The Mauritius Development Investment Trust Company Limited

2013 ANNUAL REPORT

The Mauritius Development Investment Trust Company Limited - Annual Report 2013

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The Mauritius Development Investment Trust Company Limited

2013

ANNUAL REPORT

Company Profile

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

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

At 30 June 2013, MDIT had 4,967 shareholders, with a substantial shareholder being Golden Foundation Ltd. The board of MDIT is made up of non-executive and independent directors who have a vast experience in their respective fields of expertise and participate actively in the board and committee meetings. MDIT is managed by Golden Fund Management Services Ltd, formerly Omnicane Fund Management Services Ltd, a wholly-owned subsidiary of Golden Foundation Ltd.

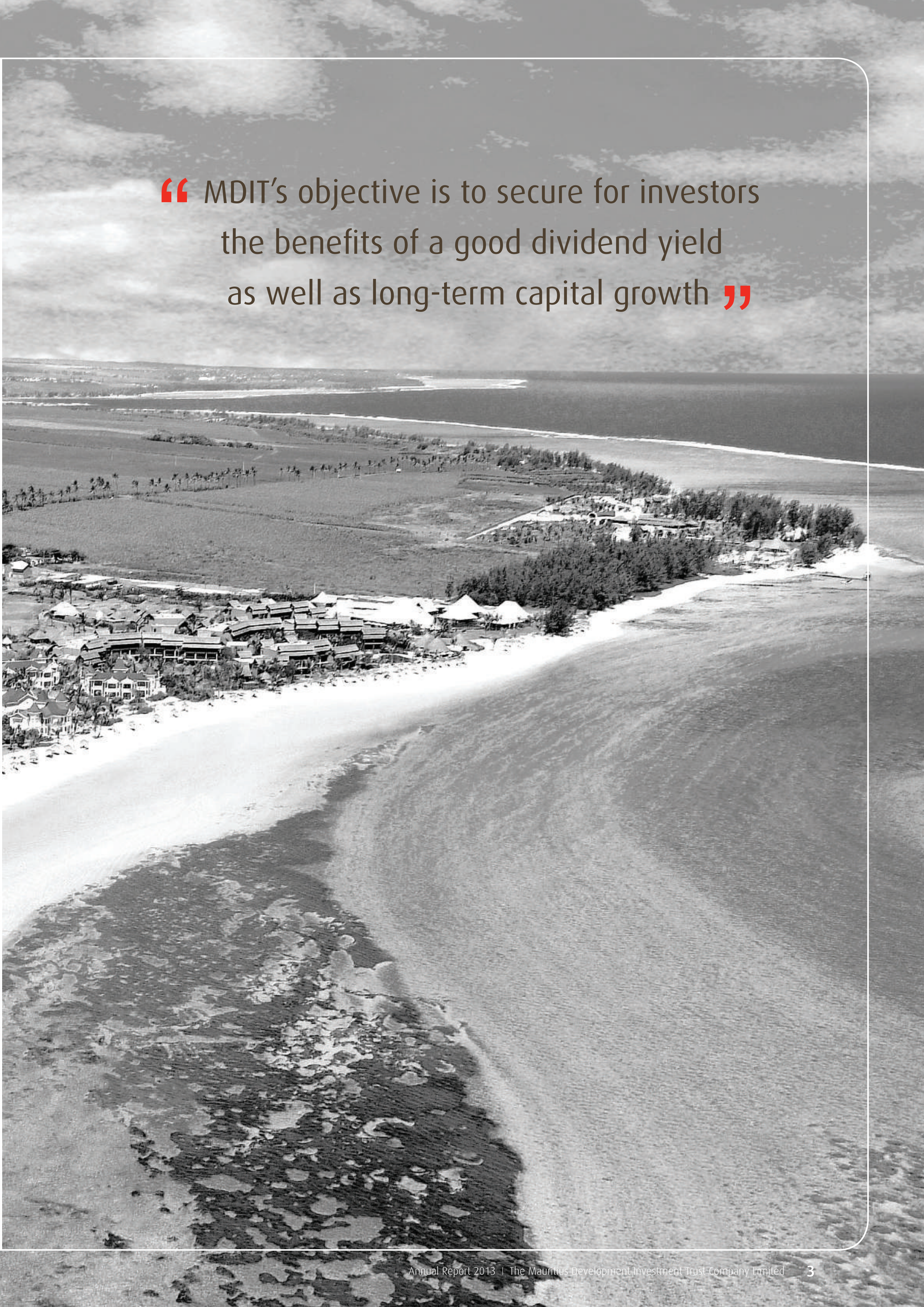
MDIT's objective is to secure for investors the benefits of a good dividend yield as well as long-term capital growth. At 30 June 2013, its portfolio of investments was well spread in 122 local companies covering all sectors of the Mauritian economy, with Official Market (OM), Development and Enterprise Market (DEM) and Unquoted shares accounting for 91% of the total portfolio value, and the balance of 9% being in diversified overseas securities.

At 30 June 2013, MDIT's main local portfolio value was in the sectors of Investments (60%), Finance (11%), Hotels (9%), Industry (5%), and Commerce (4%).

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

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

At 30 June 2013, MDIT shares ranked 6th amongst all the listed securities, in terms of the SEM Total Return Index (SEMTRI) with an annualised return of 20.22% since its listing.



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

Notice of Meeting

Notice is hereby given that the forty-seventh annual meeting of the members of the Company will be held at the Port Louis City Club on **Friday 20 December 2013 at 15.00hrs** to transact the following business:

1. **Annual Report and Audited Financial Statements**

   To consider and approve the Annual Report including the audited financial statements for the year ended 30 June 2013.

2 to 3 **Election of Directors**

To elect two directors in accordance with the provisions of the Constitution. The following directors retire by rotation and are being proposed for re-election (as separate resolutions):

2. **Mr Lloyd Coombes**
3. **Mr Roger Leung Shin Cheung**
4. **Mrs Geereesha Ramsarran-Khandai**
5. **Mr Louis Rivalland**

4. **Dividends**

   To ratify the payment of the interim and final dividends per share of 14 cents and 17 cents respectively declared by the directors and paid.

5. **Directors' fees**

   To fix the directors' fees for the year ending 30 June 2014.

6. **Appointment of Auditors**

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

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

By order of the Board

Lawrence Poisson F.C.I.S.

For and on behalf of

JLP Company Secretarial Services Ltd
Company Secretary

18 November 2013

Corporate Information

Managers

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

Notary

Jean Pierre Montocchio

Registrars and Transfer Office

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

Bankers

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

Manager

Vicky Ducasse, F.C.C.A.

Registered Office and Postal Address

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

Accountant

Natacha Babylone

Telephone

(230) 213 2298

Company Secretary

JLP Company Secretarial Services Ltd

Telefax

(230) 213 2636

Internal Auditor

KPMG

Email

mdit@intnet.mu

External Auditor

Deloitte

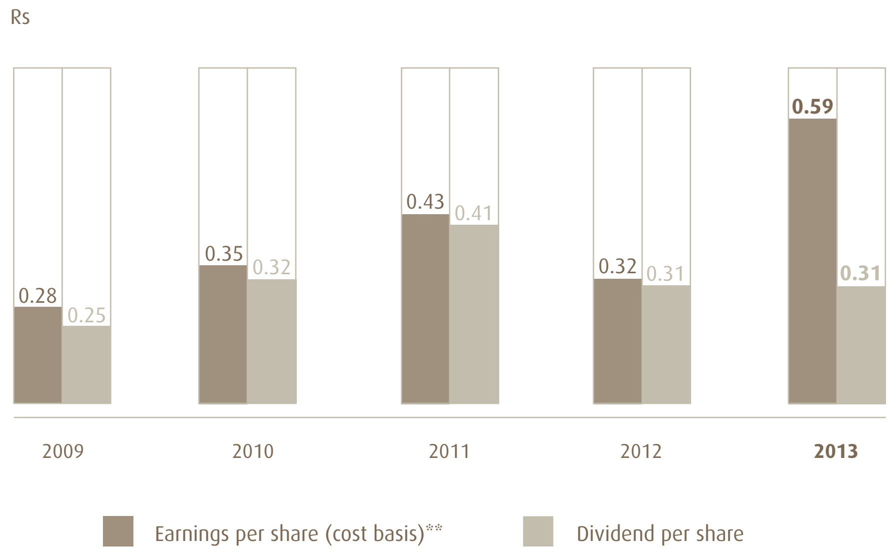
Website

www.mdit.mu

Financial Highlights

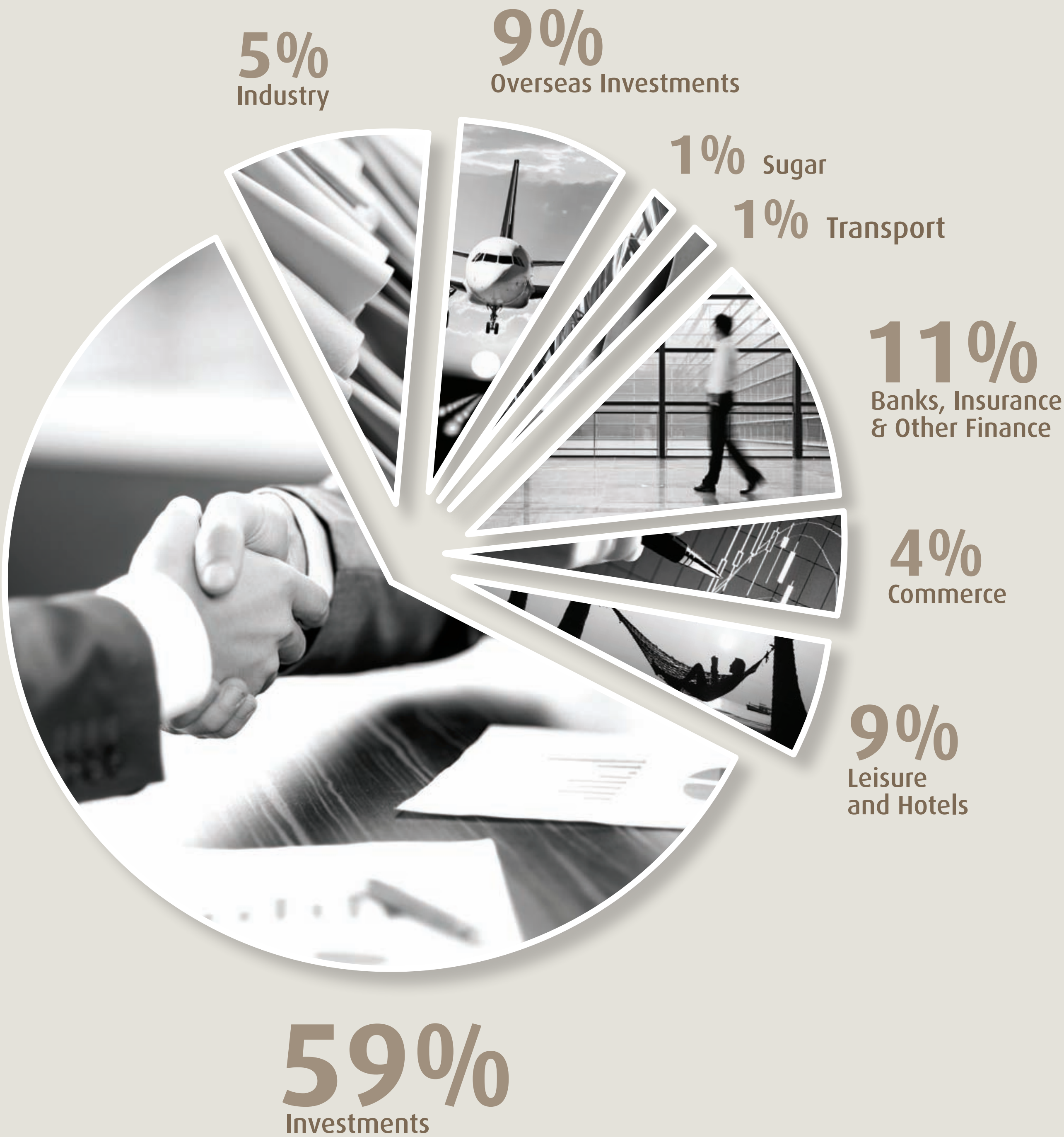
	YEAR ENDED 30 JUNE				
COMPANY*	**2013**	2012	2011	2010	2009
Earnings/(loss) per share	**0.84**	(0.17)	0.78	0.70	(0.65)
Earnings per share (cost basis)**	**0.59**	0.32	0.43	0.35	0.28
Dividend per share	**0.31**	0.31	0.41	0.32	0.25
Net Asset Value per share ***	**4.09**	3.72	4.25	3.81	3.39
Dividend yield (%)	**5.74**	6.14	6.95	8.17	6.66
Share price	**5.40**	5.05	5.90	3.88	3.75

* Figures are after the 1:5 bonus issue in March 2011
** Excludes revaluation surplus/(deficit)
*** Includes final dividend declared



	30 JUNE				
LOCAL MARKET	**2013**	2012	2011	2010	2009
SEMDEX	**1,944**	1,776	2,098	1,654	1,417
SEM-7	**375**	340	395	334	321
SEMTRI	**5,957**	5,381	6,171	4,737	3,922
DEMEX	**154**	149	156	141	127
DEMTRI	**181**	172	176	156	137

Portfolio by Sector



Classification of Investments

SECURITIES		June 2013 Valuation Rs M	June 2013 Holding %	June 2012 Valuation Rs M	June 2012 Holding %
Banks, Insurance & Other Finance	- OM	**188**	**11**	159	11
	- DEM	**-**	**-**	12	1
	- Unquoted	**-**	**-**	3	0
		188	**11**	174	12
Commerce	- OM	**4**	**0**	62	4
	- DEM	**18**	**1**	20	1
	- Unquoted	**42**	**2**	21	2
		64	**4**	103	7
Industry	- OM	**31**	**2**	33	2
	- DEM	**24**	**1**	25	2
	- Unquoted	**33**	**2**	25	2
		88	**5**	83	6
Investments	- OM	**342**	**20**	54	4
	- DEM	**521**	**31**	402	27
	- Unquoted	**128**	**8**	143	10
		991	**59**	599	41
Leisure and Hotels	- OM	**119**	**7**	107	7
	- DEM	**23**	**2**	22	2
	- Unquoted	**3**	**0**	3	0
		145	**9**	132	9
Sugar	- OM	**0**	**0**	37	2
	- DEM	**8**	**0.5**	171	12
	- Unquoted	**8**	**0.5**	-	-
		16	**1**	208	14
PROPERTY DEVELOPMENT	- OM	**2**	**0**	-	-
Transport	- OM	**21**	**1**	17	1
All Sectors	- OM	**707**	**42**	469	31
	- DEM	**594**	**36**	652	45
	- Unquoted	**214**	**13**	195	14
TOTAL LOCAL INVESTMENTS		**1,515**	**91**	**1,316**	**90**
OVERSEAS INVESTMENTS		**154**	**9**	**137**	**10**
TOTAL INVESTMENTS		**1,669**	**100**	**1,453**	**100**

Report of the Directors

The directors have pleasure in submitting the Annual Report and the audited financial statements for the year ended 30 June 2013.

