

**EKADA INDIA FOCUS FUND  
AUDITED ANNUAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2023**

**EKADA INDIA FOCUS FUND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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**EKADA INDIA FOCUS FUND  
CORPORATE DATA**


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		<b>Date appointed</b>	<b>Date resigned</b>
<b>DIRECTORS</b>	Lina How Ah Chong	16 April 2015	-
	Gunesh Beegadhur	10 May 2018	-
	Murvyn Kumar Mungur	16 May 2019	-
	Robert Chowvee Ip Min Wan	27 June 2019	-
	Eric Jean Auguste Gilles Ambroise	02 September 2020	02 May 2022
	Cédric Béguier	29 April 2022	26 July 2023
	Shahannah Bibi Abdoolakhan	23 August 2022	-
<b>SECRETARY</b>	DTOS Ltd 10 <sup>th</sup> floor, Standard Chartered Tower 19, Cybercity, Ebène Republic of Mauritius		
<b>REGISTERED OFFICE</b>	C/o DTOS Ltd 10 <sup>th</sup> floor, Standard Chartered Tower 19, Cybercity, Ebène Republic of Mauritius		
<b>FUND MANAGER</b>	EKADA Capital Ltd IFC4 Building 10 Dr. Ferrière Street Port Louis, Republic of Mauritius		
<b>INVESTMENT ADVISOR</b>	Motilal Oswal Financial Services Limited Motilal Oswal Tower, 6 <sup>th</sup> Floor Junction of Gokhale & Sayani Road Behind Parel ST Depot, Prabhadevi Mumbai – 400 025, India		
<b>CUSTODIAN</b>	ICICI Bank Ltd Securities Market Services 1 <sup>st</sup> Floor, Empire Complex, Senapati, Bapat Marg Lower Parel (West) Mumbai 400 013, India		
<b>AUDITOR</b>	Ernst & Young 6 <sup>th</sup> Floor, IconEbene Rue De L'institut, Ebène Republic of Mauritius		
<b>BANKER</b>	AfrAsia Bank Limited 4 <sup>th</sup> Floor, NeXTeracom Tower III Cybercity, Ebène Republic of Mauritius		

**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023  
CORPORATE GOVERNANCE REPORT**

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**Principle 1: Governance Structure**

**Nature of Business**

Ekada India Focus Fund ("The Fund") operates as an Open-ended fund and a Collective Investment Scheme (CIS) under Section 97 of the Securities Act 2005 and its Redeemable participating shares are listed on the Stock Exchange of Mauritius. The Fund has changed its name to EKADA India Focus Fund as evidenced by a certificate issued by the Registrar of Companies on 10 August 2021.

The investment objective of the Fund is to generate capital appreciation by investing primarily into an actively managed portfolio of equity across all market capitalisation, including small, mid and large cap stocks, equity related securities like convertible and non-convertible bonds/debentures of companies and fixed income securities available in the Indian capital markets.

**Compliance Statement**

The Fund is committed to the highest standard in terms of integrity, transparency and professionalism in all its activities. This ensures that the Fund is managed ethically and responsibly to enhance business value for all its stakeholders. As an essential part of this commitment, the Board subscribes to and is fully committed to complying with The National Code of Corporate Governance for Mauritius [2021] (the "Code of Corporate Governance"). The Board also assumes the responsibility for leading and controlling the organisation and meeting all legal and regulatory requirements.

Adherence to the Code of Corporate Governance is based on the 'apply and explain' principle. The Board of Directors has to the best of its knowledge complied with most of the main provisions of the Code of Corporate Governance throughout the reporting period. Areas of non-compliance have been highlighted in this report and reasons for non-compliance have been explained.

**Holding Structure**

The holding structure of the Fund is as follows:

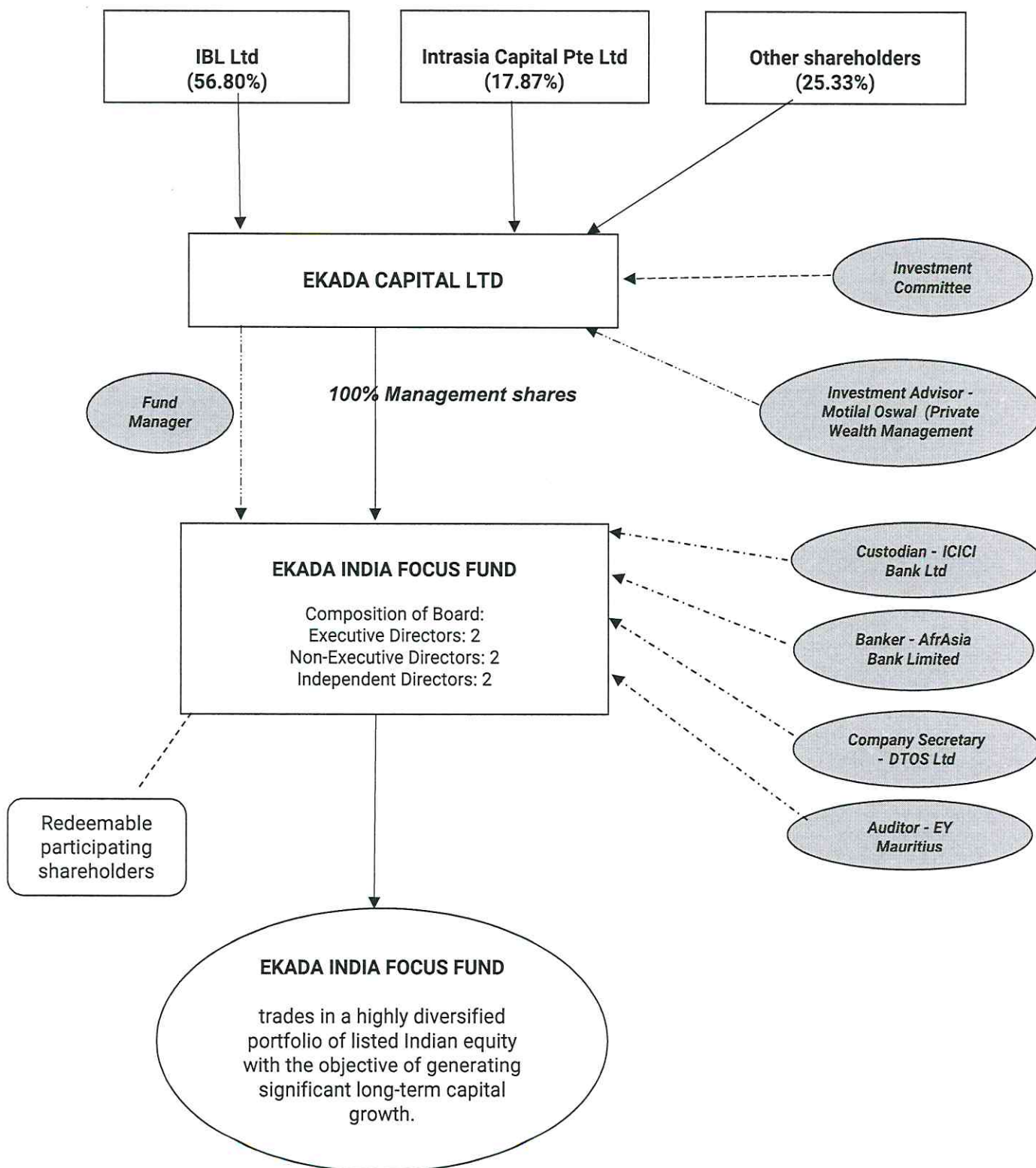
<b>Name</b>	<b>Resident of</b>	<b>Types of shares</b>	<b>Percentage holding</b>	<b>Number of shares</b>
EKADA Capital Ltd	Mauritius	Management Share	100%	1

The Board is responsible for directing the affairs of the Fund in the best interests of its shareholders, in conformity with legal and regulatory frameworks, and consistent with its constitution and best governance practices.

**EKADA INDIA FOCUS FUND  
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CORPORATE GOVERNANCE REPORT**

**Principle 1: Governance Structure (continued)**

**Organisational and Structure chart as at 30 June 2023**



**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023  
CORPORATE GOVERNANCE REPORT**

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**Principle 1: Governance Structure (continued)**

**Key Stakeholders**

The key stakeholders are as follows:

- EKADA Capital Ltd (Management Shareholder and Fund Manager)
- Redeemable Participating Shareholders (Retail Class Holders)
- Afrasia Bank Limited (“ABL”) – Banker
- ICICI Bank Limited– Banker / Custodian
- Motilal Oswal Wealth Management – Investment Advisor
- DTOS Ltd (“Administrator”)
- Financial Services Commission (“FSC”) Regulatory Body
- Securities and Exchange Board of India (“SEBI”) Regulatory Body
- Stock Exchange of Mauritius (“SEM”) Regulatory Body
- Employees of DTOS Ltd and EKADA Capital Ltd

**Responsiveness to shareholder and stakeholder concerns**

The Board of Directors places great importance on open and transparent communication with its shareholders. The Fund communicates to its shareholders through its annual report and regular correspondences as well as updates between the Fund and the shareholders and/or its representatives. Any material event affecting the Fund is conveyed to the shareholders.

The Fund engages with its stakeholders (other than the shareholder) through meetings, seminars and regular exchange of correspondences between the stakeholders and the Fund Manager.

The Board is apprised of the shareholders’ and other stakeholders’ opinions as and when required. The views of the Management Shareholder are also taken into consideration for the Fund’s strategy and governance discussions.

The Fund does not have a dedicated website, given the scope of its services. The Listing Particulars along with regular updates of the Fund are published on the website of EKADA Capital Ltd.

**Principle 2: The Structure of the Board and its Committee**

**Role and function of the Chairperson and Chief Executive Officer**

The Board of Directors does not deem it necessary to permanently appoint a Chairperson given that the Board elects a Chairperson from among its members at each board meeting of the Fund. The Board Charter of the Fund does not provide for the appointment of a Chief Executive Officer.

**The Board of Directors**

**Role and Function of the Board**

The Board is the link between shareholders and the Fund. As such, the Fund is headed by an effective Board which can both lead and control the Fund. The Board is the focal point of the corporate governance system and is ultimately accountable and responsible for the performance and affairs of the Fund.

The Board has approved the following key governance documents:

- Board Charter. The Board Charter will be reassessed in the next financial year by the Board of Directors.
- Code of Ethics
- Statement of Accountabilities

The Board regularly monitors and evaluates compliance with its Code of Ethics.

**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023  
CORPORATE GOVERNANCE REPORT (CONTINUED)**

**Principle 2: The Structure of the Board and its Committee (continued)**

**Composition of the Board**

The Board has a unitary structure and is composed of directors coming from different sectors. Every director has drawn from his professional background and expertise in positively contributing to the Board's activities. The Board is currently made up of six directors (two females and four males) at 30 June 2023, out of which two independent directors.

The Board members are as follows:

<b>Director Name</b>	<b>Resident or non-resident</b>	<b>Appointment Date</b>
Ms. Lina How Ah Chong (Non-Executive Director)	Resident	16 April 2015
Mr. Gunesh Beegadhur (Non-Executive Director)	Resident	10 May 2018
Mr. Robert Chowvee Ip Min Wan (Non-Executive, Independent Director)	Resident	27 June 2019
Ms. Shahannah Bibi Abdoolakhan (Non-Executive, Independent Director)	Resident	23 August 2022
Mr. Murvyn Kumar Mungur (Executive Director)	Resident	16 May 2019
Mr. Cédric Béguier (Executive Director)	Resident	29 April 2022 (Date resigned: 26 July 2023)

**Changes during the year under review**

Mr. Cédric Béguier has resigned on 26 July 2023.

**The Directors' Profile**

**Lina How Ah Chong**  
*Non-Executive Director*

Lina joined DTOS in 2000 and was appointed as Senior Manager in 2010. She holds a BCOM from Deakin University, Australia and an MBA from a joint programme of La Trobe University and the Association of Professional Engineers, Scientists & Managers, Australia. Lina is also a member of the Society of Trust and Estate Practitioners and has 20 years of experience in structuring, managing and administering global business companies in Mauritius. Lina currently heads the Fund Services division of DTOS and serves on the board of several companies.

***Directorship in other listed companies***

None

**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023  
CORPORATE GOVERNANCE REPORT (CONTINUED)**

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**Principle 2: The Structure of the Board and its Committee (continued)**

**The Directors' Profile (Continued)**

**Gunesh Beegadhur**

*Non-Executive Director*

Gunesh is currently manager at DTOS Ltd and has over 15 years' experience in Fund services. He has been involved in the structuring of large private equity funds, asset management companies and other prestigious institutions. He has good experience in the calculation of NAV on fund accounting software. Gunesh holds a B.S.C in Management with specialisation in Accounting and Finance from the University of Mauritius and is a Fellow of the Association of Chartered Certified Accountants.

*Directorship in other listed companies*

None

**Robert Chowvee Ip Min Wan**

*Non-Executive, Independent Director*

Mr. Ip Min Wan was appointed as Independent Non-Executive Director on 13 June 2008. Robert is a Fellow of the Institute of Chartered Accountants in England & Wales. He graduated with a B. Com Hons from the University of Edinburgh in 1999. For the next eight years, he trained and worked with Deloitte (London) where he acquired, as senior manager, an extensive knowledge of financial services with a focus on banking. Since 2008, he has been managing his distribution business in Mauritius.

