955	(18,796)	-	26,175	88,033

19. FINANCIAL INSTRUMENTS (continued)

Reconciliation of Level 3 fair value measurements (continued)

An amount of Rs 8,000,000 was transferred from Level 3 to Level 1, further to the listing of BlueLife Limited on the official market for the year ended 30 June 2014. (2013: There was no transfer to/ (from) Level 3). Moreover, there were no transfers between level 1 and 2.

Financial assets designated at FVTPL that are measured at fair value on a recurring basis

The following table gives information about how the fair value of financial assets under level 3 are determined and inputs used.

Sector of activity	Valuation technique/ model	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Financial services	- Adjusted net asset method - P/E multiples	Growth rate	A higher/lower growth rate will lead to an increase/decrease fair value
Consumer discretionary	- Discounted P/E multiples	Demand for consumer goods	An increase/decrease in demand for goods and services will lead to an increase/decrease in fair value
Commerce	- Discounted P/E multiples	Freeport activity	A higher/lower growth in freeport activity will lead to an increase/decrease in fair value
Retail	- Adjusted net asset method - P/E multiples	Sale of goods and services	An increase/decrease in revenue from sale of goods and services will lead to an increase/decrease in fair value
Investment	- Adjusted net asset method - Dividend discount model	Yield on investments	A higher/lower yield on investments will lead to an increase/decrease in fair value
Manufacturing	- Adjusted net asset method - P/E multiples	Growth rate in construction and industrial sector	'A higher/lower growth in industrial and construction sector will lead to an increase/decrease in fair value
Investment property	- Adjusted net asset method	Rental income and yield on property funds	A higher/lower rental income and yield from property funds will lead to an increase/decrease in fair value
Hospitality	- Adjusted net asset method - P/E multiples	Tourist arrival and room occupancy	An increase/decrease in tourist arrival and room occupancy will lead to an increase/decrease in fair value

19. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments (continued)

	2014 Rs'000	2013 Rs'000
<i>Financial assets</i>		
Investments at fair value through profit or loss (FVTPL)	1,617,421	1,669,306
Loans receivable at call	100,000	140,500
Accounts receivable	73,989	34,319
Cash at bank	15,561	13,247
	1,806,971	1,857,372

Prepayments of Rs 116,502 (2013: Rs 34,585) have been excluded from Accounts receivable.

	2014 Rs'000	2013 Rs'000
<i>Financial Liabilities</i>		
Bank overdraft	282	-
Loans payable at call	24,000	39,000
Accounts payable	12,317	14,660
Proposed dividend	76,210	71,976
	112,809	125,636

Financial risk management objectives

The Company holds both domestic and overseas investments and manages the financial risks relating to its operations by monitoring the risks and implementing policies to mitigate these risk exposures. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

The Company undertakes certain transactions denominated in foreign currencies. Consequently, the company is exposed to the risk that the carrying amounts of financial assets and liabilities denominated in foreign currencies may change due to fluctuations in foreign exchange rates. Foreign currency trends are monitored by management on a regular basis.

The currency profile of the Company's financial assets and financial liabilities at 30 June is:

Currency	2014		2013	
	Financial Assets Rs'000	Financial Liabilities Rs'000	Financial Assets Rs'000	Financial Liabilities Rs'000
MUR	1,621,998	112,809	1,689,881	125,636
USD	144,561	-	130,180	-
EURO	40,313	-	37,210	-
ZAR	99	-	101	-
	1,806,971	112,809	1,857,372	125,636

19. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

The Company is exposed to the USD, EURO and ZAR.

The following table details the company's sensitivity to a 10% movement in the Mauritian Rupee against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. A negative number below indicates a decrease in profit and equity where the Mauritian Rupee strengthens 10% against the relevant foreign currencies. For a 10% weakening of the Mauritian Rupee against the relevant foreign currencies, there would be an equal and opposite impact on the profit and equity and the balance below would be negative.

	USD Impact	
	2014 Rs'000	2013 Rs'000
Impact on profit	(14,456)	(13,018)
Impact on equity	(14,456)	(13,018)

	EURO Impact	
	2014 Rs'000	2013 Rs'000
Impact on profit	(4,031)	(3,721)
Impact on equity	(4,031)	(3,721)

	ZAR Impact	
	2014 Rs'000	2013 Rs'000
Impact on profit	(10)	(10)
Impact on equity	(10)	(10)

USD and EURO Impact

This is mainly attributable to the foreign currency exposure on both bank and investment balances.

ZAR Impact

This is mainly attributable to the foreign currency exposure on investments held at year-end.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company.

Wherever possible, credit risks are secured by guarantees.

The Company does not have significant concentration of credit risk which is attributable to its trade receivables. Trade receivables consist mainly of dividend receivable from a large number of investee companies spread across diverse industries.

19. FINANCIAL INSTRUMENTS (continued)

Interest rate risk management

The Company is exposed to interest rate risk on short term loan facility at floating interest rates. The risk is managed by the company by providing floating rate loans against market average PLR.