MARKET REVIEW

Stock Exchange of Mauritius (SEM)

Official Market (OM)

The SEMDEX of 1,776 at 30 June 2012 maintained its downward trend movement and fell to a low of 1,654 on 19 October 2012. It then went on a generally rising trend to 1,958 on 13 May 2013 before falling again and was 1,915 at 30 June 2013, representing a rise of 7.8% for the year.

The share prices went up 10.1% and 25.6% for The Mauritius Commercial Bank Ltd (MCB) and State Bank of Mauritius Ltd (SBM), the leading constituents of the SEMDEX and 2.9% for the Mauritius Union Assurance Co Ltd. However, for Bramer Banking Corporation Ltd and Swan Insurance Co Ltd, their share prices went down by 19.3% and 3.7% respectively.

Industrial share prices fell for Mauritius Stationery Manufacturers Ltd, (34.5%), Mauritius Chemicals and Fertilizer Industry Ltd (11.7%), Gamma Civic Ltd (10.6%) and United Basalt Products Ltd (9.3%). On the other hand, those of Mauritius Oil Refineries Ltd and Plastic Industry (Mauritius) Ltd rose by 8.8% and 6.5% respectively.

For the commercial sector, the share price increased by 13.4% for Ireland Blyth Ltd, mainly driven by the much better profitability of its seafood and marine activities, and 14.1% for Innodis Ltd, owing to improved marketing and repositioning of some brands and the acquisition of a majority stake in Meaders Feeds Ltd. On the other hand, they dropped for Harel Mallac Ltd (17.9%), Cie des Magasins Populaires Ltée (17.7%) and Vivo Energy Mauritius Ltd (7.1%).

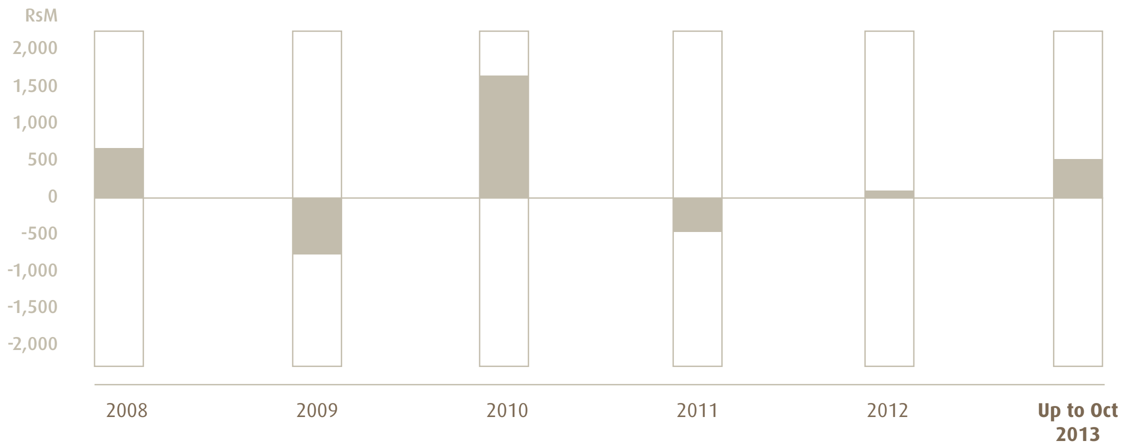
Investment sector share prices were up by 8.1% for Terra Mauricia Ltd, 7.8% for Fincorp Investment Ltd, 5.0% for The Mauritius Development Investment Trust Co Ltd and 6.8% for ENL Commercial Ltd. Whilst Caudan Development Ltd share price fell by 12.5% after being weighed down by the flash flood in Port Louis and the opening of various malls throughout the country.

The difficult economic conditions in the local tourism sector continued but, due to the improved performance of their overseas hotels, the share prices of Lux Island Resorts Ltd and New Mauritius Hotels Ltd rose by 11.1% and 6.4% respectively. However, they were down for Sun Resorts Ltd (19.2%) and 20.0% for leisure company Automatic System Ltd.

Sugar sector share prices increased for Omnicane Ltd (18.9%), boosted by development projects both in Mauritius and in Africa, and for ENL Land Ltd (16.8% and 7.4% for O and P shares respectively) on the back of the great success of their Mega Shopping Mall at Bagatelle.

As for foreign investments on the OM, net investments of Rs 521 M were registered for the 10 months to 31 October 2013 compared to net disinvestments of Rs 305 M for the 10 months to 31 October 2012. Transactions were mainly in companies with higher liquidity and sustained performance, like MCB, SBM, Alteo Ltd and Terra Mauricia Ltd, and in New Mauritius Hotels Ltd which had development projects in Morocco reaching completion stage and a share price at a historically low level. Below is the chart showing the net foreign investments over the past 5 years.

NET FOREIGN INVESTMENTS



Report of the Directors

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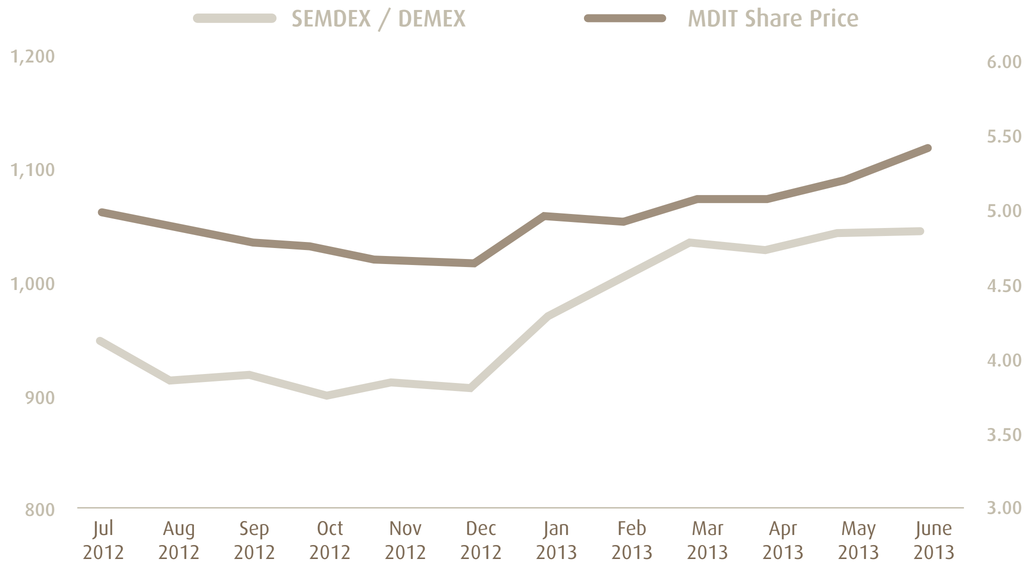
Development and Enterprise Market (DEM)

The DEMEX of 148.73 at 30 June 2012 fell to a low of 139.08 on 26 September 2012 before going up to 153.04 on 15 February 2013. Thereafter, it fluctuated downwards within a narrow range to 148.46 on 20 March 2013 before increasing again and was 153.58 at 30 June 2013, a rise of 3.3% during the year.

The main share price increases were 254.4% for ABC Motors Ltd and 55.9% ENL P following a bonus issue of 1:149. Other substantial increases were for CIEL Textile Ltd (40.6%), due to the better performance of its overseas operations, RHT Holding Ltd (36.4%) and United Bus Service Ltd (28.3%). However, the share price of Société de Développement Industriel et Agricole Ltée fell by 63.7%. For Union Flacq Ltd, its share price of Rs 18.90 at 30 June 2012 went up 14.8% to Rs 21.70 on 22 July 2012. Adjusted to Rs 5.05 ex dividend in specie of Alteo Ltd shares, the share price then rose by a further 35.6% to reach Rs 6.86 at 30 June 2013.

At 30 June 2013, the shares listed on the OM and the DEM represented 47% and 39% of the MDIT's portfolio. The graph below shows that, during the year ended 30 June 2013, the MDIT share price followed an upward trend in line with the weighted average of the SEMDEX and DEMEX.



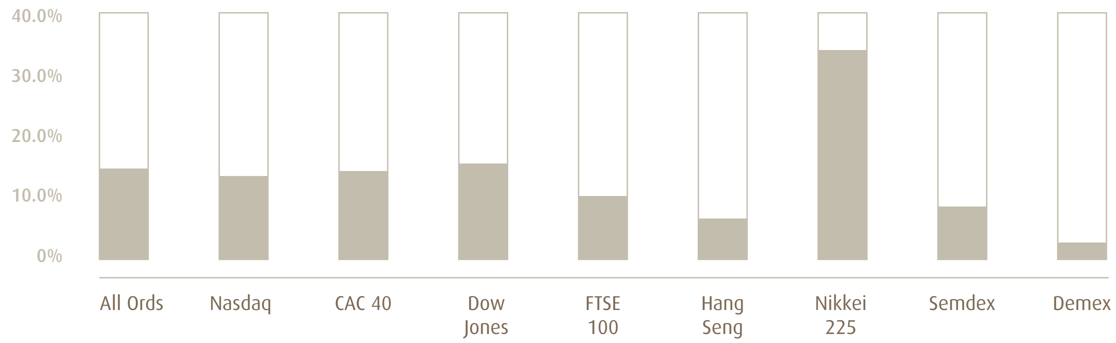
Overseas market

The global growth fell in the third quarter 2012 to 3%, from 4% in 2011, due to worsening sovereign debts for Spain and Italy and decreasing demand from key emerging economies. Growth in the Eurozone was also affected after the stripe off of France's AAA by Moody's.

In the first quarter 2013, the global growth rose to 3.5% with a forecast of 4% for 2014 by World Economic Outlook, as the world financial markets moved to recovery with the policy actions taken in Europe and USA to recover from the crisis and fiscal cliff respectively. However, there remains still a downside risk, that due to the prolonged Eurozone crisis and low consumer confidence.

The graph below shows positive returns for the major world indices for the year ended 30 June 2013, with a sharp rise of 34.1% for the NIKKEI 225 and higher returns for the other overseas market indices than the SEMDEX and DEMEX, except that the Hang Seng Index was lower than the SEMDEX. It is recalled that for the year ended 30 June 2012, all the indices showed negative returns except the Dow Jones and Nasdaq.

WORLD STOCK MARKET RETURN (YEAR TO 30.06.13)



Investment Strategy

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

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

The Investment Committee is consulted in respect of substantial transactions and meets to monitor that the movements in the securities' portfolio are in line with the investment strategy, as well as to consider the factors that may affect not only the short and long term profitability but also the valuations of the investments.

CORPORATE ACTIONS AND ANNOUNCEMENTS

Official Market (OM)

Alteo Ltd (Alteo)

Alteo listed its issued 318,492,120 ordinary Shares no par value on the Official Market in July 2012 and subsequently raised a total of Rs 1,000M via issue of secured notes by private placement with maturities of 1 Year (Rs 200M), 3 Years (Rs 400M) and 5 Years (Rs 400M) respectively for a weighted average yield of 5.28% p.a.

Vivo Energy Mauritius Ltd (VIVO)

VIVO informed, on 24 July 2012, an investment Rs 200M in its retail sites, bunkering activities, LPG and commercial businesses.

P.O.L.I.C.Y Ltd (POLICY)

POLICY made a bonus issue of 56,746,668 ordinary shares on 31 August 2012, in the ratio of one (1) bonus share for every three (3) Ordinary shares held.

Report of the Directors
(continued)

CORPORATE ACTIONS AND ANNOUNCEMENTS (continued)

Official Market (OM) (continued)

CIM Financial Services Ltd (CIM)

680,522,310 ordinary shares of CIM were listed on the Official Market in September 2012.