*Directorship in other listed companies:*

None

**Shahannah Bibi Abdoolakhan**

*Non-Executive, Independent Director*

Shahannah is a Senior Business Leader, Independent Director/NED and AML-CFT Compliance Specialist, expert in guiding the implementation of governance, risk and compliance (GRC) structures for Financial Services and DNFNBP sectors. She acts as Independent Director and Chair of Audit & Risk Committee at Eagle Insurance Ltd. She is also the Founder and CEO of Abler Group which is an innovator in compliance and digital fields through Abler Consulting Ltd and Abler Digital Ltd operating mainly in the Mauritian, Middle East, African and European markets.

From year 2017 to date: Executive director at Abler Consulting.

From year 2021 to date: Independent director at Global Market Dynamic Ltd.

From year 2021 to date: Audit & Risk Committee Member at IPRO Funds Ltd.

Her education, qualifications and professional memberships are as follow: GCC Board of Directors Institute (Dubai), Member (2020), FICA Fellow since 2020, MBA in General MBA Oxford Brookes University (2016), MIOD (2014), IFQ (2011) and FCCA Fellow (2005).

Publication: Contribute to several articles and media interviews focused on AML-CFT compliance.

Awards: Africa's Women Leader (2017) by CMO Asia; Regional Winner in the Financial Services Sector.

*Directorship in other listed companies*

Phoenix Investment Company Limited (Independent Director)



**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023  
CORPORATE GOVERNANCE REPORT (CONTINUED)**

**Principle 2: The Structure of the Board and its Committee (continued)**

**The Directors' Profile (Continued)**

**Murvyn Kumar Mungur**

*Executive Director*

Murvyn has more than 15 years of experience in the local financial services industry. He started his career at SBMMAM, the asset management arm of SBM Group where he was part of the portfolio management team for clients which included high net worth individuals, corporates, pension funds, and collective investment schemes. After almost 5 years, he took the challenge of setting up the investment desk in the Private Banking & Wealth Management team at Bank One Ltd as Portfolio Manager. He was later promoted to Relationship Manager in the same team to make the most of his knowledge of Bank of Mauritius credit requirements/guidelines whilst running the bank's global custody business. Since 2017, Murvyn has joined the team of EKADA Capital, formerly AfrAsia Capital Management Ltd, where he has been looking after the company's clients under its CIS Manager license. Murvyn holds an undergraduate from the University of Cape Town

*Directorship in other listed companies*

None

**Cédric Béguier**

*Executive Director*

Cédric holds a licence degree in business and customer relationship. He has more than 10 years of experience in the financial sector specifically in the sales and marketing of a wide range of financial solutions. Over the last 7 years, he has been active in an international financial environment covering different markets. Currently, he is the Head of Research and Portfolio Management International at EKADA Capital Ltd. Previously, Cédric was the Head of Sales & Marketing – Africa at Ls Advisors Ltd and was in charge of the business development on the Sub-Saharan African market and in the Indian ocean where he led a team of 9 persons, based in Paris, Geneva and Mauritius.

*Directorship in other listed companies*

None

**Attendance records of the Directors at Board meeting**

For each Board meeting, the Company Secretary takes attendance of the Board members and verify that a quorum is present being three directors present as per section 36(d) of the Fund's constitution. During the financial year ended 30 June 2023, five Board meetings were held and the attendance records were as follows:

<b>Board Members</b>	<b>Board meetings attended</b>
Lina How Ah Chong	4/5
Gunesh Beegadhur	5/5
Robert Chowvee Ip Min Wan	5/5
Shahannah Bibi Abdoolakhan	5/5
Mungur Murvyn Kumar	4/5
Cédric Béguier	4/5

Decisions of the Board were also taken by way of resolution in writing, assented and signed by all directors.

Further, the Fund ensures sufficient notice period is given to the Board members prior to a meeting.

**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023  
CORPORATE GOVERNANCE REPORT (CONTINUED)**

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**Principle 3: Director Appointment Procedures**

**Role and Function of the Company Secretary**

The Company Secretary for the Fund is DTOS Ltd. The Fund has appointed DTOS Ltd as Company Secretary to carry out the general secretarial services of the Fund in Mauritius under the terms and conditions of an agreement between the Company Secretary and the Fund. Under the said agreement, the Company Secretary will monitor the anti-money laundering and regulatory compliance programs of the Fund; monitor the Fund's compliance with international standards of good corporate governance; carry out the general administration of the Fund.

**Constitution**

The Constitution of the Fund was adopted on 7 July 2010 and replaced by a new one on 26 October 2015. It is in line with the Companies Act 2001.

**Board Committees**

The current activities of the Fund are sufficiently managed by the main Board. The Board has considered the creation of further Board Committees but does not find it necessary at this time given the size and business nature of the Fund. It uses some of EKADA Capital Ltd's committees for its purpose e.g. the Investment Committee. The need for Board sub-Committees including audit committee will be assessed on a continuous basis by the Board and will be implemented if needed.

During the financial year ended 30 June 2023, 14 Investment Committee meetings were held and the attendance record of some members were as follows:

<b>Committee Members</b>	<b>Attendance</b>
Head of Research & Portfolio Management - International (Chairman)	14/14
Senior representative of the CIS Manager License	12/14

**Appointment of Directors, Training and Development**

The Board has the 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. However, the Board has not developed a succession plan for Board members.

The Board assumes the responsibilities for induction of new directors to the Board. Though the Board does not organise or enroll its members on specific training session, it encourages all its existing and new members to keep on enhancing their knowledge and competencies.

**Principle 4: Director Duties, Remuneration and Performance**

**Directors' Duties**

The Directors are aware of their legal duties. All Directors on the Board are fully apprised of their fiduciary duties at the time of their appointment.

**Board Evaluation and Director Appraisal**

Even though it is a requirement of the Code of Corporate Governance that the performance of a Board and its Directors be monitored and evaluated annually, such an exercise has not been conducted as of date by the Fund. However, a Board and Director Appraisal exercise would be conducted if the need arises in the future and if required, an independent board evaluator may be appointed.

**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023  
CORPORATE GOVERNANCE REPORT (CONTINUED)**

**Principle 4: Director Duties, Remuneration and Performance (continued)**

**Conflicts of interest**

In accordance with the Companies Act 2001, written records of any interests in the shares of the Fund which would be held by the officers, directors and their related parties are kept in a register of interests. As soon as a director becomes aware that they are interested in a transaction or that their holdings or their associates' holdings have changed, the interest must be reported to the Fund in writing. The register of interests is updated on a continuous basis with any subsequent transactions entered into by the directors and persons closely associated with them.

The members of the Board do not hold any personal interest as regard to the shareholding and/or business transactions of the Fund.

The Directors always manage the conflict between their management responsibilities and fiduciary duties as a director in the best interest of the Fund.

The register of interests is maintained by the Company Secretary and available to the shareholder upon written request being made to the Company Secretary.

**Information, Information Technology and Information security governance**

Information security is a key component of the Fund's overall information security management framework and reflects management intents on information security commitments. The Fund gives high importance in safeguarding data and preserving confidentiality, integrity and availability.

The Fund has outsourced its administration, secretarial, compliance and registrar functions to DTOS Ltd and its investment management function to EKADA Capital Ltd. Hence, the Fund is governed by the Information, Information Technology and Information security policy of DTOS Ltd and EKADA Capital Ltd. DTOS Ltd and EKADA Capital Ltd have developed a comprehensive Information, Information Technology and Information security policy which contain appropriate clauses on restrictions placed over rights to information.

The Fund also adheres to DTOS Ltd's data protection clause in its internal procedures manual which is in accordance with applicable data protection laws. With its secured office premises, restricted access and security protocols being applied in relation to the safeguarding of its own and client records, DTOS Ltd is well equipped and has consequently been authorised to operate as a Data Controller and Processor by the Data Protection Office of Mauritius.

The policies of DTOS Ltd are documented in the Administration, Registrar Compliance and Secretary Agreement dated 18 May 2023 and AML/CFT Policies and Procedures Manual of the Fund.

**The Investment Committee**

An Investment Committee has been set up at the level of EKADA Capital Ltd (the Fund Manager) to review and consider investment ideas, investment strategies, investment proposals, investment guidelines, monitor investment performance and any investment related matters, for and on behalf of the Board of Directors of the Fund.

The Fund Manager provides a market update on a quarterly basis to the Board of Directors of the Fund. The Investment Committee of EKADA Capital Ltd at 30 June 2023 was composed of key personnel of the Fund Manager including the following:

<b>Title</b>	<b>Count</b>	<b>Function</b>
Head of Research & Portfolio Management - International	1	Chairman
Senior representative of the CIS Manager License	1	Member
Investment Manager	2	Members

**Transparency and disclosures from Board Committees to Board**

As representatives of the Board, currently one director of the Fund is present on the Investment Committee, where all important investment management matters are discussed.

**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023  
CORPORATE GOVERNANCE REPORT (CONTINUED)**

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**Principle 5: Risk Governance and Internal Control**

**Risk management, internal controls and internal audit**

The Board is ultimately responsible for the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Fund Manager and the Administrator, are responsible for the Fund's system of internal controls, which is designed to identify and manage risks and provide reasonable assurance against material misstatement and loss. The Fund maintains a system of financial control that is designed to provide assurance regarding the keeping of proper accounting records and the reliability of financial information used within the business and for publication.

The Fund being administered by DTOS Ltd, benefits from the internal control procedures defined and implemented at DTOS Ltd's level in accordance with the prevailing Anti-Money Laundering and Combatting the Financing of Terrorism (AML/CFT) norms.

The Fund has also appointed a Money Laundering Reporting Officer ("MLRO") and Deputy MLRO to whom all internal reports of suspicious transactions should be made. The MLRO will then have the responsibility of reporting such transactions on behalf of the Fund to the relevant authorities within a prescribed time frame. The Fund has not developed a whistle blowing procedure but abides to the Financial Services Commission's Code of Business Conduct.

**Internal audit**

Internal Audit is an element of the internal control framework established by management to examine, evaluate, and report on accounting and other controls over operations. Internal Audit assists management in the effective discharge of its responsibilities and functions by examining and evaluating controls.

At the level of the Fund, no internal audit function has been set up given its status as a collective investment scheme and since a sufficient degree of assurance is obtained on the effectiveness of internal controls, processes, and systems through the following sources:

- quarterly reports submitted by the Compliance and Money Laundering Reporting Officer to the Board,
- internal audits performed at the level of the service providers, namely DTOS and EKADA Capital Ltd;
- annual assessment by the external Auditor on the efficiency of internal financial controls and subsequent management letter to address any identified deficiencies.

Taking the above into consideration, the Board has not deemed the need to establish an internal audit function for the Fund as crucial. The requirement of an internal audit function will be continuously assessed and implemented by the Board if deemed necessary.

**Financial risk factors**

The financial risk factors have been set out in note 17 of these financial statements.

**Non-Financial risk factors**

*Political, Economic and Social Risks*

Political, Economic and Social Risks, changes in countries' laws, regulations and the status of those countries' relations with other countries may adversely affect the business of the Fund.

**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023  
CORPORATE GOVERNANCE REPORT (CONTINUED)**

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**Principle 5: Risk Governance and Internal Control (continued)**

*Compliance Risk*

Compliance Risk arises from failure or inability to comply with laws, regulations or codes applicable to the industry. Non-compliance can lead to fines, public reprimands and enforced suspension of operations or, in extreme cases suspension of license to operate.

The Board believes that none of the above risks acts as immediate threat to the Fund's business model, liquidity and solvency.

In line with the changes made to Financial Intelligence and Anti-Money Laundering Regulations 2018 ("FIAMLR"), the Fund has appointed a Compliance Officer who is responsible for the implementation and ongoing compliance of the financial institution with internal programmes, controls and procedures with the requirements of the Financial Intelligence and Anti-Money Laundering Act 2002 and FIAMLR.

The strength of the Fund is the adoption of an AML/CFT Policies & Procedures Manual ("Manual") on 24 June 2022, which is subject to regular reviews, thereby remaining up-to-date with the industry standards. The Fund's AML/CFT Policies & Procedures Manual is being updated pursuant to the recommendations received from the Fund's independent AML/CFT auditor.

Pursuant to Section 17 of the Financial Intelligence and Anti-Money Laundering Act 2002, the Fund is required to assess the risks associated to its activity and subsequently, put control measures for each risk factors (Product risk, Client profile risk, Transaction risk, Delivery channel, Geographical risk, Third Party Reliance, Technological development). Accordingly, the Board of the Fund has prepared a Business Risk Assessment of the Fund which is reviewed on a six months basis and covers product risk, client profile risk, transaction risk, delivery channel, geographical risk, third party reliance and technological development. In the National Money Laundering and Terrorist Financing Risk Assessment Report issued in August 2019, the money laundering threat in the securities sector has been classified as medium-high primarily because of the size of their international client base, the use of complex legal structures, their high value of assets and the use of sophisticated products.