The interest rate profile of the Company's financial assets and financial liabilities as at 30 June was:

	2014 % p.a.	2013 % p.a.
<i>Financial assets</i>		
Cash at bank	3.15	3.25
Loans receivable at call	8.63	7.59
<i>Financial liabilities</i>		
Loans payable at call	5.04	5.60

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non derivative instruments at the reporting date. The analysis is prepared assuming the amount of these non derivative instruments at the end of the reporting date was outstanding for the whole year. A 200 basis points increase or decrease is used and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 200 basis points higher and all other variables were held constant, the Company's results would be increased as follows:

	2014 Rs'000	2013 Rs'000
Impact on profit	2,753	2,745

Had the interest rates been 200 basis points lower and all other variables were held constant, there would be an equal and opposite impact on profit.

Equity price risks

The Company is exposed to equity price risks arising from equity investments.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 5% higher/lower:

Profit and equity would increase/decrease by Rs 72.1M (2013: Rs 72.8M) as a result of the changes in fair value of the equity investments.

19. FINANCIAL INSTRUMENTS (continued)

Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows.

Liquidity and interest risk tables

The Company's remaining contractual maturity for its non-derivative financial assets and liabilities are detailed below.

2014

	rate % p.a.	At call Rs'000	Less than 1 month Rs'000	1-3 months Rs'000	3 months to 1 year Rs'000	More than 1 year Rs'000	Total Rs'000
<i>Financial assets</i>							
Non interest bearing		-	21,667	2,647	3,307	1,617,421	1,645,042
<i>Variable interest rate instruments:</i>							
Accounts receivable		-	-	-	46,368	-	46,368
Loans receivable at call	8.63	100,000	-	-	-	-	100,000
Cash at bank		15,561	-	-	-	-	15,561
		115,561	21,667	2,647	49,675	1,617,421	1,806,971
<i>Financial Liabilities</i>							
Non Interest bearing		-	391	76,210	11,926	-	88,527
<i>Variable interest rate instruments:</i>							
Loans payable at call	5.04	5,000	10,000	-	9,000	-	24,000
Bank overdraft		282	-	-	-	-	282
		5,282	10,391	76,210	20,926	-	112,809

2013

	rate % p.a.	At call Rs'000	Less than 1 month Rs'000	1-3 months Rs'000	3 months to 1 year Rs'000	More than 1 year Rs'000	Total Rs'000
<i>Financial assets</i>							
Non interest bearing		-	253	1,948	32,118	1,669,306	1,703,625
<i>Variable interest rate instruments:</i>							
Loans receivable at call	7.59	140,500	-	-	-	-	140,500
Cash at bank		13,247	-	-	-	-	13,247
		153,747	253	1,948	32,118	1,669,306	1,857,372
<i>Financial Liabilities</i>							
Non Interest bearing		-	347	71,976	14,313	-	86,636
<i>Variable interest rate instruments:</i>							
Loan payable at call	5.60	-	-	-	39,000	-	39,000
		-	347	71,976	53,313	-	125,636

20. FINANCIAL SUMMARY

	2014 Rs'000	2013 Rs'000
Statement of financial position		
Stated capital	423,388	423,388
Fair value reserve	681,563	734,805
Surplus on realisation of investments	442,661	394,520
Retained surplus	145,769	178,445
Non-current assets	1,617,421	1,669,306
Current assets	189,666	188,100
Current liabilities	113,706	126,248
Statement of comprehensive income		
Dividend Income	48,364	124,505
Profit before taxation	99,825	358,873
Profit for the year	99,707	357,527
Dividends paid	131,250	131,250

I/We

of

being a shareholder/s of The Mauritius Development Investment Trust Co Ltd, do hereby appoint Mr/Ms

of

or failing him/her Mr/Ms

of

or failing him/her the Chairperson of the meeting as my/our proxy to vote for me/us at the meeting of the Company to be held on 22 December 2014 and at any adjournment thereof.

I/We desire my/our votes to be cast on the Resolutions as follows:

<i>Mark with X where applicable</i>		FOR	AGAINST	ABSTAIN
1	To consider and approve the Annual Report including the audited financial statements for the year ended 30 June 2014.			
2	To re-appoint as director Mrs Catherine Ahnee-Gouérec			
3	To re-appoint as director Mrs Aruna Collendavelloo			
4	To re-appoint as director Mr Christian Foo Kune			
5	To re-appoint as director Mr Tahen Kumar Servansingh			
7	To ratify the payment of the dividends with respect to the year ended 30 June 2014.			
8	To fix the directors' fees for the year ending 30 June 2015.			
9	To re-appoint Deloitte as auditors under section 200 of the Companies Act 2001 and to authorise the directors to fix their remuneration.			

Signed this _____ day of _____ 2014

Signature _____

A member may appoint a proxy to attend, speak and vote in his/her stead. The proxy need not be a member of the Company but the proxy forms should be forwarded to reach the Company's registered office, 7th Floor, Newton Tower, Sir William Newton Street, Port-Louis not less than twenty four hours before the time for holding the meeting.