CIM announced, on 29 May 2013, a programme to raise up to Rs 1,200M for 5 years notes which will not be listed and will bear the fixed interest rate to be determined via a bidding process.

Ireland Blyth Ltd (IBL)

IBL acquired in October 2012 from GML Investissement Ltée, 100% of Robert Le Maire Ltd and its 100% subsidiary RLM Madagascar SARL, and 60% subsidiary, Smag Ltée. In February 2013, IBL announced that it will provide its know-how and expertise in the seafood and marine industry to the Republic of Gabon in a Public-Private Partnership

Soap and Allied Ltd (SAIL)

SAIL announced, on 28 December 2012, that the Financial Services Commission has approved the sale of its 1.225M ordinary shares in Island Life Assurance Company Ltd to Currimjee Jeewanjee and Co Ltd for Rs 49,119,560 (Book value Rs 9,308,500).

Le Meritt Holdings Ltd (Le Meritt)

Le Meritt informed that subscriptions of MUR 58,607,820 had been received at the close of its Initial Public Offer (IPO) on 28 December 2012 and, prior to its listing at the end of January 2013, that the percentage shareholding in public hands of some 15% would be increased to 20% by the end of 3rd year of listing and to 25% by the end of 5th year.

Omnicane Ltd (Omnicane)

Omnicane raised, in January 2013, Rs 920M through the issue of a second tranche of Rs 100,000 notes at 5.70% per annum payable semi-annually.

In March 2013, Omnicane acquired, a 20% stake in Kwale International Sugar Co Ltd (KISCOL) at a cost of USD 16M with a commitment to acquire an additional 5% stake for USD 4M and an option to increase in KISCOL ownership to 50% after the soft commissioning of the sugar factory.

In May 2013, Omnicane announced the construction of a 140 room Holiday Inn Hotel close to the SSR International Airport at Plaine Magnien.

Innodis Ltd (Innodis)

Innodis announced, on 8 February 2013, a partnership with Irvine's group with the transfer of a 49.9% stake of its wholly-owned subsidiary Mocambique Farms, Limitada. Irvine Group will inject USD 3 M in the coming 2 years to expand their joint business.

Mauritius Commercial Bank Ltd (MCB)

MCB group was restructured to separate its activities in line with international practice, a new entity, MCB Holdings Ltd, will be incorporated and listed as holding Company for three clusters, namely, Banking, Non-Banking Financial and Other Investments and with Fincorp Investment Ltd will remain listed on the SEM's official board and held at 57.46% by MCB.

MCB shares would be exchanged for new MCB Holding Ltd shares and investments in subsidiaries and associates, including subordinated debt, transferred to MCB Holdings Ltd for approx Rs 4.6bn thus reducing the capital base by approx. Rs 3.1bn. To compensate the reduction, MCB made a public offer for subscription of Subordinated Notes (SN) at a floating interest rate equivalent to 6% p.a. Offers for Rs 6.351bn were received on the closing date of 19 July 2013 and Rs 4.5bn of SN were allocated by MCB in full to applicants of up to Rs 10M and 33.7135% to applicants above Rs 10M.

MCB subsequently announced that the African Development Bank ('AFDB') has approved a financing package of USD 150M to MCB, comprising a USD 120M seven-year multi sector line of credit and a USD 30M ten-year subordinated debt.

State Bank of Mauritius Ltd (SBM)

SBM effected a 1:100 shares split on 1 March 2013.

Gamma Civic Ltd (Gamma)

Gamma announced, on 15 March 2013, the buy-back of up to 5% of its stated capital, i.e. 6.66M shares, at a price of between Rs 15 to Rs 30 over twelve months, to be held as treasury shares which may be re-issued in the future.

Mauritius Eagle Insurance Co Ltd (MEI)

In line with its strategy to focus on general insurance, MEI disposed of a 70% stake in Mauritius Eagle Life Co Ltd to Metropolitan International Holdings Proprietary Ltd on 27 March 2013.

Dale Capital Group Ltd (Dale)

Dale announced, on 3 May 2013, the disposal of the Shelley Point Hotel and is also awaiting government approval on the Sale of the Beach Club Property holding Company linked to the Les Ecuries Project.

Samlam Africa Core Real Estate Fund Ltd (SARE)

SARE announced, on 16 May 2013, the listing of 90M Class A shares by means of private placements at USD 5 each. SARE's primary objective is to invest in commercial real estate assets within the Sub-Saharan Africa.

Development and Enterprise Market (DEM)

Ascencia Ltd (Ascencia)

Ascencia announced, on 6 September 2012, that 67,925 ordinary shares of the Company have been issued to Foresite Property Holding Ltd ('FPHL') price of Rs 1,325 per share in consideration for the purchase of a plot of FPHL land situated at Phoenix.

CIEL Investments Ltd (CIL)

CIL announced, in April 2013, the buy-back of 130,700 shares in February 2013 and 2.41M shares in March 2013 and the additional shares which may be bought back at 47.8M.

ENL Ltd (ENL)

On 12 April 2013, ENL announced the bonus issue of 212,414,400 Ordinary and Preference shares to existing shareholders in the ratio of 149 ENL (P) shares for every ENL (P) held.

BlueLife Ltd (BLL), formerly Fuel Properties Ltd (FUPL)

146,687,586 ordinary shares of FUPL of no par value, were admitted on the DEM on 28 May 2013 and on 26 June 2013, the name of Fuel Properties Ltd was changed to BlueLife Ltd. In October 2013, BLL Board announced the proposed amalgamation of Indian Ocean Real Estate Co Ltd (IOREC), its joint venture partner in the Azuri Project, with and into BLL and the subsequent listing of BLL shares on the Official Market of the Stock Exchange of Mauritius.

Deep River Investment Ltd (DRIL) / CIEL Investments Ltd (CIL)

DRIL and CIL increased their effective holdings in CIEL Textile Ltd (CTL) to 14.28% and 31.15% respectively following the sale by I & P Textile Holdings Ltd (IPTH) of its 25.7% holding of CTL's total stated capital. DRIL then increased its effective control over CTL to 42.92% after acquisition of a 100% stake of ITPH and was forced under Securities (Takeover) Rules, to make an offer to buy the shares of all the other CTL shareholders at a price of Rs 23.56. Subsequently, DRIL shares were split into 10 ordinary shares and each post-split ordinary share was entitled to opt for either a 5-cent cash dividend or four Redeemable Restricted A (RRA) shares redeemable at no cost by the company should the ultimate owners of the RRA shares own less than 10% of DRIL's ordinary shares.

Subject to approval at the Special Meeting convened on 30 December 2013, CIL would be amalgamated with and into DRIL with every one CIL share being exchanged for 0.735 DRIL share as per the share exchange ratio determined by Ernst & Young Mauritius. DRIL, rebranded as CIEL, would seek a listing on the Official Market of the Stock Exchange of Mauritius.

PERFORMANCE REVIEW

Official Market (OM) Investments

The improved market condition resulted in an increase on sales of OM investments of 21.5% to Rs 133.5M (2011/12: Rs 109.9M), generating a total profit on cost of Rs 91.1M, 93.4% of which was on shares in the following five OM companies:

OM Companies	Profit (Rs M)	% of total Profit from OM Investments	% of total profit from Local Investments
Alteo Ltd	33.3	36.6	24.9
Omnicane Ltd	20.7	22.7	15.5
Mauritius Commercial Bank Ltd	20.3	22.3	15.2
CIM Financial Services Ltd	6.3	6.9	4.7
Innodis Co Ltd	4.5	4.9	3.4
Total	**85.1**	**93.4**	**63.7**

At 30 June 2013, the value of the top five OM holdings of Rs 509.9M represented 72.1% of the OM portfolio value and 33.7% of the total portfolio value as shown in the table below:

TOP FIVE OM INVESTMENTS	Value (Rs M)	% of OM Portfolio Value	% of Total Portfolio Value
Alteo Ltd	258.1	36.5	17.0
Mauritius Commercial Bank Ltd	117.8	16.7	7.8
State Bank of Mauritius Ltd	48.3	6.8	3.2
Lux Island Resorts Ltd - Shares	47.4	6.7	3.1
New Mauritius Hotels Ltd	38.3	5.4	2.5
Total	**509.9**	**72.1**	**33.7**

Alteo Ltd (previously DRBC)

Alteo Ltd emerged as the amalgamated company after the fusion of DRBC and FUEL on 10 July 2012 and is held 21.0% by Deep River Investment Ltd and 27.5% by Groupe Mon Loisir. The merger's objective is improved performance from the synergies in cane growing, sugar milling and refining activities as well as energy production, property development, hospitality and leisure activities.

For year to June 2013 compared to June 2012, group turnover rose from Rs 3,673M to Rs 6,066M. Profit after tax was Rs 1,408M, up Rs 507M out of which Rs 323M was from sugar, boosted by higher sugar prices, and Rs 157M from power generation, but was partly offset by Rs 51M of larger property sector deficit. The higher profit is also due to an increase of Rs 115M in the share of results of joint ventures, a surplus of Rs 109M in fair value of investment property and Rs 62M in the disposal of assets, while finance costs and amortisation of VRS and centralisation costs were adverse by Rs 191M.The alignment of the discount applied by directors to third party land valuations was responsible for a surplus on revaluation of freehold land of Rs 1,368M stated in the other comprehensive income.

For the quarter to September 2013 compared to September 2012, group turnover went up by 7.3% to Rs 2,067M, largely attributable to the local operations which comprised a 6.3% increase in sugar price, while profit was enhanced by 11.0% to reach Rs 758M. For the full year, the forecast is for sugar production to be below average and very good in Mauritius and Tanzania respectively and lower sugar prices in both countries. Further, power generation would fall, owing to reduced bagasse availability, but the launch of the Amalthea villas and duplexes in early 2014 would enhance property sector revenue.

Alteo share price of Rs 29.90 at 30 June 2012 fell to Rs 28.50 at 30 September 2012. It then went up to Rs 36.50 on 31 March 2013 and decreased to Rs 35.60 on 30 June 2013 The higher price of Rs 36.90 on 18 November 2013 is at a 27.1% discount to the NAV of Rs 50.59 as at 30 June 2013.

Report of the Directors
(continued)

MCB

MCB, incorporated in 1838, is the leading banking institution in Mauritius and a major financial services provider in the region, with a presence in eight countries via its subsidiaries, associates and representatives offices. It is also involved in non-banking financial and investment services and has the highest market capitalisation of around USD 1.5 billion representing a share of nearly 25%.

In the year ended 30 June 2013 compared 2012, the group profits grew by 4.9% to reach Rs 4,315M. Net Interest income went up some 10% to Rs 7,047M spurred by continued growth in the loan book. Net fee and commission rose 18% to Rs 2,629M due to higher revenue from cross border finance activity, while foreign exchange profit was down from Rs 1,430M to Rs 925M due to the unfavourable market conditions. Operating costs were fairly well contained but in spite of impairment charges having doubled, essentially owing to the Global business exposures, the share of foreign income stood at 46% for the year.

For the quarter to September 2013 compared to September 2012, group profits rose by 12.9% to Rs 1,283M, boosted by a strong contribution from subsidiaries and associates and despite a 72.6% increase in credit impairment to Rs 183M and a higher tax following the rise in the special levy on banks in the Budget Speech for 2014. Net interest income and net fee and commission income increased by 9.5% and 19.1% respectively, buoyed by international and regional activities outside Mauritius. Based on current trends and in view of its sustained international business development, MCB expects to achieve a satisfactory growth in the results for the half year to 31 December 2013.

MCB share price of Rs 169 at 30 June 2012 went down to Rs 162 on 30 September 2012, and then rose to Rs 171 on 31 December 2012 and was Rs 186 at 30 June 2013. The upward trend continued thereafter to break the record of Rs 192 to reach Rs 205 at 18 November 2013, a price which gives a P/E ratio of 11.29 on the basis of 2012/13 earnings per share of Rs 18.15.

SBM

SBM, established in 1973, is the second largest banking group and a major financial service provider in Mauritius, with subsidiaries in India and Madagascar. It is involved in non-banking financial and non-financial services, and has the second highest market capitalisation of around of USD 1 billion, representing 16% of the total market capitalisation on the SEMDEX as at 30 June 2013.

For the 15 months to September 2013 compared to September 2012, group profits rose by 16.4% to Rs 3,891M. While interest income was up by 4.8%, interest expenses driven by liability management, were reduced by 13.0%, resulting in an increase of 18.9% in net interest income to Rs 4,914M. Non-interest income grew by 1.4% to Rs 2,287M due to Rs 206M of higher dividend from Mauritius Telecom Ltd, offset by lower cross border card fee income and exchange income. Profit of overseas operations went up by 13.4% despite higher provision for credit impairment. The capital adequacy ratio under Basel III of 19.66% at 30 September 2013 is well above the minimum regulatory requirement of 10%.

For the quarter to December 2013 compared to December 2012, SBM is expecting sustained profit growth through enhancement of its revenue generation capabilities in its current markets in Mauritius, India and Madagascar and tapping any diversification activities in other countries in Africa and Asia.

SBM share price of Rs 82.00 at 30 June 2012 followed an upward trend to reach Rs 104.00 on 22 February 2013, equivalent to Rs1.04 ex share split of 1:100. The latter price went up to Rs 1.07, before falling to Rs 1.03 at 30 June 2013 and further to Rs 1.01 at 30 September 2013. At 18 November 2013, SBM share price of Rs 1.05 showed an attractive PE ratio of 8.46 based on earnings per share of 0.124 cent for the year ended 30 June 2013.