The Business Risk Assessment requires the Fund to assess the risks of how it might be involved in Money Laundering and Terrorist Financing, taking into account its customers (and the beneficial owners of customers), countries and geographic areas, the products, services and transactions it offers or undertakes, and the delivery channels by which it provides those products, services and/or transactions.

The process is as below:

- To identify the inherent risks
- To assess the likelihood and the impact
- To put control measures to mitigate the risk
- To assess the likelihood and impact of residual risk
- To monitor the risk

The latest Business Risk Assessment is as at 31 March 2023.

**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023  
CORPORATE GOVERNANCE REPORT (CONTINUED)**

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**Principle 6 - Reporting with Integrity**

**Accounting and Auditing**

*Directors' responsibilities*

The Directors are responsible for ensuring that:

- Adequate accounting records are kept, and effective internal control systems are maintained.
- Accounts are prepared in order to fairly present the state of affairs of the Fund and the results of its operations and that those accounts comply with International Financial Reporting Standards (IFRS).
- Appropriate accounting policies are applied and that they are supported by reasonable and prudent judgements.

The financial year-end of the Fund is 30 June. The annual report, annual accounts, and auditor's report on the annual accounts will be prepared and signed within 90 days and will be sent to the Investors within 6 months of the financial year-end.

**Reports**

The annual report, annual accounts, and auditor's report on the annual accounts will be published on the Manager's website – [www.ekadacapital.com](http://www.ekadacapital.com). The abridged audited financial statements are published on the Manager's website – [www.ekadacapital.com](http://www.ekadacapital.com) and on the website of the SEM - [www.stockexchangeofmauritius.com](http://www.stockexchangeofmauritius.com).

The interim (quarterly) reports are prepared and published on a quarterly basis on the Manager's website – [www.ekadacapital.com](http://www.ekadacapital.com).

**Principle 7 – Audit**

*Appointment of Auditors*

The Management Shareholder appoints an auditor at each annual meeting, in accordance with the law to hold office until the next annual meeting. Auditors should observe the highest standards of business and professional ethics and in particular their independence should not be impaired in any manner.

The external auditor is responsible for reporting on whether the financial statements are fairly presented. Audit fees are set in a manner that enables an effective external audit on behalf of shareholder.

The Board may fill any casual vacancy in the office of auditor, and in such case fix the remuneration of the auditor. The Fund does not conduct a tender exercise for the selection of external auditor.

The auditor for the Fund is Ernst & Young, 6<sup>th</sup> Floor, IconEbene, Rue De L'institut, Ebène, Mauritius. Ernst & Young was appointed as auditor of the Fund starting with the financial year ended 30 June 2017.

Audit fees payable to Ernst & Young for the year amounted to USD 9,555 (2022: USD 6,200).

As stated under section 41A of the Financial Reporting Act 2004 which requires that a listed company, shall not audit the accounts for a continuous period of more than 7 years, the management shareholder will take adequate steps to change the external auditor for the financial year 2023/2024.

*Non-audit services*

Non-audit services were not provided during the year under review by Ernst & Young.

**Principle 8 – Relations with Shareholders and other key stakeholders**

**Code of Ethics, Health and Safety and Social issues**

The Board is ultimately responsible for the Fund's code of ethics, health and safety and social issues. The Financial Services Commission has developed a Code of Business Conduct, which applies to the Fund. The Board confirms that there is an on-going process for identifying, evaluating and managing the various risks faced by the Fund.

**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023  
CORPORATE GOVERNANCE REPORT (CONTINUED)**

**Principle 8 – Relations with Shareholders and other key stakeholders (continued)**

**Environment**

Due to the nature of its activities, the Fund does not have any social nor any environmental impact but the Fund remains committed to limiting its footprint in terms of environmental impact over the long term through a digitalisation process which involves shift to electronic communications with stakeholders. Also, at the Board level, climate change has not been a topic of discussion so far.

Potentially, the Fund is exposed to risks as well as opportunities with climate change. Risk-wise, investee companies impacted by climate change will have a drag on the overall performance of the Fund, and vice versa. Opportunities will surface when new companies make the most of the shift towards green energy, and become a candidate to be included in the portfolio of holdings.

**Corporate social responsibility and donations**

During the year, the Fund has not made any donations (2022: nil).

**Share Price**

The price for Class share R as at 30 June 2023 is USD **1.6407** (2022: Class R USD 1.6418 and Class I USD 1.6122).

**Agreements**

There is no shareholders' agreement which affects the governance of the Fund by the Board.

**Senior management**

The Fund does not have any employees or Senior Management team.

**Related Party transactions**

During the year, the Fund transacted with EKADA Capital Ltd, DTOS Ltd and participating shareholder. The nature, volume of transactions and balances with related parties has been disclosed in note 19 of the notes to the financial statements.

**Notification on interest in the Fund's shares**

No dealings have been made with regard to the shares of the Fund by any of the directors.

**Dividend Policy**

As per its Listing Particulars, the Fund has no intention to declare any dividends and as per section 42 of its Constitution, distributions may be made to the Redeemable Participating Shareholders subject to the solvency test and any other provisions of the Companies Act 2001 and provided the Board shall so determine. As for the holder of the Management Shares, no distribution shall be made other than that mentioned in section 47 during the winding up of the Fund.

**Particulars of entry in the interest register**

The following details were inscribed in the Interest Register of the Fund:

<b>Particulars</b>	<b>Details</b>
Record Date:	05 September 2022
Insurance:	Directors & Officers (D&O) Liability Insurance for the period from 1 July 2022 to 30 June 2023
Monetary Value:	USD 1,000,000 - each and every claim and/or related claim and in the aggregate inclusive of costs and expenses.

**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023  
CORPORATE GOVERNANCE REPORT (CONTINUED)**

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**Principle 8 – Relations with Shareholders and other key stakeholders (continued)**

**Material clauses of the Fund's Constitution**

The Fund is a collective investment scheme authorised under the Securities Act 2005 and operates as a Global Business company.

The material clauses of the Fund's Constitution are as follows:

**"OBJECTS"**

- (a) The objects for which the Company is established are:
- (i) *to place the funds available to it in securities of all types with the purpose of spreading investment risks and affording its shareholders the results of the management of its portfolio;*
  - (i) *To carry out all or any of the objects aforesaid in any part of the world, and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents, attorneys or otherwise, and either alone or in conjunction with others; and to procure the Company to be registered or recognised in any country or place outside Mauritius;*
  - (ii) *To do all such other things as the Company may deem incidental or conducive to the attainment of any of the aforesaid objects of the Company.*
- (b) *The objects of the Company specified in each of the paragraphs of this Constitution shall be regarded as independent objects, and accordingly shall not be limited or restricted (except where otherwise expressed in such paragraph) by the objects indicated in any other paragraph or by reference to the name of the Company but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company and wherever the word "and" or the word "or" is used the words "and/or" shall be implied, if not already expressed, unless the context otherwise requires and wherever the word "other" or "otherwise" is used, the same shall not be construed ejusdem generis where a wider construction is possible.*
- (c) *The word "company" (except where used in reference to this Company) in this Clause shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated."*

**Type of Fund**

The Fund is a public company.

**Liability**

The liability of the shareholders is limited to any amount unpaid on their shares and to such obligations as may be attached to their shares under the Fund's Constitution or any other agreement.

**Important aspects of the Shareholders' and Management agreement**

The Fund being an open-ended fund, does not have a shareholders' agreement in place.

Under the Investment Management Agreement between the Fund and EKADA Capital Ltd, the Manager is entitled to a fee of 2.0% per annum for retail class of the Net Asset Value of the Fund. The management fee shall be payable in cash in arrears in monthly instalments due within 15 days of the end of each calendar month. The management fee instalments for each month shall equal the product of the net asset value of the Shares of the Fund as determined on the last Valuation Day of such month and one twelfth of 2.0% for retail class.



**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023  
CORPORATE GOVERNANCE REPORT (CONTINUED)**

**Principle 8 – Relations with Shareholders and other key stakeholders (continued)**

**Statement of Remuneration Philosophy**

The remuneration of the Directors shall be determined by the holder of Management Shares. A Director and any alternate Director may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board or any committee of Board or Shareholders Meetings or in connection with the business of the Fund.

The Board may in addition to such remuneration as is referred to in Article 33(f) of the Fund's constitution, grant special remuneration to any Director who, being called upon, performs any special or extra services to or at the request of the Fund. Director's fixed remuneration amounting to USD 1,000 per director is paid to DTOS Ltd and which, effective as from 1 June 2023 has been increased to USD 1,500 per director.

The remuneration for each Independent Director is fixed at USD 2,500 per annum.

Mr Murvyn Mungur is employed on a permanent contract with EKADA Capital Ltd.

The Non-Executive Directors have not received remuneration in the form of share options or bonuses associated with the Fund's performance. The Fund also does not have any long-term incentive plans in place.

**Share Option Plans**

The Fund does not have any share option plan.

**Important events**

<b>Event</b>	<b>Date</b>
Interim Financial Statements Publishing	31 March, 30 September and 31 December of each year
Annual Meeting	Has to be held within six months after balance sheet date of the Fund
Annual tax returns	Not later than six months from the end of the month in which its accounting year ends and 2 days, excluding weekends and public holidays before the end of December
Payment of annual licence renewal fee	1 July each year
Payment of registration fee	As from first working day of the year to 22 January

**Additional substance requirements by Regulator**

Effective as from 1 January 2015, the Financial Services Commission has issued new substance guidelines for global business companies. As such, in addition to the existing conditions, a GBC would need to fulfil at least one of the following criteria.

- The corporation has or shall have office premises in Mauritius; or
- The corporation employs or shall employ on a full-time basis at administrative/technical level, at least one person who shall be resident in Mauritius; or
- The corporation's constitution contains a clause whereby all disputes arising out of the constitution shall be resolved by way of arbitration in Mauritius; or
- The corporation holds or is expected to hold within the next 12 months, assets (excluding cash held in bank account or shares/interests in another corporation holding a Global Business Licence) which are worth at least USD 100,000 in Mauritius; or
- The corporation's shares are listed on a securities exchange licensed by the Commission; or
- It has or is expected to have a yearly expenditure in Mauritius which can be reasonably expected from any similar corporation which is controlled and managed from Mauritius.

The Fund is abiding to the substance guidelines since its shares are listed on the Stock Exchange of Mauritius.

**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023  
CORPORATE GOVERNANCE REPORT (CONTINUED)**

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**Principle 8 – Relations with Shareholders and other key stakeholders (continued)**

**Additional substance requirements by regulator (Continued)**

Effective as from 1 January 2019, the Financial Services Commission has issued new enhanced substance requirements for global business companies and as such pursuant to section 71 (3)(a) of the Financial Services Act, a holder of a Global Business Licence shall, at all times:

- (i) carry out its core income generating activities in, or from, Mauritius by: -
  - (A) employing, either directly or indirectly, a reasonable number of suitably qualified persons to carry out the core activities; and
  - (B) having a minimum level of expenditure, which is proportionate to its level of activities.
- (ii) Be managed and controlled from Mauritius.
- (iii) Be administered by a Management Company

**Performance (Annual Report)**

The increase in net assets attributable to holders of redeemable participating shares for the year ended 30 June 2023 is **USD 104,025** (2022: Decrease USD 510,649).

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes.

**Communication and disclosure**

There are no matters of material interest to be disclosed at year end. The Board of Directors ensures that its shareholders are always kept informed of any material events which may affect the Fund.

The Fund will hold its Annual Meeting by the due date of 31 December 2023. Notice of the Annual Meeting will be sent to Shareholders in accordance with the Companies Act 2001 and Constitution regarding the adoption of the audited financial statements, re-appointment of directors and auditors.

The Shareholders present during the Annual Meeting are given the opportunity to ask questions from the Chairperson or other directors present on the operations and performance of the Fund.

**Appreciation**

The Board expresses its appreciation and gratitude to all those involved for their contribution during the year.