LUX

LUX owns and manages 8 hotels in the Indian Ocean region, comprising its premium resorts, namely LUX Belle Mare, Grand Gaube, Le Morne, Maldives and Ile de la Reunion, as well as Hotel Le Recif, Merville and Tamassa. It also manages a complex on private island Iles aux Deux Cocos.

Despite the continued challenging trading conditions during the year ended 30 June 2013, group revenue increased by 1.5% to reach Rs 3,771M. Operating profit was up by 29.0% to Rs 461M, with a 29.9% growth for Maldives to Rs 182.6M, following a 10% rise in the island's tourist arrivals to 1.04M, a drop of Rs 12M for Reunion and a marginally higher share of loss from associate Tamassa to Rs 12.M. As a result and Rs 28M decrease in finance costs, profit for the year rose from Rs 27M to Rs 103M.

For the low season quarter to September 2013 compared to 2012, group revenue rose by 22% to reach Rs 787M. Loss was reduced by 37% to Rs 101.9M, attributable mainly to 27% of higher rooms revenue per available room, a further reduction of the share of loss of associate and Rs 10M of lower finance costs as a result of reduced borrowings and last year's conversion of a significant portion of rupee loans into euro. LUX is expecting a better current quarter than the quarter to 31 December 2012 with increased arrivals from UK and the emerging markets, particularly China.

LUX share price of Rs 19.80 at 30 June 2012 fell to Rs 15.00 on 30 September 2012, before rising to Rs 16.20 on 31 December 2012. It then followed an upward trend to be Rs 22.00 on 30 June 2013 and was Rs 33.30 on 18 November 2013. The latter price is well below Rs 83.50, which is its record price of Rs 135.00 after adjustment for the 2010 rights issue.

NMH

NMH is the largest hotel group with eight hotels in Mauritius, namely Royal Palm, Dinarobin, Paradis, Trou aux Biches, Shandrani, Le Victoria and Le Cannonier. The group also owns St Anne Resort and Spa in Seychelles and Royal Palm Marrakech in Morocco and a 100% shareholding in Domaine Palm Marrakech involved in the villas development managed by subsidiary Beachcomber Hotel SA, the owner of the Royal Palm Marrakech hotel which is scheduled for a soft opening in December 2013.

For the nine months to June 2013 compared to 2012, group revenue was down 2.4% to Rs 6,293M. Profit was reduced by Rs 197.9M to Rs 556.6M, after Rs 41M of share of profit of associates and the deduction of pre-operational cost of the Marrakech project of Rs 61M. For the low season quarter to June 2013 compared to June 2012, gross revenue fell by Rs 43M, or 2.7%, while loss rose by Rs 46M to Rs 218M after an increase of Rs 44M in finance costs.

Results for the last quarter to 30 December 2013 were expected to be similar to those of the same quarter last year. Based on forward bookings at 6 August 2013, a marked improvement was anticipated in the group's market share, particularly in the upmarket segment. Moreover, secured multicurrency notes in private placement, bearing a much lower interest at 5.58% p.a., has been raised for Rs 1,200M, Rs 400M for the renovation of Royal Palm and Rs 800M for the project completion at Marrakech where interest in the purchase of villas is increasing with the hotel construction and surrounding infrastructural works reaching a final stage.

NMH share price of Rs 66.00 at 30 June 2012 continued its downward trend to a low of Rs 57.00 on 31 December 2012. It then rose to Rs 70.25 on 30 June 2013 and was Rs 87.00 on 18 November 2013. The latter price is well below its record price of Rs 205.00 but is 10.0% above its NAV of Rs 79.10 as at 30 June 2013 excluding leasehold land revaluation.

Development and Enterprise Market (DEM)

Sales of DEM investments during the year under review amounted to Rs 34.4 M and yielded a total profit on a cost basis of Rs 26.0M, 86.7% of which was on shares in the following five companies:

DEM Companies	Profit (Rs M)	% of total profit from DEM Investments	% of total profit from Local Investments
Anglo Mauritius Assurance Society Ltd	11.4	43.8	8.5
ENL Ltd - (P)	4.9	18.8	3.7
Ciel Textile Ltd	2.8	10.7	2.1
Deep River Beau Champ Ltd	1.9	7.1	1.4
Union Flacq Ltd	1.6	6.2	1.2
Total	**22.5**	**86.7**	**16.9**

At 30 June 2013, the value of the top five DEM holdings was Rs 513.2M and represented 86.4% of the DEM portfolio value and 33.9% of the total portfolio value as shown in the table below:

TOP FIVE DEM INVESTMENTS	Value (Rs M)	% of DEM Portfolio Value	% of Total Portfolio Value
ENL Ltd - (P)	403.3	67.9	26.6
Union Flacq Ltd	34.0	5.7	2.2
ENL Investment Ltd	33.2	5.6	2.2
Ciel Investment Ltd	28.3	4.8	1.9
Ciel Textile Ltd	14.4	2.4	1.0
Total	**513.2**	**86.4**	**33.9**

ENL LTD

ENL Ltd (formerly Espitalier Noel Ltd) has five business units, namely ENL Agri, ENL Commercial, ENL Investment, controlling 59.7% of Rogers & Co Ltd (Rogers), ENL Property and ENL Lifestyle. ENL is by far the largest investment in the DEM portfolio, with a value of Rs 498M at 30 June 2013 after taking into account Rs 95M for the 3,129,608 ENL ordinary shares also held.

In the year ended 30 June 2013 compared to 2012, group revenue rose from Rs 3,952M to Rs 9,177M owing to the first time consolidation with Rogers as a subsidiary. Profit reached Rs 3,422M, up Rs 2,477M attributable mainly to Land, investments and financial services (Rs 1,288M), Property (Rs 1,006M), Hospitality (Rs 211M), Logistics, commerce and services (Rs 62M) and Agriculture (Rs 20M), with Industry being down by Rs 142M. The purchase of the controlling interest in Rogers resulted in NMH being accounted as an associate as well as a surplus on revaluation of Rs1,275M over net asset value.

For the quarter to 30 September 2013, group revenue amounted to Rs 2.4 billion, inclusive of Rs 1.3 billion from Rogers, while profit dropped to Rs 35M, adversely affected by an increase in finance costs of Rs 72M and Rs 130M of lower share of profits from associated companies as well as Rs 91M of higher share loss of NMH due to the seasonality of the hotel activity.

The ENL (P) share price of Rs 2,900 at 30 June 2012 decreased to Rs 2,780 in September 2012 before picking up to Rs 2,900 in December 2012 and Rs 3,000 in March 2013. The ex bonus of 149:1 price of Rs 20.00 then rose to Rs 30.35 at 30 June 2013 and was Rs 28.50 on 18 November 2013, an attractive price to buy as it is at a very substantial discount of 53.7% to NAV.

Report of the Directors
(continued)

Report of the Directors
(continued)

UNION FLACQ

Union Flacq Ltd (UFL), which forms part of the Groupe Mon Loisir (GML), has controlling interest in Forward and Investment Enterprises Ltd (FIDES) and BlueLife Ltd (BLL).

FIDES holds more than 50% stake in Flacq Associated Stone masters Ltd, engaged in the production and sale of aggregates and bricks, and has a significant holding in LUX Islands Resorts Ltd and the former non-sugar cluster of FUEL. BLL owns 50% of Haute Rive Holdings Ltd which is, in joint venture with Indian Ocean Real Estate Co Ltd (IOREC), developing, marketing and selling luxury residences in the Azuri Project which Phase I is to be completed by the end of 2013.

For the year ended 30 June 2013 compared to 2012, group turnover was down from Rs 22.4M to Rs 123.2M, mainly attributable to the downturn in the construction industry particularly in the region where its subsidiary operates. However, profit increased by Rs 30.8M to reach Rs 206.9M, due mainly to Rs 62.5M of higher other operating income. There was also a fair value gain of Rs 87.3M on the investment portfolio, compared to a deficit of Rs 149.3M in the previous year.

During the quarter to 30 September 2013 compared to 2012, group turnover was slightly down by Rs 2.3M to Rs 30.7M. Profit amounted to Rs 21.9M, comprising only Rs 3.3M on the sale of stones and blocks and Rs 29.0M of share of profit of associates and jointly controlled entity after offsetting Rs 6.0M of share of loss from new associate PL Resorts Ltd – Centara Poste La Fayette.

UFL share price at 30 June 2012 adjusted to Rs 5.30 to ex dividend in specie of Alteo shares, rose 29.4% to Rs 6.86 at 30 June 2013 and further to Rs 7.82 on 18 November 2013. The current discount of 22% to NAV would be significantly higher if the NAV at 30 June 2013 is adjusted to reflect the 36.8% rise in the BLL share price to 18 November 2013 following the proposed amalgamation of IOREC with and into BLL and the subsequent listing of BLL shares on the Official Market

ENL INVESTMENT

ENL Investment Ltd (ENLI), a core investment company of the ENL Group, has a majority stake of 59.7% in Rogers & Co Ltd after the completion of the latter's restructuration on 1 October 2012. It also have a significant investment in associate company NMH and the Food and Allied Industries Ltd (FAIL), which is one the leading agro-industrial groups in Mauritius.

For the year ended 30 June 2013, group revenue increased to Rs 5,045M compared to Rs 360M for the previous year when Rogers was only an associate. Profit was Rs 2,220M inclusive of Rs 373M of profit from associates, namely NHM, Swan, Avipro and MADCO, as well as fair value gains on investment properties of Rs 265M and a one off exceptional income of Rs 1,175M. The purchase of interest in Rogers yielded a profit of Rs 395M on consolidation.

For the quarter to September 2013, revenue and profit reached Rs 1,365M and Rs 49M respectively. All the segments registered profit except hospitality for which the share of the low season losses of NMH hotels amounted to Rs 97.5M. Other comprehensive income, mainly owing to fair value adjustment, showed a loss of Rs 28M against a profit of Rs 33M for the quarter to September 2012.

ENLI share price of Rs 31.70 at 30 June 2012 rose to Rs 36.00 at 31 Dec 2012 and was Rs 43.00 at 30 June 2013. It then went up further to reach Rs 49.00 on 18 November 2013, a price which is at a substantial discount of 40% to NAV.

CIEL INVESTMENT

Ciel Investment Ltd (CIL), an investment company forming part of the CIEL Group, owns 100% in CIEL Capital Ltd, 61.2% in Mauritius International Trust Co. Ltd, 55.5% in Investment Professionals Ltd and 50% in Bank One and a controlling interest in other CIEL Group companies in the investment, property and healthcare and life sciences sectors. Its investments also include 20% and 29.3% shareholding in Constance Hotel Services Ltd and Sun Resorts Ltd respectively.

For the year ended 31 March 2013, group profit was Rs 148M compared to Rs 489M in 2011/12. The difference of Rs 341M is attributable mainly to the Rs 425M increase in fair value of land of subsidiary Ferney Ltd last year less Rs 113M improvement in the share of results of joint ventures.

During the six months to September 2013 compared to 2012, group loss increased by Rs 45M to Rs 122M, due mainly to the higher loss of Rs 12M in the low season hospitality segment to Rs 192M and the exceptional Rs 58M of gain in the Kibo Fund exit last year, which was partly offset by Rs 11M of higher profit in the property segment. Moreover, CIL increased by Rs 333M its investments, Rs 187M in the Health Care sector and Ciel Textile Ltd and Rs 146M in Bank One and the Kibo Fund.

CIL share price of Rs 2.65 at 30 June 2012 decreased to a low of Rs 2.45 in September 2012 before picking up to Rs 2.75 in December 2012 and Rs 3.00 at 30 June 2013. The share price then continued on an upward trend and, following the announcement of amalgamation with and into Deep River Investment Ltd which will apply for listing on the Official Market, CIL's share price on 18 November 2013 reached Rs 3.93, which is still at a substantial discount of 43% to its NAV.

CIEL TEXTILE

CIEL Textile Ltd (CTL) of the CIEL Group is engaged in the manufacture of knitted and woven garments and exports approximately 60% of its production to Europe, 25% to India and South Africa and 15% to USA.

Despite facing difficult trading conditions on their main markets, group turnover during the year ended June 2013 reached Rs 8,686M, up Rs 43M on last and the realised profit amounted to Rs 514M, similar to last year. Whilst all clusters made a positive net contribution, 70% of the profit is derived from overseas operations. The relative stability in the profit is also attributable to improvement in manufacturing process and techniques and improved productivity in Mauritius and Madagascar, with a more mature management team leading to a better synergy of operations. The positive movement in the fair value of outstanding forward contract amounted to Rs 30.7M compared to Rs17.9M in the previous year's quarter and Rs 405M of Preference Shares, issued ten years ago at the time of the financial restructuration of the Group, were fully redeemed during the year.

During the quarter to September 2013 compared to 2012, group turnover and profit rose by 12% to reach Rs 2,771M and Rs 172M respectively, driven mainly by overseas operations. EPS thus went up from Rs 1.29 to Rs 1.61. For the next quarter to 31 December 2013, good order books and improved operational effectiveness across its business operations should sustain the growth in profitability. The seasonality of the Knitwear cluster remains a major contributor and the political situation in Madagascar is being closely monitored.

CTL share price of Rs16.00 at 30 June 2012 went on upward trend to reach a peak of 25.10 in May 2013 but then went down and was Rs 22.50 at 30 June 2013. It was again Rs 25.10 on 18 November 2013, a price which provides a very attractive PE ratio of 5.56.

Overseas Investments

Investment Funds	Classification	Value of investments at 30 June 2013 Rs M	% Return for the year (excluding exchange rate conversion effect)
JF Funds	Equities	40.5	15.8
COGEFI	Equities	30.3	13.4
Fidelity	Equities	21.1	-1.5
Black Rock Global Funds	Equities	17.6	14.6
Comgest and other Funds	Equities	25.2	11.7
Charles Schwab	Equities	6.3	5.3
Arundel - Multi Strategy	Hedge Fund	3.2	-2.1
London & Capital	Equities	3.0	-1.3

At 30 June 2013, the value of the overseas portfolio was Rs 154.4M and represented 9% of the total investment portfolio (2011/12: 10%).

JF Funds in Asia return (+15.8%) outperformed that of the Hang Seng (+6.5%). COGEFI return (+13.4%) was slightly lower than the CAC 40 (+14.5%) and those of Black Rock Global Funds (+14.62%) and Comgest & other funds (+11.69%), managed through Anglo IM and MCB IM, and Charles Schwab (+5.25%) were below the Dow Jones (+15.45%). Fidelity Funds, Arundel and London & Capital all had negative returns, of -1.51%, -2.1% and -1.3% respectively.

Income and Dividend

The top five dividends received from the local companies for the year ended to 30 June 2013, amounted to Rs 107.1M and represented 85.9% of total dividend income, as shown below:

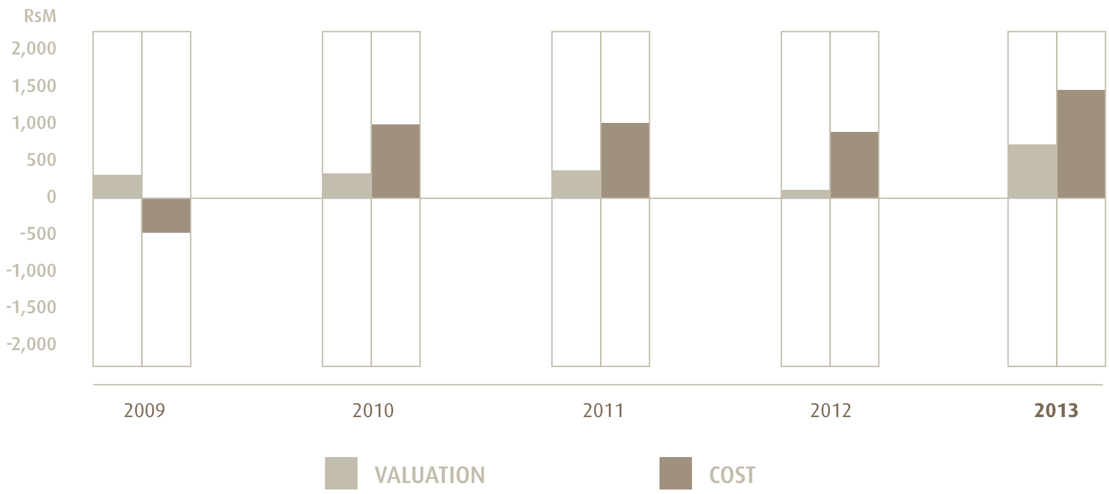
DEM COMPANIES	Profit (Rs M)	% of total dividend income
Union Flacq Ltd	80.9	64.9%
ENL Ltd - (P)	8.8	7.1%
FUEL Properties Ltd	8.0	6.4%
Alteo Ltd	5.3	4.2%
Mauritius Commercial Bank Ltd	4.1	3.3%
Total	**107.1**	**85.9%**

For the year ended 30 June 2013 compared to 2012, investment income went up very sharply, from Rs 36.9M to Rs 124.5M, mainly due to dividends in specie of Alteo Ltd, BlueLife Ltd and CIM Ltd shares. The surplus on revaluation of investments of Rs 239M (2011/2012: deficit of Rs 101.1M) together with the rise in investment income, boosted Earnings per share (EPS) to 84 cents (2011/2012: Loss of 17 cents). At cost and excluding revaluation surplus/deficit, EPS increased by 23 cents to 59 cents, out of which a total dividend of 31 cents were paid, including the final of 17 cents per share on 23 September 2013. Based on the share price of Rs 5.40 at 30 June 2013, the dividend yield at 5.74% remained one of the highest yields among the OM and DEM listed companies.

Report of the Directors
(continued)

Yield on Investments

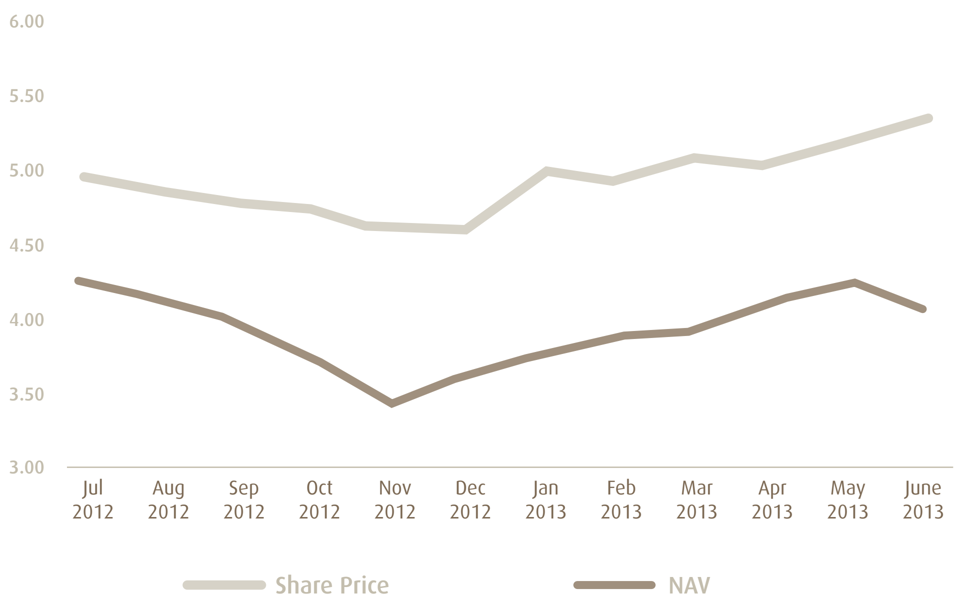
After crediting interest receivable and exclusive of the revaluation / (deficit), the net yield on equity capital for the year ended 30 June 2013 rose to 68.5%, from 13.2% in 2011/12. On a cost basis, the net yield amounted to 143.7%, up from 89.4% in 2011/12.



Share Price and NAV

Between 30 June 2012 and 2013, the MDIT share price went up from Rs 5.05 to Rs 5.40 (+6.9%), and its NAV from Rs 3.55 to Rs 4.09, a rise of 15.2% which was higher than the SEMDEX and DEMEX increases of 9.5% and 3.0% respectively.

Moreover, as will be seen in the graph below, MDIT share price has, throughout the year, maintained its substantial percentage premium above its NAV. This is clear sign of the continued investor's confidence in the Fund and its dividend yield being higher than that of the market. At 18 November 2013, MDIT share price and the SEMDEX were Rs 5.78 and 2,043 respectively.



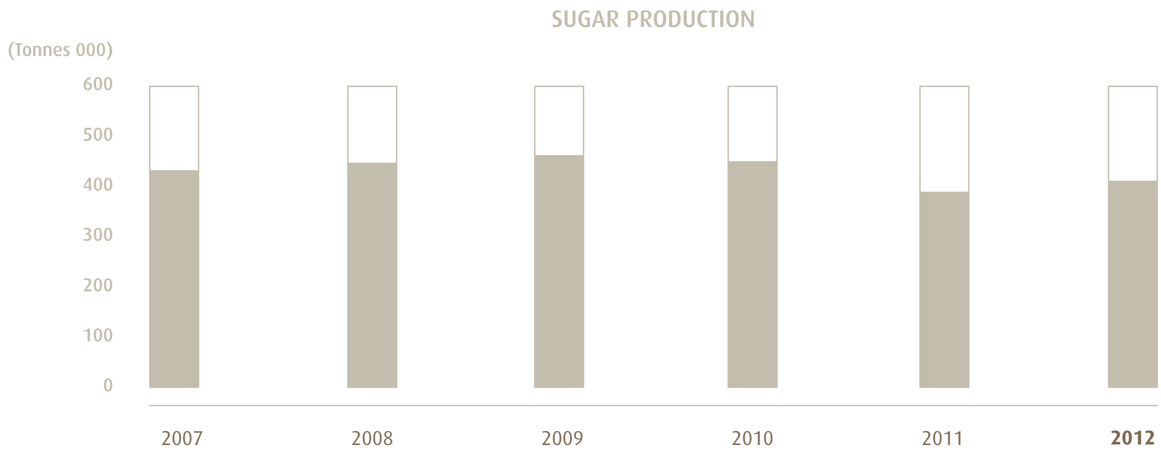
The Economy

In 2012, the economic growth was 3.4% (2011: 3.9%), a decrease mainly attributable to declines in sugar (-5.8%), construction (-3.0%) and textiles (-0.9%), not sufficient to offset the positive growths for seafood processing (7.6%), business and financial services (5.7%) and manufacturing (1.5%). Investment fell by 0.8% (2011: rise of 1.4%), inflation and savings rates were lower at 3.9% and 15.1% respectively (2011: 6.5% and 15.2%), while consumption rose by 2.8% (2011: 2.6%).

The domestic economy is, in 2013, expected to expand by 3.2%, and growths are expected for business and financial services (5.3%), manufacturing (2.7%), tourism (2.5%), seafood processing (2.2%) and sugar (2.0%), but would be negative for construction (-9.4%). Other estimates are a contraction of 3.1% in investment, a rise of 2.6% in consumption and lower inflation and savings rates of 3.7% and 14.2% respectively.

Sugar and other agricultural production

In 2012, the production of sugar was some 410,000 tonnes, a decrease of 5.8% (2011: 3.8%) but an increase of 1.2% is expected in 2013 to reach 415,000 tonnes. Other agricultural products fell by 3.0% and 11.6% in 2011 and 2012 and a further drop of 6.5% is forecast in 2013. The 2012 sugar production was in the form of 74% refined (2011: 70%), 26% special (2011: 30%) and imports of 54,000 tonnes of raw sugar are assumed in the 2013 growth estimate.



Tourism

Tourist arrivals were marginally up by 0.1% to 965,441 in 2012 (2011: 3.2%). The much lower increase is attributable to a drop of 8% from our main market Europe, still in a continued difficult economic climate, and included a greater fall of 13.2% from our leading-French market. However, a rise of 14.6% was noted from Asia, the bulk of which were from China and India, boosted by the introduction of direct flights from Shanghai. The other main increases were: Russia (+58.9%), Reunion Island (+23.2%) and Africa (+14.7%).

Report of the Directors
(continued)

Tourism (continued)

The increase from the above emerging markets resulted in an increase in tourist earnings of 3.7% to Rs 44.4 billion in 2012 (2011: Rs 42.8 billion).

Tourist arrivals for the first semester 2013 was 471,664, representing an increase of 1.0% compared to the same period last year, however the gross receipts fell by 6.3% to Rs 22.0 billion (2012: Rs 23.5 billion). The sector still remains in a challenging environment given continued European debt crisis and increased international competition, and will depend upon the industry's global strategies including more air access with the opening of the new terminal at Plaisance International Airport.

Other Sectors

Manufacturing - Textile and Seafood

After a growth of 7% in 2011, the textile sector declined by 0.9% in 2012, affected by a fall in demand from the European markets and a weaker Euro. However, a recovery is expected in 2013, with a growth of 2.0%, based on good performance in the first quarter 2013 and the support of the US Congress for the renewal of AGOA and Third Country Fabrics beyond 2015.

The seafood processing sector expanded by 7.6% in 2012, with 34% rise in fish preparation and exports in regional markets. A growth of 2.2% is expected for 2013 mainly as a result of an additional fish processing plant having started operations.

Financial services

The financial services sector is expected to grow to 5.7% compared to 5.6% in 2011, due to the pay-out for repairs and damages of the flash flood in March 2013 by insurance companies. A growth rate of 5.3% is also expected in 2013, whilst the possible renegotiation of double taxation agreements between Mauritius and India remains a source of concern.

Construction

The construction sector is expected to contract further by 9.4% in 2013 (2012: -3.0%), mainly due to the rescheduling of major road decongestion projects, and delays in some major private constructions projects partly offset by land drainage projects.

Information, communications and technology

The information, communications and technology sector grew at a slower rate of 8.6% in 2012 (2011: 9.9%), with a stagnant number of operating companies, after several years of growth, and an even lower growth rate of 7.7% is expected in 2013.

Future Prospects

The SEMDEX and DEMEX at 30 June 2013 maintained a slight downward trend until just after mid July 2013. However, they thereafter rose to break record levels and were, on 18 November 2013, up by 10.2% and 8.7% to 2,043 and 164 respectively. This is in line with the upward movements of international market indices which followed encouraging signs of growth in USA, UK as well as China.