Approved by the Board of Directors on ..... **27 SEP 2023** ..... and signed on behalf by:

  
\_\_\_\_\_

Director

  
\_\_\_\_\_

Director

**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023**

**STATEMENT OF COMPLIANCE**

**Name:** EKADA India Focus Fund

**Reporting Period:** 30 June 2023

We, the Directors of EKADA India Focus Fund (the Fund), confirm that to the best of our knowledge, the Fund has not complied with some of the principles of the Code of Corporate Governance, for the reasons stated below:

<b>Areas of non-application of the Code of Corporate Governance</b>		<b>Explanation for non-application</b>
Principle 2 Structure of Board and its committees	<ul style="list-style-type: none"> <li>Board Committees</li> </ul>	<ul style="list-style-type: none"> <li>The Board of Directors currently does not deem it necessary to appoint a permanent Chairperson and Chief Executive Officer ("CEO"). An independent director is being appointed as Chairperson at each board meeting of the Fund.</li> <li>The Fund does not have committees to its Board as the Fund is not of sufficient size. All matters are taken up at the Board level.</li> <li>The Board Charter may be amended by the Board at its sole discretion without prior notification.</li> </ul>
Principle 3 Director Appointment Procedures	<ul style="list-style-type: none"> <li>Succession Planning</li> </ul>	<ul style="list-style-type: none"> <li>The Board has the 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. As such, the Board has not developed a succession plan for Board members. The onboarding process are detailed in AML/CFT Policies and Procedure Manual of the Fund.</li> <li>Currently, the Board members individually follows their trainings. In case, additional trainings is required for all Board members, the Fund will organise same.</li> </ul>
Principle 4 Director Duties, Remuneration and Performance	<ul style="list-style-type: none"> <li>Board Evaluation and Development</li> </ul>	<ul style="list-style-type: none"> <li>Even though it is a requirement of the Code of Corporate Governance that the performance of a Board and its Directors be monitored and evaluated annually, such an exercise has not been conducted as of date. However, a Board and Director Appraisal exercise could be conducted in the future and if required, an independent board evaluator may be appointed.</li> </ul>


**EKADA INDIA FOCUS FUND  
FOR THE YEAR ENDED 30 JUNE 2023**

**STATEMENT OF COMPLIANCE (CONTINUED)**

**Name:** EKADA India Focus Fund

**Reporting Period:** 30 June 2023

<p>Principle 5 Risk Governance and Internal Control</p>	<ul style="list-style-type: none"> <li>• Whistleblowing Procedures</li> <li>• Internal/External Environment</li> <li>• Internal Audit</li> </ul>	<ul style="list-style-type: none"> <li>• Considering the nature of business activities of the Fund and given the fact that, the Fund does not have any employees, the Fund has not developed a Whistle blowing procedure. Instead, the Fund abides to whistle blowing policy of DTOS Ltd, the administrator of the Fund and EKADA Capital, the CIS Manager.</li> <li>• The Fund has appointed a Compliance Officer who is responsible for the implementation and ongoing compliance of the Fund with internal programmes, controls and procedures with the requirements of the Financial Intelligence and Anti-Money Laundering Act 2002 and FIAMLR.</li> <li>• Given that the Fund deals with investors and service providers, litigation might arise from either party. Also, technology risk is present but this can be negated, to a large extent, by communicating with the client or client representative. Other technology risk are assessed in the Business Risk Assessment of the Fund.</li> <li>• The strength of the Fund is the adoption of an AML/CFT Policies &amp; Procedures Manual ("Manual") on 24 June 2022, which is subject to regular reviews, thereby remaining up to date with the industry standards. The Fund's AML/CFT Policies &amp; Procedures Manual is being updated pursuant to the recommendations received from the Fund's independent AML/CFT auditor. Pursuant to Section 17 of the Financial Intelligence and Anti-Money Laundering Act 2002, the Fund also assesses the risks associated to its activity and subsequently, put control measures for each risk factors (Product risk, Client profile risk, Transaction risk, Delivery channel, Geographical risk, Third Party Reliance, Technological development)</li> <li>• The Fund has not set up an internal audit function given its status as an collective investment scheme and since a sufficient degree of assurance is obtained on the effectiveness of internal controls, processes, and systems. The requirement of an internal audit function will be continuously assessed and implemented by the Board if deemed necessary.</li> </ul>
<p>Principle 8 Relations with Shareholders and other Key Stakeholders</p>	<ul style="list-style-type: none"> <li>• Publication of votes at Annual Meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Given the size of the Fund, it does not have a dedicated website. The constitutive documents of the Fund are however available on the website of its Fund Manager, EKADA Capital Ltd.</li> </ul>

Director  27 SEP 2023

Director 

Date.....

**EKADA INDIA FOCUS FUND  
ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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The directors present herewith the annual report and the audited financial statements for the financial year ended 30 June 2023.

**INCORPORATION**

EKADA India Focus Fund ("The Fund") was incorporated in the Republic of Mauritius on 17 August 2010 as a limited liability company. The Fund is licensed by the Financial Services Commission under the Financial Services Act (FSA) 2007 as a Global Business Company. It has its registered office at 10<sup>th</sup> Floor, Standard Chartered Tower, 19 Cybercity, Ebène, Mauritius.

**PRINCIPAL ACTIVITY**

The Fund has been set up to give local and regional investors the opportunity to invest and participate in India's growth story. The investment objective of the Fund is to generate capital appreciation by investing in equity shares related securities available in the Indian capital markets.

**RESULTS AND DIVIDENDS**

The increase in net assets attributable to holders of redeemable participating shares for the year ended 30 June 2023 is **USD 104,025** (2022: decrease of USD 510,649)

The results for the year ended 30 June 2023 are shown in the statement of profit or loss and other comprehensive income and related notes. The directors do not propose the payment of a dividend for the year under review (2022: NIL).

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS**

The Directors are responsible for the preparation and fair presentation of the financial statements, comprising of the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to holders of participating shares, statement of cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001. In preparing these financial statements, the Directors confirm that they have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepared the financial statements on the going concern basis, unless it is inappropriate to presume that the Fund will continue in business in the foreseeable future; and
- ensured application of the Code of Corporate Governance and provided reasons in case of non-application with the Code.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund and enable them to ensure that the financial statements comply with IFRS and the Companies Act 2001. They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors confirm that they have complied with the above requirements in preparing the financial statements.

**AUDITOR**

The auditor, Ernst & Young, has indicated its willingness to continue in office.

**ON BEHALF OF THE BOARD**



**Lina How Ah Chong**  
Director



**Gunesh Beegadhur**  
Director

Date: 27 SEP 2023

**CERTIFICATE FROM THE CORPORATE SECRETARY TO THE MEMBER OF  
EKADA INDIA FOCUS FUND**

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We certify that, to the best of our knowledge and belief, the Fund has filed with the Registrar of Companies all such returns as are required of the Fund under the Companies Act 2001 in terms of Section 166 (d), for the year ended 30 June 2023.

*Upennang*

DTOS Ltd  
COMPANY SECRETARY  
10<sup>th</sup> Floor, Standard Chartered Tower  
19 Cybercity  
Ebène

Date: 27 SEP 2023

**Manager's Statement**

Dear Shareholders,

The Board of Directors is pleased to present you with the annual report of *EKADA India Focus Fund* (the "Fund") together with the audited financial statements for the year ended 30 June 2023.

The Indian economy has emerged from a tough twelve months ending June 2023 shining brighter than ever, attracting international investors to its shores with the help of a booming middle class coupled among others with the numerous measures being implemented by the Modi government to facilitate investment. Amidst these difficult circumstances, the Fund suffered a drop of 0.5% over the 12 months while its benchmark was up by 16.9%. The concentrated portfolio of the fund was unable to keep up with its benchmark in terms of performance over the period under review.

Looking forward, the increased attractiveness of the Indian economy on the global space will result in the Indian economy turning out to be one of the fastest-growing major economies in the world over the next years. In terms of GDP, financial experts have forecast India to surpass France and United Kingdom by 2028, making India an increasingly key driver of global economic growth.

Finally, we would like to thank all stakeholders for their contribution towards enhancing the value of the Fund as well as the shareholders for their trust in us, and we remain committed to ensure that the Fund delivers on its investment objective over the long term.

EKADA India Focus Fund  
September 2023

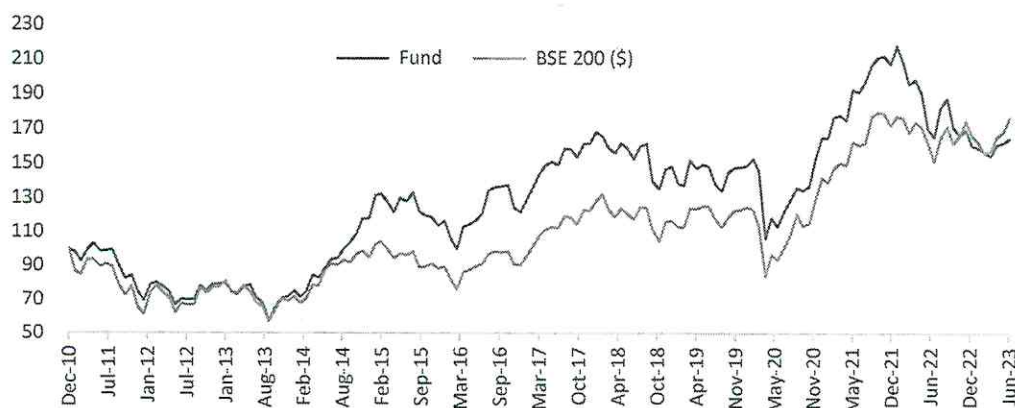
## MANAGEMENT REPORT EKADA INDIA FOCUS FUND

### PERFORMANCE REVIEW

The investment objective of EKADA India Focus Fund Ltd is to generate capital appreciation by investing the monies of the Fund in equity shares and equity-related securities like convertible and non-convertible bonds/debentures of companies and fixed income securities available in the Indian capital markets.

The twelve months ended 30 June 2023 has seen the Fund being impacted by numerous factors, and suffer a drop of -0.5%, while its benchmark was up 16.9% over the same period. This can be attributed to the large exposure of the fund to mid and large caps, whilst retaining a very small exposure to small caps.

Figure 1: The evolution of the Fund's vis-à-vis its benchmark since inception is depicted below:



**Table 1: Cumulative Performance of EKADA India Focus Fund**

	1-Mth	3-Mths	6-Mths	1-Yr	3-Yrs	5-Yrs	Inception
Fund	1.5%	6.6%	2.6%	-0.5%	34.5%	7.9%	64.8%
BSE 200 (\$ adjusted)	4.8%	12.1%	6.2%	16.9%	74.9%	49.8%	76.8%



## MANAGEMENT REPORT EKADA INDIA FOCUS FUND

### Portfolio

The net assets in the fund's portfolio as at 30 June 2023 were USD 3.1M.

At close of the financial year, the funds were mainly invested into equities. The portfolio remained well diversified across most sectors, as depicted in Figures 2 and 3 below.

Figure 2: Sectoral Breakdown

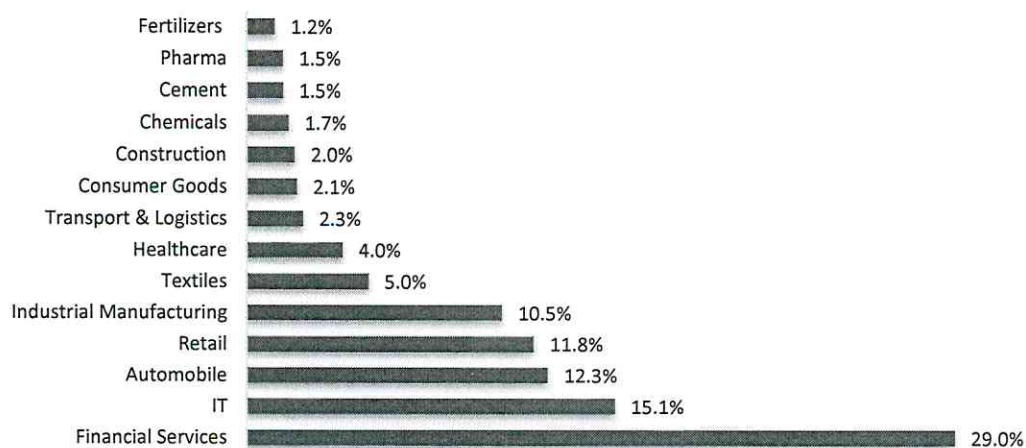
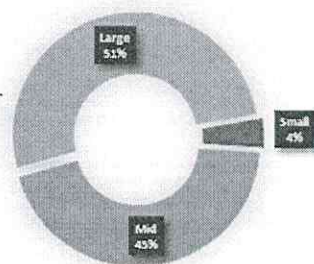


Figure 3: Exposure in terms of Market Capitalisation

#### Market Capitalisation of Portfolio Underlyings



**MANAGEMENT REPORT  
EKADA INDIA FOCUS FUND**

**EKADA INDIA FOCUS FUND**

Table 1: Net Asset Value attributable to holders of participating shares as at 30 June

	<b>2023 USD</b>	<b>2022 USD</b>
<b>Net Asset Value at beginning of the year</b>	<b>4,025,585</b>	<b>5,065,845</b>
Total revenue	49,780	56,059
Total expenses	(190,956)	(164,328)
Net gain/(loss) on financial assets at fair value through profit or loss	362,417	(418,796)
Taxation	(117,216)	16,416
Total increase/(decrease) from operations	<b>104,025</b>	<b>(510,649)</b>
Net movement in shares	(992,020)	(529,611)
<b>Net Asset Value at end of the year</b>	<b>3,137,590</b>	<b>4,025,585</b>

Table 2: Ratios and Supplement Date

	<b>2023 USD</b>	<b>2022 USD</b>
<b>Net Asset Value</b>	<b>3,137,590</b>	<b>4,025,585</b>
Number of shares outstanding	1,912,333	2,467,094
Management expense ratio	5.9%	3.17%
Portfolio turnover rate	4.68%	7.97%

**MARKET REVIEW**

India has emerged from an eventful twelve months shining brighter than ever before. On the macro front, the S&P Global India Manufacturing Purchasing Managers' Index (PMI) came in at a healthy 57.8 in June-23, maintaining the healthy trend seen in earlier months. Producers have been able to hike output prices despite input inflation. India's manufacturing sector displayed strength of the domestic economy driving its outperformance, compared to the export-oriented East Asian economies.