For the quarter to 30 September 2013, the Company had a surplus on revaluation of investments of Rs 50.8M which enabled its earnings per share to reach 13 cents whereas, in the quarter to 30 September 2012, there was a loss per share of 16 cents owing to revaluation deficit. Moreover, between 30 June and 31 October 2013, the Company's Net Asset Value per share rose by 6.9% compared to the lower SEMDEX and DEMEX increases of 6.5% and 5.5% respectively.

In future, the local market indices would be helped by a GDP growth rate of 3.8% to 4% next year, higher than the 2013 rate of 3.2%. The backdrop of a recovering global economy would rekindle demand in our traditional economic sectors while the highly vulnerable construction sector would be supported by the public infrastructure development contained in the Budget 2014 within the deficit limited to 3.2% of GDP. Other Budget Speech measures are aimed at providing SMEs with a much needed scope of growth and job creation and unlocking private sector projects for a total value of some Rs 20 billion.

The SEMDEX and DEMEX would also be favourably impacted by the sustained performance of banks and industrial companies which have operations overseas, better prospects for tourism with five flights per week from China and the coming into operation of the new airport terminal, listing of SICOM shares, investment sector share prices being still at substantial discounts to NAV, the excess market liquidity and lower repo rate at 4.35% p.a., as well as the healthy state of most companies in terms of asset backing, low debts and profitability.

All the above reasons should help the current level of local share prices to be maintained or increased, and thus enable the enhanced Company's performance in the current year to continue to be better than last year.

By order of the Board

Georges Leung Shing
Chairperson

18 November 2013

Substantial Shareholdings as at 30 June 2013

Shares	AT 30 JUNE 2013		
	Shares and bonds Number	Market Value per Share Rs	Valuation Rs
ENL Ltd - (P)	13,288,992	30.35	403,320,907.20
Alteo Ltd	7,251,129	35.60	258,140,192.40
Mauritius Commercial Bank Ltd	633,146	186.00	117,765,156.00
ENL Ltd - (O)	3,129,608	30.35	94,983,602.80
State Bank of Mauritius Ltd	46,924,200	1.03	48,331,926.00
Lux Island Resorts Ltd	2,153,116	22.00	47,368,552.00
Pharmacie Nouvelle Ltd	1,217,238	33.94	41,313,057.72
New Mauritius Hotels Ltd	545,876	70.25	38,347,789.00
Union Flacq Ltd	4,960,100	6.86	34,026,286.00
ENL Investment Ltd	772,225	43.00	33,205,675.00
Ciel Investment Ltd	9,417,099	3.00	28,251,297.00
Rogers and Co Ltd	153,823	181.50	27,918,874.50
Air Mauritius Ltd	1,470,329	13.95	20,511,089.55
Promotion and Development Ltd	231,160	83.00	19,186,280.00
Sun Resorts Ltd	607,176	29.10	17,668,821.60
Sud Concassage Ltd	60,000	293.79	17,627,400.00
United Basalt Products Ltd	150,524	98.00	14,751,352.00
Ciel Textile Ltd	641,991	22.50	14,444,797.50
Phoenix Investment Co Ltd	111,774	123.00	13,748,202.00
Cim Financial Services	2,001,121	6.36	12,727,129.56
NIT Local Equity Fund	16,583,206	0.75	12,437,404.36
Fincorp Investment Ltd	648,679	18.00	11,676,222.00
Ipro Growth Fund	416,449	26.87	11,189,990.00
National Investment Trust Ltd	492,216	22.35	11,001,027.60
Tropical Paradise Co Ltd - (O)	1,579,456	5.90	9,318,790.40
Medical & Surgical Centre Ltd	4,836,400	1.89	9,140,796.00
Hotelest Ltd	375,751	22.00	8,266,522.00
BlueLife Ltd	2,029,220	3.95	8,015,419.00
Mauritius Freeport Development Ltd	1,305,370	5.90	7,701,683.00
Allied Motors Co Ltd	112,750	65.86	7,425,715.00
NIT Global Opportunities Fund	7,419,828	0.92	6,826,241.76
Caudan Development Ltd	5,246,340	1.05	5,508,657.00
Rey & Lenferna Ltd	1,233,256	4.45	5,487,989.20
Plastic Industry Mauritius Ltd	65,894	82.00	5,403,308.00
United Docks Ltd	78,787	68.00	5,357,516.00
Medine Ltd - (P)	70,500	64.00	4,512,000.00
Mauritius Union Assurance Co Ltd	36,000	124.50	4,482,000.00
Mauritius Stationery Manufacturers Ltd	572,310	7.80	4,464,018.00
Mauritian Eagle Insurance Co Ltd	36,210	100.00	3,621,000.00
Convertible Bonds			
Lux Island Resorts Ltd	1,210,655	11.08	13,414,057.40

Corporate Governance Report

Statement of Compliance

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

Constitution

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

Corporate details and shareholding

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

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

At 30 June 2013, the stated capital of the Company was made up of 423,387,518 ordinary shares of no par value. Golden Foundation Ltd is the only shareholder holding more than 5% of the issued share capital, namely 54,315,479 shares, representing 12.83% of the capital.

The Board of Directors

The Board of MDIT comprises nine independent and non-executive Directors having a vast experience in their respective fields of expertise and who participate actively in the Board meetings which are held on a quarterly basis. Moreover, it is under the firm and objective leadership of a Chairperson to ensure satisfactory performance and to serve the interests of all the Company's stakeholders, with the Chairperson not being the same person as the appointed Manager. In these circumstances, the Board believes its composition to be adequate.

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

The Board of MDIT meets on a quarterly basis to discuss on the operations of the Company, including the going concern factors that may affect its short and long term viability.

At the Board meetings, a report is presented by the Manager, analysing the Company's performance and reviewing the local and overseas markets. The main purchases and sales made during the quarter are also summarised and commented on.

Chairperson

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

Company Secretary

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

Directors' Profiles

Georges Leung Shing

Independent Chairperson, Appointed to the Board in 1995

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

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

Catherine Ahnee-Gourec

Independent Director, Appointed to the Board in 2011

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

Aruna Collendavelloo

Independent Director, Appointed to the Board on 2 April 2012

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

Lloyd Coombes

Independent Director, Appointed to the Board in 1997

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

Christian Foo Kune

Independent Director, Appointed to the Board in 2010

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

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

Directors' Profiles (continued)

Kim Foong (Roger) Leung Shing Cheung

Independent Director, Appointed to the Board in 2000

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

François Montocchio

Independent Director, Appointed to the Board in 2010

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

Geereesha Ramsarran-Kandhai

Independent Non-Executive Director, Appointed to the Board in 2007

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

Louis Rivalland

Independent Non-Executive Director, Appointed to the Board in 2007

Louis Rivalland holds a Bachelor's degree in Actuarial Science and Statistics, and is a Fellow of the Institute of Actuaries of United Kingdom. He previously worked as Senior Manager for Commercial Union and then as Actuary and Consultant for Watson Wyatt. He is currently the Group Chief Executive of Swan Insurance Co Ltd and The Anglo-Mauritius Assurance Society Ltd, the Chairman of Standard Bank (Mauritius) Ltd and a Board member of the Mauritius Revenue Authority. He is a past President of the Joint Economic Council and the Insurers' Association of Mauritius.

Senior Management

Vicky Ducasse

Manager

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

Natacha Babylone

Accountant

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

Corporate Governance Report
(continued)

Directorship in other listed companies

The number of directorship held by the Directors of the Company in other listed companies as at 30 June 2013 is shown below:

Name of directors	No of directorships	Name of companies
Catherine Ahnee-Gouerec	-	
Aruna Collendavelloo	1	Rogers and Co Ltd
Lloyd Coombes	-	
Christian Foo Kune	-	
Roger Leung Shin Cheung	-	
Georges Leung Shing	1	Omnicane Ltd
François Montocchio	1	Terra Mauricia Ltd
Louis Rivalland	2	Swan Insurance Co Ltd and Anglo-Mauritius Assurance Society Ltd
Geereesha Ramsarran-Kandhai	-	

Attendance at Board Meetings

The Directors' attendance at Board meetings held during the year ended 30 June 2013 is shown below:

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

Board Committees

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

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

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

Audit and Risk Committee

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

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

The members of the Audit and Risk Committee are:

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

Corporate Governance Committee

The Corporate Governance Committee is committed to the best practices of corporate governance and also acts as the Nomination Committee for any senior officer proposed by its CIS Manager, Golden Fund Management Services Ltd (GFMS). The need for a remuneration committee does not arise since all the personnel working for the Company are paid for by GFMS.

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

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

As per the CGC's recommendations, the Board approved that Rs 553,000 of CSR contributions be disbursed to the following NGOs mainly focussed towards the eradication of absolute poverty and the promotion of the welfare of elderly persons as well as vulnerable children:

- Association Alzheimer.
- Association KinouEt
- Lions Club of Moka
- Mahebourg Espoir
- Mental Health Federation
- Terrain for Interactive Pedagogy through Arts (TIPA)
- Ti Rayon Soleil
- Youth Network of Mauritius

Investment Committee

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

This Committee comprises the following members:

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

Corporate Governance Report
(continued)

Attendance at Committee Meetings

Below is the Directors' attendance at Committee meetings held during the year ended 30 June 2013:

Directors	Audit and Risk	Corporate Governance	Investment
Catherine Ahnee-Gouerec	3 out of 3	N/A	N/A
Aruna Collendavelloo	N/A	N/A	N/A
Lloyd Coombes	N/A	2 out of 2	4 out of 4
Christian Foo Kune	N/A	N/A	2 out of 4
Roger Leung Shin Cheung	3 out of 3	N/A	4 out of 4
Georges Leung Shing	N/A	2 out of 2	4 out of 4
François Montocchio	2 out of 3	N/A	N/A
Geereesha Ramsarran-Kandhai	N/A	1 out of 2	N/A
Louis Rivalland	N/A	N/A	N/A

Interest of Directors in the Equity Capital

Shares held by Directors at 30 June 2013

Name of Directors	Directly	Indirectly
Catherine Ahnee-Gouerec	300,215	70,653
Aruna Collendavelloo	-	-
Lloyd Coombes	458,963	1,803,359
Christian Foo Kune	-	-
Roger Leung Shin Cheung	-	-
Georges Leung Shing	5,304	10,184,152
François Montocchio	749,880	4,073,661
Geereesha Ramsarran-Kandhai	-	-
Louis Rivalland	-	1,697,359

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

Statement of remuneration philosophy

The Non-Executive Directors are remunerated for their knowledge, experience and insight provided to the Board and respective Committees. The Company does not have any Executive Director or employee or share option plan.

Directors' Remuneration and Benefits	2012/2013	2011/2012
	Rs'000	Rs'000
Catherine Ahnee-Gouerec	**104**	77
Robert Ahnee (Resigned on 30/09/2011)	**-**	27
Aruna Collendavelloo	**72**	21
Lloyd Coombes	**140**	145
Christian Foo Kune	**109**	110
Marc Hein (Resigned on 22/03/2012)	**-**	51
Roger Leung Shin Cheung	**137**	134
Georges Leung Shing	**248**	251
François Montocchio	**112**	111
Geereesha Ramsarran-Kandhai	**88**	97
Louis Rivalland	**72**	72
Total	**1,082**	1,096

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

Interest of Directors in Contracts

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

Service Contracts

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

Agreements

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

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

Risk Management

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

Risks Management Framework

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

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

The Company has various policies and methods to counter such risks effectively as covered in this Corporate Governance Report and in the Notes to the Financial Statements on page 59.

Corporate Governance Report
(continued)

Internal Control

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

Internal Audit Function

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

During 2012/13, KPMG Advisory Services assessed the internal control system procedures put in place by the Company and their compliance with laws and regulations. There was no material problems relating the internal control system in place during the year under review,

Independent Auditors' Remuneration

Fees paid to Deloitte for:	2012/2013 Rs'000	2011/2012 Rs'000
External Audit services	**250**	247
Non-audit services	**20**	10

Non audit services are provided by the external auditors through a separate department of the audit firm. The nature of the service provided relates to tax compliance.

Fees paid to KPMG for:	2012/2013 Rs'000	2011/2012 Rs'000
Internal Audit services	**252**	252

Related party transactions

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

Donations

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

Dividend Policy

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

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

Share Price Information

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

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

Communication with shareholders for the year ended 30 June 2013

The Company communicates with its shareholders through its Annual Report, Press Communiqués and Annual Meeting.

The calendar of events during the year is set out below:

Financial year end	June
Annual meeting	December
Reports and profits statements Half-yearly Preliminary report for the year Annual report and financial statements	 March September December
Dividends **Interim** - Declared - Paid **Final** - Declared - Paid	 19 December 2012 01 March 2013 28 June 2013 23 September 2013

Shareholders' Analysis at 30 June 2013

Size of shareholding (Number of shares)	Shareholders		Ordinary Shares	
	Number	%	Number	%
1 – 500	717	14.40	147,975	0.03
501 – 1,000	342	6.88	261,369	0.06
1,001 – 5,000	1,274	25.64	3,273,708	0.77
5,001 – 10,000	585	11.77	4,288,952	1.01
10,001 – 50,000	1,155	23.25	27,186,150	6.42
50,001 – 100,000	328	6.60	23,566,944	5.57
100,001 – 250,000	290	6.83	45,634,304	10.78
250,001 – 500,000	121	2.44	43,895,698	10.37
500,001 & Above	155	3.16	275,132,418	64.98
Total	**4,967**	**100.00**	**423,387,518**	**100.00**

Corporate Governance Report
(continued)

Summary by Shareholder Category

Category	Number	%	Number	%
Individuals	4,729	95.21	269,347,143	63.62
Insurance Companies	12	0.24	25,188,516	5.95
Pension Funds	12	0.24	5,555,422	1.31
Investment Companies and Unit Trusts	12	0.24	2,915,757	0.69
Other Corporate Bodies	202	4.07	120,380,680	28.43
Total	**4,967**	**100.00**	**423,387,518**	**100.00**

Company's Constitution

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

The salient features of the Company's Constitution are:

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

Integrated Sustainability Reporting

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

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

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

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

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

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

Statement of Director's Responsibilities

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

i) adequate accounting records and maintenance of effective internal control systems;

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

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

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

The Directors report that:

i) adequate accounting records and an effective system of internal controls and risk management have been maintained;

ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

iii) applicable accounting standards have been adhered to. Any departure has been disclosed, explained and quantified.

iv) the Code of Corporate Governance has been adhered to in all material aspects and reasons provided for non-compliance.