The recent rally in Nifty-50 has been underpinned by improved India's macro-economic outlook (such as lower inflation and Current Account Deficit) and lower raw material cost (leading to improved corporate profitability). Strong GDP growth of above 7.2% in FY23, moderating inflation (with headline CPI inflation falling to a 25-month low at 4.3% in May'23), narrowing of the Current Account Deficit (CAD) to 0.2% of GDP in 4QFY23, stable crude prices, stable exchange rates and global interest rates nearing its peak, are some of the key macro drivers. Conversely, solid growth in corporate earnings (Nifty earnings up 10% in FY23 on a high base of 34% in FY22) and expectations of high-teens earnings CAGR over FY23-25E has kept the sentiment buoyant.

After reporting cumulative outflows between Oct'21 and Feb'23, Foreign Institutional Investors (FIIs) flows bounced back strongly in the last four months, with cumulative inflows of USD14b over Mar-Jun'23 while Domestic Institutional Investors (DIIs) flows continued to remain positive at USD4b during the same period.

**Valuations Review**

While markets are at all-time highs, valuations today are relatively more reasonable than the Oct'21 peak of the Nifty. This is largely attributed to the 18-month correction experienced by Nifty when it was range-bound even as its earnings were up 34%/11% in FY22/FY23. Nifty is trading at a 12-month forward P/E of 19.2x, at a 5% discount to its own long period average (LPA). Thus, valuations are far more reasonable today than that in Oct'21 peak. That being said, relative valuations are still at a premium, which, while elevated, can be sustained given India's healthy macro-micro combination and better earnings visibility.

**Earnings Review**

Nifty earnings are likely to grow 25% YoY in 1QFY24. Oil Marketing Companies' (OMC) profitability is anticipated to surge in 1QFY24 from a loss position in 1QFY23, owing to strong marketing margins. Overall, earnings growth is likely to be driven once again by domestic Cyclical such as Banking, financial services and insurance (BFSI) and Auto, which are expected to post 47% and 11% Year-on-Year jump while Consumer and IT are likely to report a healthy 19% and 16% YoY growth, respectively. Metals and Cement are anticipated to drag the aggregates with a 53% and 17% YoY decline in earnings, respectively. The forecast is for Nifty Earnings Per Share (EPS) to grow 20%/15% in FY24/FY25.

**OUTLOOK**

India remains a sweet spot in the global economy. The Indian economy has weathered the pandemic-era growth shock better than its peers and has the potential to successfully transition into an upper middle-income economy over the next two decades. Economic experts expect India's economy to be one of the fastest-growing major economies in the world, with a forecast average GDP growth rate of above 6% in the coming two years and according to the IMF, India's share of global GDP growth is also expected to surpass that of France and United Kingdom by 2028, making India an increasingly key driver of global economic growth.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF EKADA INDIA FOCUS FUND

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### *Opinion*

We have audited the financial statements of Ekada India Focus Fund (the "Fund") set out on pages 29 to 59 which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to holders of participating shares and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 June 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

##### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") and other independence requirements applicable to performing audits of financial statements of the Fund and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Fund and in Mauritius. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We did not identify any key audit matters during the year.

##### *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the document titled "Ekada India Focus Fund Audited Financial Statements for the year ended 30 June 2023", which includes the Corporate Data, Corporate Governance Report, Statement of Compliance, Annual Report, Management Report and the Company Secretary's Certificate as required by the Companies Act 2001.

The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information (other than the Corporate Governance Report) and we do not express an audit opinion or any form of assurance conclusion thereon.

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



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF EKADA INDIA FOCUS FUND

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

##### *Responsibilities of the Directors for the Financial Statements*

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

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

##### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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



INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF EKADA INDIA FOCUS FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

*Use of our report*

This report is made solely to the Fund's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Fund's members 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 Fund and the Fund's members, as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

*Companies Act 2001*

We have no relationship with or interests in the Fund other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

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

*Financial Services Commission Circular Letter CL281021*

The directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Services Commission' Circular Letter CL281021 is to report on the compliance with the Code of Corporate Governance disclosed in the Corporate Governance Report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Corporate Governance Report, the Fund has complied with the requirements of the Code.



ERNST & YOUNG  
Ebène, Mauritius



ROGER DE CHAZAL, A.C.A.  
Licensed by FRC

Date: ..... **27 SEP 2023** .....

**EKADA INDIA FOCUS FUND**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	<u>Notes</u>	<u>2023</u> USD	<u>2022</u> USD
<b>INCOME</b>			
Dividend income		47,280	54,824
Net gain on financial assets at fair value through profit or loss	5	362,417	-
Net gain on foreign exchange		-	1,235
Other income		2,500	-
		<u>412,197</u>	<u>56,059</u>
<b>EXPENSES</b>			
Management fees	14	60,336	88,080
Professional fees	15	100,822	60,224
Other expenses		990	93
Custodian fees	16	1,001	1,848
Brokerage fees		8,035	5,655
License fees		6,367	6,705
Bank charges		1,810	1,723
Net loss on foreign exchange		11,595	-
Net loss on financial assets at fair value through profit or loss	5	-	418,796
		<u>190,956</u>	<u>583,124</u>
<b>Profit/(loss) before tax</b>		<b>221,241</b>	<b>(527,065)</b>
Income tax (expense)/credit	13	<u>(117,216)</u>	<u>16,416</u>
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating shares for the year</b>		<b>104,025</b>	<b>(510,649)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>104,025</b>	<b>(510,649)</b>
Basic/Dilutive earnings/(loss) per share:			
Institutional class of shares	6	-	(0.1874)
Retail class of shares	6	0.0544	(0.2044)

The notes on pages 33-59 form an integral part of these financial statements.  
Auditor's report on pages 26-28.

**EKADA INDIA FOCUS FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

<b>ASSETS</b>	<u>Notes</u>	<u>2023</u> <u>USD</u>	<u>2022</u> <u>USD</u>
Financial assets at fair value through profit or loss	5	<b>2,740,038</b>	4,050,998
Other receivables	7	<b>4,688</b>	1,000
Capital gains tax receivables	13	-	58,600
Prepayments	8	<b>16,269</b>	10,907
Cash and cash equivalents	9	<b>491,846</b>	21,887
<b>Total assets</b>		<b><u>3,252,841</u></b>	<u>4,143,392</u>
<b>LIABILITIES</b>			
Accounts payable	10	<b>43,632</b>	38,273
Income tax liability	13	<b>4,986</b>	-
Deferred tax liability	13	<b>65,633</b>	78,534
<b>Total liabilities excluding net assets attributable to holders of participating shares</b>		<b><u>114,251</u></b>	<u>116,807</u>
<b>Net assets attributable to shareholders</b>		<b><u>3,138,590</u></b>	<u>4,026,585</u>
<b>Represented by:</b>			
Management shares	11	<b>1,000</b>	1,000
Net assets attributable to holders of redeemable participating shares	12(b)	<b><u>3,137,590</u></b>	<u>4,025,585</u>
		<b><u>3,138,590</u></b>	<u>4,026,585</u>
<b>Net asset value per share</b>			
Institutional class of shares	12(a)	-	1.6122
Retail class of shares	12(a)	<b>1.6407</b>	1.6418

The financial statements have been approved and authorised by the Board of Directors on  
 .....~~27 SEP 2023~~ and signed on its behalf by: -



**Lina How Ah Chong**  
**Director**



**Gunesh Beegadhur**  
**Director**

The notes on pages 33-59 form an integral part of these financial statements.  
 Auditor's report on pages 26-28.



**EKADA INDIA FOCUS FUND****STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING SHARES FOR THE YEAR ENDED 30 JUNE 2023**

	<u>Number of shares</u>	<u>Total USD</u>
<b>At 1 July 2021</b>	2,717,654	5,065,845
Issues of redeemable preference shares (Note 12 (a))	81,550	162,335
Redemptions of redeemable preference shares (Note 12 (a))	(332,110)	(691,946)
Net change in net assets attributable to holders of participating shares for the year	-	(510,649)
	<u>2,467,094</u>	<u>4,025,585</u>
<b>At 30 June 2022</b>	2,467,094	4,025,585
Issues of redeemable preference shares (Note 12 (a))	509,712	856,766
Redemptions of redeemable preference shares (Note 12 (a))	(1,064,473)	(1,848,786)
Net change in net assets attributable to holders of participating shares for the year	-	104,025
	<u>1,912,333</u>	<u>3,137,590</u>
<b>At 30 June 2023</b>	1,912,333	3,137,590

Note: Following the full redemption of Class I the presentation has been revised.

The notes on pages 33-59 form an integral part of these financial statements.  
Auditor's report on pages 26-28.

**EKADA INDIA FOCUS FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	<u>Notes</u>	<u>2023</u> <u>USD</u>	<u>2022</u> <u>USD</u>
<b>Operating activities</b>			
Profit/(loss) before tax		221,241	(527,065)
<b>Adjustment to reconcile profit before tax to net cash flows:</b>			
Net (gain)/loss on financial assets at fair value through profit or loss	5	(362,417)	418,796
Unrealised foreign exchange loss/(gain)		18,469	(1,235)
Dividend income		(47,280)	(54,824)
<b>Net changes in operating assets and liabilities</b>			
Increase in prepayments	8	(5,362)	(2,506)
Increase in other payables	10	5,359	5,481
Acquisition of investments	5	(167,725)	(362,480)
Proceeds from disposal of investments	5	1,841,102	1,051,519
Capital gains tax paid	13	(57,473)	(94,730)
Tax withheld on dividend income		(9,058)	(11,403)
Dividend received		43,592	54,824
<b>Net cash generated from operating activities</b>		<b>1,480,448</b>	<b>476,377</b>
<b>Financing activities</b>			
Proceeds from issue of redeemable participating shares*		856,766	11,897
Payment on redemption of redeemable participating shares*		(1,848,786)	(541,508)
<b>Net cash used in financing activities</b>		<b>(992,020)</b>	<b>(529,611)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>488,428</b>	<b>(53,234)</b>
Cash and cash equivalents at 1 July		21,887	73,886
Effect of exchange rate changes		(18,469)	1,235
<b>Cash and cash equivalents at end of year</b>	9	<b>491,846</b>	<b>21,887</b>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank	9	491,846	21,887

\*The proceeds from the issue and the payment on the redemption of redeemable participating shares excludes the non-cash transfer of USD 150,766 (2022:USD 150,438) that occurred during the year between five investors within the Class R.

The notes on pages 33-59 form an integral part of these financial statements.  
Auditor's report on pages 26-28.

**EKADA INDIA FOCUS FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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**1. GENERAL INFORMATION**

EKADA India Focus Fund (“the Fund”), formerly known as ACM India Focus Fund Ltd, was incorporated in the Republic of Mauritius on 17 August 2010 as a limited liability company. The Fund is licensed by the Financial Services Commission under the Financial Services Act (FSA) 2007 as a Global Business License entity. The Redeemable participating shares of the Fund is listed on the Stock Exchange of Mauritius. It has its registered office at 10<sup>th</sup> Floor, Standard Chartered Tower, 19 Cybercity, Ebène, Mauritius.

The Fund has been set up to give local and regional investors the opportunity to invest and participate in India’s growth story. The investment objective of the Fund is to generate capital appreciation by investing in equity shares related securities available in the Indian capital markets.

**2. BASIS OF PREPARATION**

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB) and Companies Act 2001. The financial statements have been prepared under historical cost basis, except for financial assets at fair value through profit or loss that are measured at fair value.

The financial statements are presented in United States Dollars (“USD”), which is the functional currency of the Fund.

All figures presented in the financial statement have been rounded to the nearest whole number, except for basic and diluted earnings per share and net assets value per share which have been rounded to four decimal places.

**2.1 STATEMENT OF COMPLIANCE**

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

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies that have been consistently applied are as follows:

**Foreign currency transactions**

*(a) Functional and presentation currency*

The Fund’s functional currency is the USD which is the currency of the primary economic environment in which it operates. The Fund’s performance is evaluated, and its liquidity is managed in USD. Therefore, the USD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund’s presentation currency is also the USD.

*(b) Transactions and balances*

Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

## **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Foreign currency transactions (Continued)**

#### *(b) Transactions and balances (Continued)*

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in profit or loss in the period in which they arise.

### **Financial instruments**

#### ***Initial recognition, classification and measurement***

In accordance with IFRS 9, the Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term
- Or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking
- Or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

#### ***(a) Financial assets***

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The Fund's contractual cash flow characteristics of the financial asset

#### **Financial assets measured at amortised cost**

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Fund's financial assets at amortised cost includes other receivables and cash and cash equivalents.

## **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Financial instruments (Continued)**

#### ***Initial recognition, classification and measurement (Continued)***

##### ***(a) Financial assets (Continued)***

#### **Financial assets measured at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding  
Or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell  
Or
- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category:

- Instruments held for trading. This category includes equity instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

#### ***Subsequent measurement***

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost; and
- Financial assets at fair value through profit or loss

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in net gain/(loss) on financial assets at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

Dividends on equity investments are also recognised as dividend income in the statement of profit or loss and other comprehensive income when the right of payment has been established.