Georges Leung Shing
Director

Lloyd Coombes
Director

30 September 2013

Statement of Compliance

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

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

Reporting Period: **1 July 2012 to 30 June 2013**

We, the Directors of MDIT confirm to the best of our knowledge that the PIE has complied with all of its obligations and requirements under the Code of Corporate Governance, except for:

i. Section 2.10.1/2/3 where the Company is currently implementing an evaluation process for the directors; and

ii. Section 2.2.3 and 2.7.6 for the reasons stated on page 9, 2^{nd} paragraph of the Corporate Governance Report.

Georges Leung Shing	**Lloyd Coombes**
Director	*Director*

30 September 2013

Secretary's Certificate

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

By order of the Board

Lawrence Poisson F.C.I.S.

For and on behalf of

JLP Company Secretarial Services Ltd
Company Secretary

18 November 2013

Independent Auditor's Report

to the shareholders of The Mauritius Development Investment Trust Company Limited

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

Report on the Financial Statements

We have audited the financial statements of The Mauritius Development Investment Trust Company Limited on pages 45 to 63 which comprise the statement of financial position as at 30 June 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibilities for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements on pages 45 to 63 give a true and fair view of the financial position of The Mauritius Development Investment Trust Company Limited as at 30 June 2013, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Report on other legal requirements

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

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

The Financial Reporting Act 2004

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

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

Deloitte
Chartered Accountants

Jacques de C. Du Mée, ACA
Licensed by FRC

30 September 2013

Financial Statements

Statement of Financial Position

at 30 June 2013

	Notes	2013 Rs'000	2012 Rs'000
ASSETS			
Non-current assets			
Investments	5	**1,669,306**	1,452,952
Current assets			
Loans receivable at call	6	**140,500**	188,430
Accounts receivable	7	**34,353**	18,883
Cash at bank		**13,247**	23,044
		188,100	230,357
Total assets		**1,857,406**	1,683,309
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	8	**423,388**	423,388
Fair value reserve		**734,805**	625,994
Surplus on realisation of investments reserve		**394,520**	352,163
Retained surplus		**178,445**	103,336
Total equity		**1,731,158**	1,504,881
Current liabilities			
Bank overdraft (Unsecured)		**-**	1,720
Loans payable at call	9	**39,000**	89,000
Accounts payable	10	**14,660**	14,642
Taxation	11	**612**	1,090
Dividends	12	**71,976**	71,976
		126,248	178,428
Total equity and liabilities		**1,857,406**	1,683,309
Net asset value per share (Rs)	13	**4.09**	3.55

Approved by the Board of Directors and authorised for issue on 30 September 2013.

Georges Leung shing
Director

François Montocchio
Director

Statement of Comprehensive Income

for the year ended 30 June 2013

	Notes	2013 Rs'000	2012 Rs'000
Income from investments			
Local		**124,427**	36,737
Overseas		**78**	120
Total investment income	14	**124,505**	36,857
Interest receivable		**16,663**	17,359
Gain on exchange	18	**654**	577
Profit/(loss) on sale of listed (Official market) investments		**397**	(4,220)
Profit on sale of other investments		**2,933**	4,679
Loss on sale of overseas investments		**(5)**	(3)
		145,147	55,249
Surplus/(loss) on revaluation of investments		**239,000**	(101,073)
		384,147	(45,824)
Deduct: Expenses			
Management and secretarial fees	15	**(14,955)**	(15,164)
Directors' fees – non-executive		**(1,257)**	(1,096)
Listing fees		**(666)**	(469)
Printing and stationery		**(644)**	(405)
Professional fees		**(486)**	(443)
Closed-end fund expenses		**(529)**	(609)
Sundry expenses		**(2,841)**	(1,291)
Finance costs		**(3,343)**	(6,098)
CSR		**(553)**	(480)
		(25,274)	(26,055)
Profit/(Loss) before taxation		**358,873**	(71,879)
Taxation			
Income tax		**(1,341)**	(1,201)
Foreign tax on investment income		**(5)**	(5)
Income tax expenses	11	**(1,346)**	(1,206)
Profit/(loss) for the year		**357,527**	(73,085)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**357,527**	(73,085)
Transferred (to)/from:			
- Fair value reserve- (Surplus)/ loss on revaluation of investments		**(239,000)**	101,073
- Fair value reserve -Transfer of surplus on sale of listed (officialmarket) shares		**90,760**	78,992
- Surplus on sale of other investments		**(2,928)**	(4,676)
		(151,168)	175,389
		206,359	102,304
Earnings/(Loss) per share	16 (a)	**0.84**	(0.17)
Earnings per share excluding surplus on revaluation of investments	16 (b)	**0.28**	0.07

Statement of Changes in Equity

for the year ended 30 June 2013

	Notes	Stated capital Rs'000	Fair value reserve Rs'000	Surplus on realisation of investments Rs'000	Retained surplus Rs'000	Total Rs'000
Balance at 1 July 2011		423,388	833,604	319,942	132,282	1,709,216
Loss for the year		-	-	-	(73,085)	(73,085)
Other comprehensive income		-	-	-	-	-
Total comprehensive loss for the year		-	-	-	(73,085)	(73,085)
Transfers:			(207,610)	32,221	175,389	-
- Loss on revaluation of investments	5	-	(101,073)	-	101,073	-
- Realised surplus on sale of listed (official market) shares		-	(78,992)	-	78,992	-
- Realised surplus on sale of other investments from retained earnings		-	-	4,676	(4,676)	-
- Realised surplus on sale of other investments from fair value reserve		-	(27,545)	27,545	-	-
Dividends for the year		-	-	-	(131,250)	(131,250)
Interim proposed and paid during the year	12	-	-	-	(59,274)	(59,274)
Final proposed at year end	12	-	-	-	(71,976)	(71,976)
Balance at 30 June 2012		423,388	625,994	352,163	103,336	1,504,881
Balance at 1 July 2012		423,388	625,994	352,163	103,336	1,504,881
Profit for the year		**-**	**-**	**-**	**357,527**	**357,527**
Other comprehensive income		**-**	**-**	**-**	**-**	**-**
Total comprehensive profit for the year		**-**	**-**	**-**	**357,527**	**357,527**
Transfers:		**-**	**108,811**	**42,357**	**(151,168)**	
- Profit on revaluation of investments	5	**-**	**239,000**	**-**	**(239,000)**	**-**
- Realised surplus on sale of listed (official market) shares		**-**	**(90,760)**	**-**	**90,760**	**-**
- Realised surplus on sale of other investments from retained earnings		**-**	**-**	**2,928**	**(2,928)**	**-**
- Realised surplus on sale of other investments from fair value reserve		**-**	**(39,429)**	**39,429**	**-**	**-**
Dividends for the year		**-**			**(131,250)**	**(131,250)**
- Interim proposed and paid during the year	12	**-**	**-**	**-**	**(59,274)**	**(59,274)**
- Final proposed at year end	12	**-**	**-**	**-**	**(71,976)**	**(71,976)**
Balance at 30 June 2013		**423,388**	**734,805**	**394,520**	**178,445**	**1,731,158**

Statement of Cash Flows
for the year ended 30 June 2013

	2013 Rs'000	2012 Rs'000
Cash flows from operating activities		
Profit/(loss) before taxation	**358,873**	(71,879)
Adjustments for:		
Profit/(loss) on sale of listed investments	**(397)**	4,220
Profit on sale of other investments	**(2,933)**	(4,679)
Loss on sale of overseas investments	**5**	3
(Surplus)/deficit on revaluation of investments	**(239,000)**	101,073
Interest receivable	**(16,663)**	(17,359)
Finance costs	**(3,343)**	6,098
Gain on foreign exchange translation	**(654)**	(577)
Operating profit before working capital changes	**95,888**	16,900
Decrease in accounts receivable	**3,338**	141
Increase/(decrease) in accounts payable	**3,938**	(67)
	7,276	74
Cash generated from operations	**103,164**	16,974
Interest paid	**(577)**	(4817)
Income tax paid	**(1,818)**	(1,096)
Net cash generated from operating activities	**100,769**	11,061
Cash flows from investing activities		
Loans given	**(110,580)**	(183,630)
Loans refunded	**141,610**	192,750
Purchase of investments	**(164,340)**	(57,031)
Proceeds from sale of investments	**190,310**	154,552
Interest received	**14,750**	17,361
Net cash generated from investing activities	**71,750**	124,002
Cash flows from financing activities		
Dividends paid	**(131,250)**	(148,185)
Loan received	**45,000**	254,500
Loan repaid	**(95,000)**	(220,500)
Net cash used in financing activities	**(181,250)**	(114,185)
Net (decrease)/increase in cash and cash equivalents	**(8,731)**	20,878
Cash and cash equivalents at 1 July	**21,324**	(131)
Effect of exchange rate changes on cash and cash equivalents	**654**	577
Cash and cash equivalents at 30 June	**13,247**	21,324
Represented by:		
Cash at bank	**13,247**	23,044
Bank overdraft	**-**	(1,720)
	13,247	**21,324**

1. PRINCIPAL ACTIVITIES

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

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

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

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2012.

2.1 Standards applied with no material effect on the financial statements

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

IAS 1	Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented
IAS 12	Income Taxes – Limited scope amendment (recovery of underlying assets) (effective 1 January 2012)

2.2 Standards in issue not yet effective

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

IAS 1	Presentation of Financial Statements - Amendments resulting from Annual Improvements 2009-2011 Cycle (comparative information) (effective 1 January 2013)
IAS 19	Employee benefits - Amended standard arising from Post-Employment benefits and termination benefits (effective annual periods beginning on or after 1 January 2013)
IAS 32	Financial Instruments: Presentation - Amendments resulting from Annual Improvements 2009-2011 Cycle (tax effect of equity distributions) (effective 1 January 2013)
IAS 32	Financial Instruments: Presentation - Amendments relating to the offsetting of assets and liabilities (effective 1 January 2014)
IAS 36	Impairment of Assets- Amendments arising from Recoverable Amount Disclosures for Non- Financial Assets (effective 1 January 2014)
IAS 39	Financial Instruments: Recognition and Measurement- Amendments for novations of derivatives (effective 1 January 2014)
IFRS 7	Financial Instruments: Disclosures - Amendments enhancing disclosures about offsetting of financial assets and financial liabilities (effective 1 January 2013)
IFRS 7	Financial Instruments: Disclosures - Amendments requiring disclosures about the initial application of IFRS 9 (effective 1 January 2015)
IFRS 9	Financial Instruments – Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2015)

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

2.2 Standards in issue not yet effective (continued)

IFRS 9 Financial Instruments - Classification and measurement of financial assets. (effective 1 January 2013)

IFRS 9 Financial Instruments – Accounting of financial liabilities and derecognition (effective 1 January 2015)

IFRS 13 Fair Value Measurement (effective 1 January 2013)

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

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies of the company are as follows:

(a) Basis of preparation

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

(b) Investment valuation

Investments are classified as Fair Value Through Profit or Loss ("FVTPL"). Purchases and sales of investments are recognised on the trade-date basis – the date on which there is a commitment to purchase or sell the asset. Investments, initially recognised at fair value, are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and all risks and rewards of ownership have been transferred substantially.

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

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

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

Fair value is determined as follows:

(i) *Listed / DEM investments*

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

(ii) *Unquoted investments*

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

(iii) *Overseas investments*

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

(c) Investment income

Dividend income

Dividends receivable are credited to the statement of comprehensive income when the company's right to receive payment is established.

Interest income

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

(d) Foreign currency transactions

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

(e) Cash and cash equivalents

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

(f) Financial instruments

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

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

(i) *Investments*

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

(ii) *Accounts receivable*

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

(iii) *Cash and cash equivalents*

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

(iv) *Accounts payable*

Trade and other payables are stated at amortised cost.

(v) *Loans at call*

Loans receivable/payable are stated at amortised cost.