The investments (listed) are classified as held for trading and are measured at fair value through profit or loss.

## **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Financial instruments (Continued)**

#### **(a) Financial assets (Continued)**

##### **Subsequent measurement (Continued)**

##### **Financial assets at amortised cost**

The Fund measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Fund's financial assets at amortised cost includes other receivables and cash and cash equivalents.

##### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset

Or

- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the assets, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Fund also recognises an associated liability. The transferred assets and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

#### **(b) Financial liabilities**

##### **Initial recognition, classification and measurement**

##### **Financial liabilities measured at fair value through profit or loss (FVTPL)**

A financial liability is measured at FVTPL if it meets the definition of held for trading. The Fund's financial liabilities at FVTPL include net assets attributable to holders of redeemable ordinary shares which has been designated at FVTPL.

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### *(b) Financial liabilities (Continued)*

##### *Subsequent measurement*

After initial measurement, the Fund measures financial instruments which are classified as at FVTPL at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVTPL in profit or loss. Interest and dividends earned on these instruments are recorded separately in interest income and dividend income in statement of profit or loss and other comprehensive income.

Financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method (EIR) is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

##### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

##### *Impairment of financial assets*

The Fund recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Fund may consider a financial asset to be in default when internal or external information indicates that the Fund is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### (b) Financial liabilities (Continued)

##### *Offsetting*

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

##### **Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise bank balances.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as 'cash and cash equivalents'.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

##### **Related party transactions**

Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party and/or exercise significant influence over the party in making financial and operating decisions. Related parties may be individuals or other entities.

##### **Taxation**

###### *Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Fund operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

###### *Deferred tax*

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes at the reporting date. Currently enacted tax rates are used to determine deferred tax.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Taxation (Continued)

#### *Deferred tax (Continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

#### *Capital gains tax*

Following the amendments to India-Mauritius treaty made on 10 May 2016, taxation rights on capital gains from disposal of shares has been shifted from Mauritius to India effective from 01 April 2017 and there has been the implementation of long term capital gain tax (LTCGT) in India on long term capital gains. However, investments made by Mauritius structures up to 31 March 2017 shall be grandfathered and thus exempted from capital gains tax in India irrespective of the date of disposal.

### Dividend

Dividend income is recognised on the date when the Fund's right to receive the payment is established, which is generally when shareholders approve the dividend.

Dividend income is presented gross of any non-recoverable withholding taxes and are disclosed separately in profit or loss as dividend income.

### Expenses

All expenses are recognised in profit or loss on an accrual basis as they are incurred.

### Stated capital

#### *(a) Management shares*

Management Shares shall be issued to the Manager and shall have the rights set out in the Constitution. No Management Shares shall at any time be held otherwise than by the Manager or such other person nominated by the Manager and approved by the Board.

#### *(b) Participating shares*

Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The liabilities arising from the redeemable shares are carried at the redemption amount being the net asset value calculated in accordance with IFRS.

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Stated capital (Continued)

#### (b) Participating shares (continued)

For the purpose of calculating the net assets attributable to shareholders in accordance with the Fund's redemption requirements, the Fund's assets and liabilities are valued on the basis of market prices.

The Fund issues shares at the net asset value of the existing shares. The holder of participating shares can redeem them on any business day for cash equal to a proportionate share of the Fund's net asset value (calculated in accordance with redemption requirements).

The Fund has two classes of shares, class I and class R, where the minimum initial investment in class I is USD 1,000,000 and in class R is USD 5,000 and the minimum subsequent investment in class I is USD 100,000 and in class R is USD 1,000.

All participating shareholders shall have the right to:

- Redeem the participating shares in accordance with the Constitution;
- Receive notices, reports and accounts and to attend general meetings; and
- To vote on a proposal for winding up.

#### (c) Net Asset Value

The Fund's net asset value per share is calculated by dividing the net assets attributable to shareholders (calculated in accordance with redemption requirements) by the number of shares in issue.

### Distribution to shareholders

Distributions shall also not be made to the holders of the Management Shares.

### Fair value measurement

The Fund measures its investments in financial instruments, such as equities, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market.

Where the Fund has financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it has elected to use the measurement exception provided in IFRS 13 to measure the fair value of its net risk exposure by applying the bid or ask price to the net open position as appropriate.

## **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Fair value measurement (Continued)**

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

### **Net gain or loss on financial assets at fair value through profit or loss**

This item includes changes in the fair value of financial assets held for trading or designated upon initial recognition as 'at fair value through profit or loss' and excludes interest and dividend income and expense.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

Realised gains and losses on disposals of financial instruments classified as 'at fair value through profit or loss' are calculated using the First-In, First-Out (FIFO) method. They represent the difference between an instrument's initial carrying amount and disposal amount.

## **3. CHANGES IN ACCOUNTING POLICIES**

### **3.1 STANDARDS AND AMENDMENTS TO EXISTING STANDARDS EFFECTIVE 1 JULY 2022**

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 July 2022 that had a material effect on the financial statements of the Fund.

#### **IFRS 9 Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities)**

The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendments had no impact on the Fund's financial statements.

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**3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)**

**3.1 STANDARDS AND AMENDMENTS TO EXISTING STANDARDS EFFECTIVE 1 JULY 2022 (CONTINUED)**

**IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments had no impact on the Fund's financial statements.

**3.2 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these standards, if applicable, when they become effective.

	<b>Effective for accounting period beginning on or after</b>
International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12	Note 1
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023
IFRS 17 Insurance Contracts	1 January 2023
Definitions of Accounting estimates – Amendments of IAS 8	1 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Classification of Liabilities as Current or Non -Current and Non-current Liabilities with Covenants - Amendments to IAS 1	1 January 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	1 January 2024
Disclosure: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024
Sales or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Note 2

Note 1: The amendments are effective immediately upon issuance. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 01 January 2023, but are not required for any interim period ending on or before 31 December 2023.

Note 2: In December 2015, the IASB postponed the effective date of this amendment in definitely pending the outcome of its research project on the equity method of accounting.

The Fund has made an assessment of the impact of these new standards. These standards are not expected to have a significant effect on the Fund's financial performance.

#### **4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

##### **Judgements**

In the process of applying the Fund's accounting policies, the directors have made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

##### *Going Concern*

The Directors have made an assessment of the Fund's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts on the Fund, which is at least, but is not limited to, twelve months from the end of the reporting period. The Directors will continue to closely monitor the situation and implement appropriate actions deemed necessary to maximise liquidity and ensure sustainability of the Fund. The Directors are of opinion that there is no material uncertainty which may cast significant doubt on the Fund's ability to continue as a going concern.

##### *Functional currency*

The primary objective of the Fund is to generate returns in INR which is then converted in USD, i.e., the functional currency and its capital-raising currency. The liquidity of the Fund is managed on a day-to-day basis in USD in order to handle the issue, acquisition and resale of the Fund's redeemable shares. The Fund's performance is evaluated in USD. Therefore, the directors consider the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

##### *Tax uncertainties*

As stated in note 13, the Fund uses its historic average holding period of its investments in securities as an indication of its future average holding in order to determine the capital gains tax rate to be applied in the context of the new protocol on the Double Taxation Convention between India and Mauritius. The actual capital gains tax rate may vary should the actual holding period differ in the future.

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**5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

**Listed equity instruments**

	<u>2023</u> USD	<u>2022</u> USD
At 1 July	4,050,998	5,158,833
Purchases	167,725	362,480
Disposals	(1,841,102)	(1,051,519)
Net fair value gain/(loss)	<u>362,417</u>	<u>(418,796)</u>
At 30 June	<u>2,740,038</u>	<u>4,050,998</u>

**Net gain/(loss) on financial assets at fair value through profit or loss**

	<u>2023</u> USD	<u>2022</u> USD
Net gain/(loss) on financial assets at fair value through profit or loss	<u>362,417</u>	<u>(418,796)</u>

**6. Earnings per share**

The earnings per share is calculated by dividing the decrease or increase in net assets attributable to holders of redeemable participating shares, by the number of redeemable participating shares in issue during the year.

	<u>2023</u>		<u>2022</u>	
	Class R USD	Class I USD	Class R USD	Class I USD
Increase/(decrease) in net assets attributable to holders of redeemable participating shares	104,025	-	(353,473)	(157,176)
Weighted average number of participating shares	<u>1,912,333</u>	-	<u>1,729,575</u>	<u>838,667</u>
<b>Earnings/(losses) per share for each of Class I and Class R</b>	<u>0.0544</u>	-	<u>(0.2044)</u>	<u>(0.1874)</u>

The earnings per share for the year ended 30 June 2023 is 0.0544 (2022: Class R – (0.2044); Class I – (0.1874)). There is no dilutive instrument as of 30 June 2023 (2022: Nil).

**7. OTHER RECEIVABLES**

	<u>2023</u> USD	<u>2022</u> USD
Unpaid management shares	1,000	1,000
Dividend receivable	3,688	-
	<u>4,688</u>	<u>1,000</u>

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**8. PREPAYMENTS**

	<u>2023</u> USD	<u>2022</u> USD
Financial Services Commission license fees	4,950	4,950
Registrar of Companies fees	159	476
Tax Residency Certificate fees	186	186
Director fees	2,754	1,835
Foreign Portfolio Investor License fees	134	234
MLRO fees	1,376	917
Compliance officer fees	1,376	1,376
AML/CFT fees	-	927
Secretarial fees	1,376	-
Registered office	919	-
Directors & Officers liability	3,039	6
	<u>16,269</u>	<u>10,907</u>

**9. CASH AND CASH EQUIVALENTS**

	<u>2023</u> USD	<u>2022</u> USD
Cash at bank	491,846	21,887

**10. ACCOUNTS PAYABLE**

	<u>2023</u> USD	<u>2022</u> USD
Management fees (Note 14)	14,486	19,085
Audit fees	10,925	9,630
Custodian fees (Note 16)	98	165
Director fees	1,250	500
Professional fees	16,873	8,893
	<u>43,632</u>	<u>38,273</u>

The directors consider that the carrying amount of accounts payables approximates their fair value since they are of short term nature.

Accounts payable are non-interest bearing and have an average term of three months.

**11. MANAGEMENT SHARES**

	<u>2023</u> USD	<u>2022</u> USD
<u>Issued</u>		
1 management share of USD 1,000	<u>1,000</u>	<u>1,000</u>

The management share has been issued to the Manager and has the rights set out in the Constitution. No management share shall at any time be held otherwise than by the Manager or such other person nominated by the Manager and approved by the Board.

The Constitution prohibits the Fund from repurchasing the management shares. These management shares are entitled to their par value only in the event of liquidation.

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**12. REDEEMABLE PARTICIPATING SHARES**

The redeemable participating shares shall be issued at a price to be determined in accordance with the Constitution and shall confer upon the Investors in such participating shares the rights set out in the section 13 and the rights of participating shares shall otherwise be in accordance with the provisions of the Listing Particulars. No shares shall be issued unless they are fully paid up.

The Directors may from time to time establish separate classes of participating shares of the Fund in accordance with the Listing Particulars.

All participating shareholders shall have the right to:

- Redeem the participating shares in accordance with the Constitution;
- Receive notices, reports and accounts and to attend general meetings; and
- To vote on a proposal for winding up.

(a) Issued and fully paid

	<u>Class I</u> Number of shares	<u>Class R</u> Number of shares	<u>Total</u> Number of shares
<b>At 30 June 2021</b>	838,667	1,878,987	2,717,654
Issue of shares	-	81,550	81,550
Redemption of shares	-	(332,110)	(332,110)
<b>At 30 June 2022</b>	838,667	1,628,427	2,467,094
Issue of shares	-	509,712	509,712
Redemption of shares	(838,667)	(225,806)	(1,064,473)
<b>At 30 June 2023</b>	-	1,912,333	1,912,333
<b><u>At 30 June 2023</u></b>		<u>Class I</u> USD	<u>Class R</u> USD
NAV per share		-	1.6407
<b><u>At 30 June 2022</u></b>		<u>Class I</u> USD	<u>Class R</u> USD
NAV per share		1.6122	1.6418
		<u>2023</u> USD	<u>2022</u> USD

(b) Net assets attributable to holder of participating shares

- Class R	3,137,590	2,673,491
- Class I	-	1,352,094
	<u>3,137,590</u>	<u>4,025,585</u>

- (i) As per a written resolution dated 2 September 2022, it was resolved that 838,667.09 Class I shares held by Sicom Global Fund Ltd ("Sicom") be redeemed at a reported Net Asset Value of USD 1.7530 totalling to USD 1,470,144, taking into the consideration the section 22(g) of the constitution of the Fund, the section 19 of the prospectus and the section 20.1 of the Listing Particulars of the Fund. It was recommended by the Board of the Fund that the redemption proceeds be paid in one tranche to Sicom. The payment has been made fully on 25 October 2022.



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**12. REDEEMABLE PARTICIPATING SHARES (CONTINUED)**

(b) Net assets attributable to holder of participating shares (continued)

(ii)

<b>Criteria as per prospectus</b>	<b>Class I</b>	<b>Class R</b>
Minimum Initial Investment	USD 1,000,000	USD 5,000
Minimum Subsequent Investment	USD 100,000	USD 1,000
Initial Charge	Currently 1.25%, Maximum 5%	Currently 2%, Maximum 5%
Redemption Charge	Currently 0.50%, Maximum 3%	Currently 1%, Maximum 3%
Management Fee	Currently 1.25% per annum	Currently 2% per annum
Fund Administration Fee	Currently USD 4,200 per annum which is deemed to be the Management & Administration fees payable to the Fund	
Custodian Fee	Currently 0.02% per annum, maximum 0.25% per annum	

(c) Net asset value per participating share

Net asset per participating share is calculated by dividing the Participating Class Net Asset Value of the relevant Participating class by the number of issued and outstanding shares in that Participating class as at the valuation day concerned. As at 30 June 2023, due to the reversal of the Indian Capital gain tax provision, the NAV for Class R decreased by USD 0.0011 compared to the published NAV as at date.

(d) Issue and redemption of redeemable participating shares

In accordance with Section 20 of the Constitution of the Fund, the Board of Directors has the power to determine the valuation date for the purpose of issue and redemption of participating shares of the Fund.

The Net Asset Value (NAV) per share is calculated on a weekly basis in order to depict a fairer view of the financial position of the Fund and to ensure more consistency. As such, the valuation price for the purpose of issue and redemption of all participating shares of the Fund is based on the NAV per share calculated on a weekly period.

In accordance with section 18 of the Constitution:

- No Participating Shares shall be issued or redeemed during any period when the calculation of the Net Asset Value is suspended pursuant to this Constitution;
- Payment for Participating Shares shall be made at such time and place and to such person on behalf of the Company as the Board may from time to time determine;
- The Board shall have power (but shall not be under any duty) to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the Law or requirements of any country or governmental authority which shall include the right to reject any application for Participating Shares whether in whole or in part.

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**13. INCOME TAX**

The Fund being the holder of Global Business Licence, is liable to income tax in Mauritius on its taxable profit arising from its world-wide income at the rate of 15%.

The Fund invests in listed securities in India and expects to obtain benefits under the Double Taxation Convention between India and Mauritius (the "DTC"). On 10 May 2016, the Government of India and Mauritius signed a Protocol whereby, effective as from 19 July 2016, the DTC has been amended. Amongst others, the amendment impact on capital gains arising on disposal of shares acquired by a Mauritian company on or after 1 April 2017. The taxing right is no longer exclusively with Mauritius so that India is now allowed to tax capital gains in accordance with its tax laws.

However, gains arising on shares acquired on or before 31 March 2017 will not be taxed in India irrespective of the date of disposal. This is on the basis that the taxing right on capital gains for shares acquired on or before 31 March 2017 rests solely with Mauritius: the activity test and main purpose test do not apply in such cases.

Disposal of investments made by a Mauritian company in Indian financial instruments other than shares (such as limited partnerships, options, futures, warrants, debentures, and other debt instruments) are not impacted by the change so that Mauritius will continue to have the sole taxing right on the disposal of such assets.

The Fund has raised a deferred tax liability of 15%, the applicable capital gains tax rate, on the temporary difference arising on the fair value of the investments. The base tax rate as applicable would have to be increased by taking into account the surcharge, health and education cess of 4%.

At 30 June 2023, the Fund has tax losses carried forward USD 39,547 (2022: USD 44,376). The expiry date of the tax losses:

<b>Relating to the year ended</b>	<b>Tax losses USD</b>	<b>Expiry date</b>
30 June 2015	189,619	30 June 2020
30 June 2016	152,606	30 June 2021
30 June 2017	189,457	30 June 2022
30 June 2018	112,542	30 June 2023
Tax loss lapsed	(497,926)	
30 June 2019 – Tax loss utilisation	(36,751)	
30 June 2020 – Tax loss utilisation	(52,045)	
30 June 2021 – Tax loss utilisation	(45,482)	
30 June 2022 – Tax loss utilisation	(7,189)	
30 June 2023 – Tax loss utilisation	(4,831)	
30 June 2023	39,547	
	<u>39,547</u>	
	<u><b>2023</b></u>	<u>2022</u>
	<b>USD</b>	<b>USD</b>
<b>Current tax:</b>		
Current income tax charge	<b>71,517</b>	47,533
Reversal of provision	<b>58,600</b>	(27,579)
<b>Deferred tax liability:</b>		
Relating to net gain on financial assets at fair value through profit or loss	<b>(12,901)</b>	(36,370)
	<u><b>117,216</b></u>	<u>(16,416)</u>

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**13. INCOME TAX (CONTINUED)**

**Tax reconciliation**

Reconciliation of tax expense and accounting profit is provided below:

	<u>2023</u>	<u>2022</u>
	USD	USD
Profit/(loss) from operations before taxation	<u>221,241</u>	<u>(527,065)</u>
Tax calculated at the rate of 15%	33,186	(79,060)
<b>Exempt income:</b>		
Realised gain on financial assets at fair value through profit or loss	(38,572)	(49,535)
Dividend income	(5,674)	(6,579)
<b>Non-taxable income:</b>		
Unrealised (loss)/gain on revaluation of equity shares	(15,790)	105,345
<b>Disallowed expenses:</b>		
Realised loss on financial assets at fair value through profit or loss	-	7,010
Brokerage fees	1,205	848
Expenses attributable to exempt income	26,369	23,050
Tax loss lapsed	-	-
Adjusted tax losses brought forward	-	(1,929)
Tax losses brought forward	(6,656)	(5,806)
Tax losses carried forward	<u>5,932</u>	<u>6,656</u>
	-	-
Capital gains tax suffered outside Mauritius	62,459	36,130
Movement in deferred tax liability	(12,901)	(36,370)
Reversal of provision for last quarter	-	(27,579)
Adjustment for APS utilised as 31 March 2022	58,600	-
Withholding tax suffered outside Mauritius	9,058	11,403
Income tax recognised in profit or loss	<u>117,216</u>	<u>(16,416)</u>

**Regulatory**

The Financial Services Commission ("FSC") issued a Global Business Licence ("GBL") to the Fund on 30 September 2020. Further to the changes made by the Finance (Miscellaneous Provisions) Act 2018 ("FMPA 2018") to the Financial Services Act ("FSA"), the FSC is no longer empowered to issue any GBL1 as from 1 January 2019.

Since 1 July 2021, the Fund is no longer allowed to compute its foreign tax according to a presumed amount of 80% of the Mauritian tax of the relevant foreign sourced income. Furthermore, transactions with GBL corporations and non-residents will not necessarily be considered to be foreign sourced income. Effective as from 1 January 2019, the Fund may apply an exemption on its foreign dividend income, interest income and profits from foreign permanent establishments: the exemption is computed at 80% of the relevant foreign sourced income and is subject to certain prescribed conditions. The exemption is not mandatory so that the Fund may apply the credit system if it so wishes except for Capital gains tax which is taxable outside Mauritius.

**Tax**

Under the current laws, the Fund is subject to tax in Mauritius on its taxable profits at a rate of 15%. Foreign tax credit applies on any foreign source income that has been subject to any foreign tax. Mauritius does not have any capital gains tax and furthermore, any trading profits on the sale of securities are generally exempt from tax.

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**13. INCOME TAX (CONTINUED)**

**Deferred tax**

Deferred tax assets are recognised to the extent that future taxable profit is probable. Total unrecognized deferred tax asset as at 30 June 2023 is USD 5,932 (2022: USD 6,656). During the year 2023, USD 725 (2022: USD 1,078) has been utilised.

**Deferred tax liability**

	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
At 1 July	<b>78,534</b>	114,904
Movement during the year	<b>(12,901)</b>	(36,370)
At 30 June	<b>65,633</b>	78,534

**Capital gains tax liability/(receivables)**

	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
At 1 July	<b>(58,600)</b>	27,579
Under provision/(reversal) of provision	<b>58,600</b>	(27,579)
Paid during the year	<b>(57,473)</b>	(94,730)
Charge for the year	<b>62,459</b>	36,130
At 30 June	<b>4,986</b>	(58,600)

The Fund manager and the directors periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. In accordance with IFRIC 23, the Fund will also disclose uncertain tax treatments when applicable. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether the treatment will be accepted by the tax authority, in which cases the Fund will assess whether to treat different tax treatments separately or together, the assumptions made in examining these tax treatments, and how the taxable profit or loss is determined as well as changes in facts and circumstances.

**14. MANAGEMENT FEES**

Under the Investment Management Agreement between the Fund and EKADA Capital Ltd, the management fees shall be payable in cash in arrears in monthly instalments due within 15 days of the end of each calendar month to the Fund Manager.

The monthly management fee instalment shall be the product of the Net Asset Value of the Fund determined on the last valuation day of such month and one twelfth of 2.0% per annum for retail class and 1.25% per annum for institutional class.

During the year, the investment manager received an aggregate of USD 60,336 (2022: USD 88,080) for the provision of investment management services. The amount payable as at 30 June 2023 is USD 14,486 (2022: USD 19,085).

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**15. PROFESSIONAL FEES**

	<u>2023</u>	<u>2022</u>
	USD	USD
Management & administration fees	7,050	4,200
Accounting fees	4,500	3,000
NAV calculation fees	4,800	4,023
Listing fees	5,995	3,000
Directors' fees	2,081	2,000
Auditor's remuneration	13,800	7,705
Independent directors' fees	4,640	2,500
Indian tax advisor fees	27,326	9,292
Insurance fees	3,495	2,029
Communication charges	643	4,042
Money Laundering Reporting Officer fees	1,041	1,000
Common Reporting Standard & Foreign Account Tax Compliance Act fees	6,000	3,000
Compliance officer fees	1,500	1,740
Secretarial fees	1,500	123
Registered office fees	1,000	82
Anti-Money Laundering/Combating the Financing Terrorism charges	13,696	1,823
NAV review fees	-	5,865
Assistance on redemption & issuance of shares	-	2,300
Other fees	1,755	2,500
	<u>100,822</u>	<u>60,224</u>

**16. CUSTODIAN FEES**

ICICI Bank Limited is entitled to a fee of 0.02% per annum of gross asset value under the Custodian Agreement with the Fund.

**17. FINANCIAL INSTRUMENTS**

**Categories of financial instruments**

	<u>2023</u>	<u>2022</u>
	USD	USD
<u>Financial assets</u>		
Financial assets at fair value through profit or loss: Equity instruments	2,740,038	4,050,998
Financial assets at amortised cost: Other receivables	4,688	1,000
Cash and cash equivalents	491,846	21,887
	<u>3,236,572</u>	<u>4,073,885</u>

The amount of **USD 16,269** (2022; USD 10,907) has not been included in the financial assets, since it is a prepayment by nature.

	<u>2023</u>	<u>2022</u>
	USD	USD
<u>Financial liabilities</u>		
Accounts payable	43,632	38,273
Net assets attributable to holder of redeemable participating shares	3,137,590	4,025,585
	<u>3,181,222</u>	<u>4,063,858</u>

## 17. FINANCIAL INSTRUMENTS (CONTINUED)

### Categories of financial instruments (Continued)

The carrying amount of the financial assets and financial liabilities disclosed above except net assets attributable to holder of participating shares and investment at fair value through profit or loss which are already carried out at fair value (refer to note 17), approximates their fair value.

### Capital risk management

The Fund manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the equity balance.

The capital structure of the Fund consists of stated capital and net assets attributable to holder of participating shares.

### Strategy in using financial instruments

The Fund's investing activities expose it to various types of financial risks that are associated with the financial instruments and markets in which it invests. These financial risks include market risk, (which comprises price risk, foreign currency risk and interest rate risk), credit and counterparty risk and liquidity risk. The Fund's overall risk management programme focuses on minimising potential adverse effects on the Fund's performance resulting from these financial risks.

International Financial Reporting Standard 7, Financial Instruments: Disclosures ("IFRS 7") requires the Fund to disclose a sensitivity analysis for each type of market risk to which the Fund is exposed at the reporting date, showing how profit or loss and net assets would have been affected by changes in the relevant risk variable that were reasonably possible at that date.

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holdings in financial instruments.

The Fund trades in financial instruments (securities). The securities portfolio consists mainly of publicly traded securities (equity instruments).

At 30 June 2023, the market exposures for the investments held by the Fund had a fair value of **USD 2,740,038** (2022: USD 4,050,998).

As at the reporting date, the Fund's securities exposures were concentrated in the following industries:

	<u>2023</u>	<u>2022</u>
	USD	USD
Pharmaceutical and healthcare	181,881	389,196
Automobiles and components	338,197	545,047
Telecommunications and media	525,522	592,902
Industrial and components	635,365	947,712
Financials services	854,721	1,223,902
Consumer goods	204,352	352,239
	<u>2,740,038</u>	<u>4,050,998</u>

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**17. FINANCIAL INSTRUMENTS (CONTINUED)**

**Price risk**

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The price of the financial instrument is determined by reference to the market value of the financial instrument. The Fund manages this risk by investing in a variety of equity securities and risk by adopting some investment restrictions as defined in clause 10.2 of its Listing Particulars. The sensitivity analysis below has been determined based on the exposure to price risks with respect to market value at the reporting date.

If market value had been 20.38% (2022: 7.16%) lower:

- Profit for the year ended 30 June 2023 would have decreased by USD 558,532 as the investments are classified as financial assets at fair value through profit or loss (2022: USD 289,999)
- the investment valuation would increase by same amount; and
- there would be an equal and opposite impact on profit and investment valuation should the market value be higher by 20.38% (2022: 7.16%).

**Foreign currency risk management**

The Fund is exposed to the risk of fluctuation in the exchange rate of the Indian Rupee (INR) in relation to the United States Dollar (USD). Consequently, the Fund is exposed to the risk that the exchange rate may change in a manner which has a material effect on the reported values of the Fund's assets which are denominated in this currency. Management has set up a policy to require the Fund to manage its foreign exchange risk exposure with treasury. The Fund has two bank accounts with ICICI Bank and before transferring funds from the INR to USD bank account, the Fund seeks for a favourable exchange rate.

The currency profile of the Fund's financial instruments is summarised as follows:

	<b>Financial Assets 2023</b>	<b>Financial Liabilities 2023</b>	Financial Assets 2022	Financial Liabilities 2022
	<b>USD</b>	<b>USD</b>	USD	USD
Indian Rupees	<b>2,799,456</b>	-	4,069,672	-
United States Dollar	<b>437,069</b>	<b>3,181,222</b>	4,164	4,068,858
Mauritian Rupees	<b>47</b>	-	49	-
	<b><u>3,236,572</u></b>	<b><u>3,181,222</u></b>	<u>4,073,885</u>	<u>4,068,858</u>

*Sensitivity analysis*

A 3.70% (2022: 6.40%) depreciation of the INR against the USD at the reporting date would decrease net asset attributable to holders of redeemable participating shares and profit or loss by the amount shown below. The analysis assumes other variables remain constant.

	<b>2023</b>	2022
	<b>USD</b>	USD
Net asset attributable to holders of redeemable participating shares /profit or loss	<b><u>101,378</u></b>	<u>260,459</u>

A 3.70% (2022: 6.40%) appreciation of the INR against the USD would have had an equal and opposite effect, on the basis that all other variables remain constant.

## **17. FINANCIAL INSTRUMENTS (CONTINUED)**

### *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. At year end, the Fund has no interest bearing asset or borrowing, hence the Fund has no exposure to interest rate risk. No interest is earned on cash and cash equivalents.

### *Credit risk*

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within short-term trade receivables and cash and cash equivalents.

Other receivables include USD 4,688 (2022: USD 1,000) and the Fund has assessed the credit risk, and it is minimal. Cash and cash equivalents are held with reputable institutions whose credit risk is minimal. As such, no ECL is recognized.

It is the Fund's policy to enter into financial instruments with reputable counterparties. The Investment Manager's policy is to closely monitor the creditworthiness of the Fund's counterparties (e.g. brokers, custodian and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

Credit risk disclosures are segmented into two sections based on whether the underlying financial instrument is subject to IFRS 9's impairment disclosures or not.

The carrying value of these assets represents the Fund's maximum exposure to credit risk on financial instruments on the respective reporting date.

### Financial assets subject to IFRS 9's impairment requirements

The Fund's financial assets subject to the expected credit loss model within IFRS 9 are other receivables and cash and cash equivalents. Credit risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used.

Impairment on cash and cash equivalents and accounts receivables has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The cash and cash equivalents is held with reputable institution and accounts receivable have been received after year end, thus the Fund considers that these exposures have low credit risk based on the external credit ratings of the counterparties. An amount is considered to be in default if it has not been received 30 days after it is due.

### Financial assets not subject to IFRS 9's impairment requirements

The carrying value and closing balance of these assets represents the Fund's maximum exposure to credit risk on financial instruments not subject to the IFRS 9 impairment requirements on reporting date. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

### **Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with its financial liabilities. At 30 June 2023, the Fund's financial liabilities include net assets attributable to participating shareholder and accounts payable.

Redemptions of participating shares are permitted weekly. The Fund's other financial liabilities have contractual repayment or maturity dates ranging from on demand to 12 months.

The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.



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**17. FINANCIAL INSTRUMENTS (CONTINUED)**

**Liquidity risk (Continued)**

**30 June 2023**

	<b>On demand USD</b>	<b>Less than 3 months USD</b>	<b>&gt; 12 months USD</b>	<b>Total USD</b>
<b>Liabilities</b>				
Accounts payable	-	43,632	-	43,632
Net assets attributable to holders of redeemable participating shares	<u>3,137,590</u>	<u>-</u>	<u>-</u>	<u>3,137,590</u>
<b>Total</b>	<u><b>3,137,590</b></u>	<u><b>43,632</b></u>	<u><b>-</b></u>	<u><b>3,181,222</b></u>

**30 June 2022**

	<b>On demand USD</b>	<b>Less than 3 months USD</b>	<b>&gt; 12 months USD</b>	<b>Total USD</b>
<b>Liabilities</b>				
Accounts payable	-	38,273	-	38,273
Net assets attributable to holders of redeemable participating shares	<u>4,025,585</u>	<u>-</u>	<u>-</u>	<u>4,025,585</u>
<b>Total</b>	<u><b>4,025,585</b></u>	<u><b>38,273</b></u>	<u><b>-</b></u>	<u><b>4,063,858</b></u>

The Fund does not anticipate any significant liquidity concerns in funding redemption requests or other liabilities.

**Fair value hierarchy**

The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Those are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Those are inputs unobservable for assets or liability.

Unobservable inputs that shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

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**17. FINANCIAL INSTRUMENTS (CONTINUED)**

**Fair value hierarchy (Continued)**

**Recurring fair value measurement of assets and liabilities**

	<b>2023</b>			
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	<u>2,740,038</u>	<u>-</u>	<u>-</u>	<u>2,740,038</u>
<b>Financial liabilities</b>				
Net assets attributable to holders of redeemable participating shares	<u>-</u>	<u>3,137,590</u>	<u>-</u>	<u>3,137,590</u>

**Recurring fair value measurement of assets and liabilities**

	<b>2022</b>			
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	<u>4,050,998</u>	<u>-</u>	<u>-</u>	<u>4,050,998</u>
<b>Financial liabilities</b>				
Net assets attributable to holders of redeemable participating shares	<u>-</u>	<u>4,025,585</u>	<u>-</u>	<u>4,025,585</u>

**Transfers between levels**

There were no transfers between the levels of the hierarchy during 2023 and 2022.

**Valuation techniques**

Investments in quoted equity securities

The Fund invests in companies whose share prices are quoted in an active market. Transactions in such investments occur on a regular basis. The Fund uses a market-based valuation technique, namely published prices, for these positions. These instruments are included under the Level 1 of the hierarchy.

Net assets attributable to holders of redeemable participating shares

The financial assets classified under level 1 are backing the financial liabilities. As such, net assets attributable to holders of redeemable participating shares are classified under level 2 based on the valuation technique which the Fund uses. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

As the Fund offers weekly liquidity in its shares at the traded price, the Directors consider that this is the price at which market participants would also transact, as a buyer or seller would not be expected to accept a price different from the traded price. Therefore, the Directors have concluded that the most appropriate estimate of fair value of the redeemable ordinary shares is their traded price, without adjustment, at the reporting date. This price is calculated by taking the net assets attributable to shareholders divided by the number of shares in issue.

**Valuation process**

The Board of Directors of the Fund is responsible for the valuation of investments including the policies and procedures. The valuation of the portfolio of investments is carried out on a weekly basis.

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**18. MATURITY ANALYSIS ASSETS AND LIABILITIES**

As at 30 June 2023

	On demand USD	Less than 3 months USD	> 12 months USD	Total USD
<b>Assets</b>				
Financial assets at fair value through profit or loss	2,740,038	-	-	2,740,038
Other receivables	4,688	-	-	4,688
Prepayments	16,269	-	-	16,269
Cash and cash equivalents	491,846	-	-	491,846
	<u>3,252,841</u>	<u>-</u>	<u>-</u>	<u>3,252,841</u>
<b>Liabilities</b>				
Accounts payable	-	43,632	-	43,632
Income tax liability	4,986	-	-	4,986
Deferred tax liability	65,633	-	-	65,633
Net assets attributable to holders of redeemable participating shares	3,137,590	-	-	3,137,590
<b>Total</b>	<u>3,208,209</u>	<u>43,632</u>	<u>-</u>	<u>3,251,841</u>

As at 30 June 2022

	On demand USD	Less than 3 months USD	> 12 months USD	Total USD
<b>Assets</b>				
Financial assets at fair value through profit or loss	4,050,998	-	-	4,050,998
Other receivables	1,000	-	-	1,000
Capital gains tax receivables	58,600	-	-	58,600
Prepayments	10,907	-	-	10,907
Cash and cash equivalents	21,887	-	-	21,887
<b>Total</b>	<u>4,143,392</u>	<u>-</u>	<u>-</u>	<u>4,143,392</u>
<b>Liabilities</b>				
Accounts payable	-	38,273	-	38,273
Deferred tax liability	78,534	-	-	78,534
Net assets attributable to holders of redeemable participating shares	4,025,585	-	-	4,025,585
<b>Total</b>	<u>4,104,119</u>	<u>38,273</u>	<u>-</u>	<u>4,142,392</u>

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**19. RELATED PARTY DISCLOSURES**

During the year, the Fund had the following transactions:

**30 June 2023**

<u>Name of related party</u>	<u>Relationship</u>	<u>Nature of relationship</u>	<u>Volume of transactions</u> USD	<u>Receivable/ (payable)</u> USD
DTOS Ltd	Management Company	Administrative, director, Secretarial, Management & Professional fees	<u>44,371</u>	<u>(16,873)</u>
EKADA Capital Ltd	Investment manager	Investment management fees	<u>60,336</u>	<u>(14,486)</u>
EKADA Capital Ltd	Investment manager	Dealing fees	<u>637</u>	<u>-</u>
EKADA Capital Ltd	Investment manager	Management share receivable	<u>1,000</u>	<u>1,000</u>

**30 June 2022**

<u>Name of related party</u>	<u>Relationship</u>	<u>Nature of relationship</u>	<u>Volume of transactions</u> USD	<u>Receivable/ (payable)</u> USD
DTOS Ltd	Management Company	Administrative, director, Secretarial, Management & Professional fees	<u>25,033</u>	<u>(2,882)</u>
EKADA Capital Ltd	Investment manager	Investment management fees	<u>88,080</u>	<u>(19,085)</u>
EKADA Capital Ltd	Investment manager	Dealing fees	<u>1,944</u>	<u>-</u>
EKADA Capital Ltd	Investment manager	Management share receivable	<u>1,000</u>	<u>1,000</u>

Compensation to key management personnel

During the year, the Fund paid USD 3,000 (2022: USD 2,000) to key management personnel.

**20. SEGMENT REPORTING**

For management purposes, the Fund is organised in one main operating segment which invests in diversified portfolio of global equities. All of the Fund's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Fund as one segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole.

## **21. GOING CONCERN**

The Fund invests primarily in Indian equities, the prices of which reflect potential risks emanating from the economy, markets and policy measures, amongst others. In addition, the Fund is priced in USD while investment in listed securities is made in INR and as a result, there are potential losses from adverse movement of the INR against USD. The investment manager closely reviews the holdings of the portfolio and is in regular discussion with the investment advisor to review the portfolio holdings. Post year end, the investment manager has further reviewed the holdings in the Fund's portfolio and as of date, there is no signal of deterioration of credit risk and payment behaviour of the Fund. The Investment Manager monitors closely the liquidity position of the Fund. Also, the latter has sufficient cash balances to make payment of its fees for next twelve months.

Also, the Directors do not foresee any interruptions in the management services provided to the Fund with the incoming of the potential Investment Manager as disclosed in note 22 below.

Accordingly, the Directors have concluded that the going concern assumption is appropriate in the preparation of the financial statements for the year ended 30 June 2023 and that the realisation of assets and settlement of liabilities and commitments will occur in the ordinary course of business.

## **22. EVENT AFTER THE REPORTING DATE**

EKADA Capital Ltd, the manager of the Fund (the 'CIS Manager'), has received an offer from Strategia Wealth Managers Ltd ('Strategia'), a company operating in the wealth management industry, for the combination of their respective businesses. The board of the CIS Manager has, on 30 June 2023, approved that the offer be recommended to the shareholders of the CIS Manager for their approval.

The transaction will be implemented by way of a scheme of arrangement under the supervision of the Supreme Court of Mauritius and is subject to the satisfaction of certain conditions precedent, including the obtention of regulatory approval.

If the transaction completes, the operations will continue under the management of Strategia. The management shares held by the CIS Manager in the Fund will be transferred to Strategia, subject to the approval of the board of directors of the Fund and the Financial Services Commission.

Strategia and the CIS Manager will ensure a seamless transition and continuity in the management of the Fund. The proposed transaction will result in a combination of resources, expertise and skills that will benefit the Fund.

If the proposed combination does not complete, the board of directors of the CIS Manager will convene a meeting of its shareholders to decide on the appropriate course of action in respect of its businesses. In any case, the CIS board will endeavour that there will be no interruptions in the management services provided to the Fund.

## **23. COMMITMENTS AND CONTINGENCIES**

There are no commitments or contingencies at the reporting date.