(g) Impairment

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

(h) Provisions

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

(i) Related parties

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

(j) Deferred Tax

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

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

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

(k) Stated Capital

Ordinary shares are classified as equity.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Unquoted Investments

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

5. INVESTMENTS

Fair value through profit or loss

	Listed				
	Official Market Rs'000	**Development and Enterprises Market (DEM)** Rs'000	**Unquoted** Rs'000	**2013 Total Rs'000**	2012 Total Rs'000
Local investments					
Valuation at 1 July	469,761	652,139	193,751	**1,315,651**	1,510,380
Additions	145,983	10,251	7,955	**164,189**	56,824
Disposals	(136,438)	(31,432)	(18,796)	**(186,666)**	(153,947)
Transfer	160,833	(160,833)	-	**-**	-
	640,139	470,125	182,910	**1,293,174**	1,413,257
Movement in fair value at 30 June	66,993	124,109	30,609	**221,711**	(97,606)
Valuation at 30 June	707,132	594,234	213,519	**1,514,885**	1,315,651
Overseas investments					
Valuation at 1 July				**137,301**	140,710
Additions				**151**	207
Disposals				**(320)**	(149)
				137,132	140,768
Movement in fair value at 30 June				**17,289**	(3,467)
Valuation at 30 June				**154,421**	137,301
Total investments				**1,669,306**	1,452,952

5. INVESTMENTS (continued)

(a) The revaluation of the local and overseas investments, on the basis set out in note 3(b), resulted in a net surplus of Rs 239.0M (2012 loss of Rs 101.1M) which was credited to profit or loss and subsequently transferred to the fair value reserve.

(b) The net proceeds on disposals of local and overseas investments amounted to Rs 190.3M (2012: Rs154.6M).

(c) Substantial holdings

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

Name of Company	Class of shares	2013 % Held	2012 % Held
Listed - OM			
ALTEO	Ordinary	**17.1**	-
Listed – DEM			
Espitalier Noël Ltd	Preference	**26.6**	**26.0**

6. LOANS RECEIVABLE AT CALL

	2013 Rs'000	2012 Rs'000
At beginning of year	**188,430**	197,550
Additions	**110,580**	183,630
Refunded	**(141,610)**	(192,750)
Transfer to related parties – current account loan	**(16,900)**	-
At end of year	**140,500**	188,430

The loans receivable at call carry average interest of 7.59% (2012: 8.17%) p.a. and include Rs 25M secured on the personal guarantees of the directors of the borrowing companies. The balances at 30 June 2012 include Rs 19,700,000 and Rs 55,530,000 receivable from Golden Fund Management Services Limited ("GFMS") and Golden Foundation Ltd ("GFL") respectively.

7. ACCOUNTS RECEIVABLE

	2013 Rs'000	2012 Rs'000
Trade receivables	**17,089**	17,026
Interest receivable	**1,915**	1,713
Prepayments	**34**	144
Total amount due by related parties	**15,315**	-
	34,353	18,883

Trade receivables represent dividends receivable from Official Market and DEM companies which are accrued on the basis of the dates of dividend declaration and amount receivable from sales of local investments. Interest receivable from GFL at 30 June 2012 amounted to Rs 544,000.

Notes to the Financial Statements
for the year ended 30 June 2013

8. STATED CAPITAL

	2013 Rs'000	2012 Rs'000
Issued share capital		
423,387,518 Ordinary Shares of no par value	**423,388**	423,388

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

9. LOANS PAYABLE AT CALL

The loans carry average interest of 5.60% (2012: 5.88%) p.a., are unsecured and are repayable at call.

10. ACCOUNTS PAYABLE

	2013 Rs'000	2012 Rs'000
Trade payables	**347**	1,129
Accrued expenses	**14,313**	13,513
	14,660	14,642

The average credit period on purchases is 60 days and no interest is charged on trade payables. The company has policies in place to ensure that all payables are paid within the credit timeframe. Accrued expenses at 30 June 2012 include a balance of Rs 1,323,000 due to GFMS which is interest free, unsecured and repayable within one year.

11. TAXATION

(i) Income tax

Income tax is calculated at the rate of 15% (2012: 15%) on the profit for the year as adjusted for income tax purposes.

	2013 Rs'000	2012 Rs'000
Income Tax Expense		
Provision for the year	**1,495**	1,443
Over provision in previous year	**(154)**	(242)
	1,341	1,201
Foreign tax on investment income	**5**	5
Income tax expense	**1,346**	1,206

11. TAXATION (continued)

(i) **Income tax** (continued)

	2013 Rs'000	2012 Rs'000
Current tax liabilities	**1,495**	1,443
Less: Tax paid under APS	**(883)**	(353)
As per statement of financial position	**612**	1,090

(ii) **Tax reconciliation**

	2013 %	2012 %
Applicable tax rate	**15.00**	(15.00)
Tax effect of:		
- Exempt income	**(15.30)**	(8.64)
- Non-allowable expenses	**0.71**	25.01
	0.41	1.37
- Over provision of tax in prior year	**(0.04)**	0.3
	0.37	1.67

12. DIVIDENDS

	2013 Rs'000	2012 Rs'000
Dividend paid		
Final dividend of Re 0.17 per share in respect of year ended 30 June 2012 paid in September 2012 (2011: Re 0.21).	**71,976**	88,911
Interim dividend of Re 0.14 per share in respect of year ended 30 June 2013 paid in March 2013 (2012: Re 0.14).	**59,274**	59,274
	131,250	148,185
Dividend proposed		
Final dividend proposed in June 2013 of Re 0.17 per share in respect of year ended 30 June 2013, payable in September 2013 (2012: Re 0.17).	**71,976**	71,976

13. NET ASSET VALUE PER SHARE

Net asset value per share (NAV) is based on the net assets of Rs 1,731 M (2012: Rs1,505M) and on 423,387,518 ordinary shares in issue throughout the year ended 30 June 2013.

14. INVESTMENT INCOME

	2013 Rs'000	2012 Rs'000
Income from investments:		
Local - Listed - Official Market	**16,175**	12,707
- Listed - DEM	**95,002**	16,777
- Unquoted	**13,251**	7,253
	124,427	36,737
Overseas	**78**	120
	124,505	36,857

15. MANAGEMENT AND SECRETARIAL FEES

Expenses do not include any staff costs as the company had no employees during the year ended 30 June 2013.

16. EARNINGS PER SHARE

(a) Earnings/Loss per share is based on the Profit for the year of Rs 357.7M (2012: loss of Rs73.1M) and on 423,387,518 ordinary shares in issue throughout the year ended 30 June 2013.

(b) Earnings per share excluding profit on revaluation of investments is based on the profit after taxation less profit on revaluation of investments of Rs 239M (2012: loss of Rs101.1M) and on 423,387,518 ordinary shares in issue throughout the year ended 30 June 2013.

17. RELATED PARTY TRANSACTIONS

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

Names of companies	Relationship	Nature of transactions	Volume of transactions		Receivable/ Payable	
			2013 Rs'000	2012 Rs'000	**2013 Rs'000**	2012 Rs'000
Golden Fund Mangement Services Limited	CIS Manager	- Short term financing	**(12,935)**	-	**6,765**	19,700
		- Interest	**697**	1,381	**813**	-
		- Management fees	**14,699**	14,143	**(8,871)**	(1,203)
		- Share of Office expenses under common mangement	**1,381**	614	**(1,501)**	(120)
Golden Foundation Limited	Related Party	- Short term financing	**(39,780)**	(36,820)	**15,750**	55,530
		- Interest	**1,815**	4,962	**2,359**	544
					15,315	74,451

Compensation paid to key management personnel for the year amounted to Rs 1,257,000 (Rs 1,096,000)

18. GAIN ON EXCHANGE

	2013 Rs'000	2012 Rs'000
Gain on exchange arising on:		
Cash and cash equivalents	**654**	577

19. FINANCIAL INSTRUMENTS

Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern. Its capital structure consists of net debt (loan payable offset by cash and cash equivalents) and equity which consist of stated capital, fair value reserve, surplus on realisation of investments reserve and retained surplus.

Significant accounting policies

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

Fair values

The carrying amounts of financial assets and liabilities approximate their fair values due to the short term nature of the balances involved.

Fair value measurements

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

The fair values of financial assets are determined as follows:

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

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

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

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

Notes to the Financial Statements
for the year ended 30 June 2013

19. FINANCIAL INSTRUMENTS (continued)

Fair value measurements (continued)

	30 June 2013			
	Level 1 Rs'000	**Level 2 Rs'000**	**Level 3 Rs'000**	**Total Rs'000**
Financial assets designated at FVTPL				
Quoted equities	**1,455,787**	**-**	**-**	**1,455,787**
Unquoted equities	**-**	**-**	**213,519**	**213,519**
Total	**1,455,787**	**-**	**213,519**	**1,669,306**

	30 June 2012			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Financial assets designated at FVTPL				
Quoted equities	1,259,201	-	-	1,259,201
Unquoted equities	-	-	193,751	193,751
Total	1,259,201	-	193,751	1,452,952

There were no transfers between level 1 and 3 in the year.

Reconciliation of level 3 fair value measurement of financial assets:

	2013 Rs'000	2012 Rs'000
Opening balance	**193,751**	201,335
Additions	**7,955**	-
Disposals	**(18,796)**	-
Increase / (decrease) in fair value	**30,609**	(7,584)
Closing balance	**213,519**	193,751

Categories of financial instruments

	2013 Rs'000	2012 Rs'000
Financial assets		
Investments at FVTPL	**1,669,306**	1,452,952
Loans receivable at call	**140,500**	188,430
Accounts receivables	**34,319**	18,739
Cash at bank	**13,247**	23,044
	1,857,372	1,683,165

Prepayments of Rs 34,585 (2012: Rs 144,218) have been excluded from Accounts receivables.

19. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments

	2013 Rs'000	2012 Rs'000
Financial Liabilities		
Bank overdraft	-	1,720
Loans payable at call	39,000	89,000
Accounts payable	14,660	14,642
Proposed dividend	71,976	71,976
	125,636	177,338

Financial risk management objectives

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

Market risk

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

Foreign currency risk management

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

The currency profile of the company's financial assets and financial liabilities at 30 June is summarised as follows:

	2013		2012	
	Financial Assets Rs'000	Financial Liabilities Rs'000	Financial Assets Rs'000	Financial Liabilities Rs'000
Currency				
MUR	1,689,881	125,636	1,533,283	177,338
USD	130,180	-	116,172	-
EURO	37,210	-	33,595	-
ZAR	101	-	115	-
	1,857,372	125,636	1,683,165	177,338

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

19. FINANCIAL INSTRUMENTS (continued)

Foreign currency risk management (continued)

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

	USD Impact	
	2013 Rs'000	2012 Rs'000
Impact on profit	**(13,018)**	(11,617)
Impact on equity	**(13,018)**	(11,617)

	EURO Impact	
	2013 Rs'000	2012 Rs'000
Impact on profit	**(3,721)**	(3,360)
Impact on equity	**(3,721)**	(3,360)

	ZAR Impact	
	2013 Rs'000	2012 Rs'000
Impact on profit	**(10)**	(12)
Impact on equity	**(10)**	(12)

USD and EURO Impact

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

ZAR Impact

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

Credit risk

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

Wherever possible, credit risks are secured by guarantees.

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

19. FINANCIAL INSTRUMENTS (continued)

Interest rate risk management

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

The average interest rate per annum of the company's financial assets and financial liabilities as at 30 June was:

	2013 % p.a.	2012 % p.a.
Financial assets		
Cash at bank	**3.25**	3.50
Loans receivable at call	**7.59**	8.17
Financial liabilities		
Loans payable at call	**5.60**	5.88

Interest rate sensitivity analysis

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

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

	2013 Rs'000	2012 Rs'000
Impact on profit	**2,745**	2,449

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

Equity price risks

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

Equity price sensitivity analysis

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

If equity prices had been 5% higher/lower:

Profit and equity would increase/decrease by Rs 83.5M (2012: Rs72.6M) as a result of the changes in fair value of the equity investments.

Liquidity risk management

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

19. FINANCIAL INSTRUMENTS (continued)

Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its non-derivative financial assets and liabilities.

2013

	Weighted average effective interest rate % p.a.	At call Rs'000	Less than 1 month Rs'000	1-3 months Rs'000	3 months to 1 year Rs'000	More than 1 year Rs'000	Total Rs'000
Financial assets							
Non interest bearing		-	253	1,948	32,118	1,669,306	**1,703,625**
Variable interest rate instruments	7.59	153,747	-	-	-	-	**153,747**
		153,747	**253**	**1,948**	**32,118**	**1,669,306**	**1,857,372**
Financial Liabilities							
Non Interest bearing		-	347	71,976	14,313	-	**86,636**
Variable interest rate instruments	5.60	-	-	-	39,000	**-**	**39,000**
		-	**347**	**71,976**	**53,313**	**-**	**125,636**

2012

	Weighted average effective interest rate % p.a.	At call Rs'000	Less than 1 month Rs'000	1-3 months Rs'000	3 months to 1 year Rs'000	More than 1 year Rs'000	Total Rs'000
Financial assets							
Non interest bearing		-	6,875	1,713	10,151	1,452,952	1,471,691
Variable interest rate instruments	8.17	211,474	-	-	-	-	211,474
		211,474	6,875	1,713	10,151	1,452,952	1,683,165
Financial Liabilities							
Non interest bearing		-	1,129	71,976	15,233	-	88,338
Variable interest rate instruments	5.88	-	-	-	89,000	-	89,000
		-	1,129	71,976	104,233	-	177,338

20. FINANCIAL SUMMARY

	2013 Rs'000	2012 Rs'000
Statement of financial position		
Stated capital	**423,388**	423,388
Fair value reserve	**734,805**	625,994
Surplus on realisation of investments	**394,520**	352,163
Retained surplus	**178,445**	103,336
Non-current assets	**1,669,306**	1,452,952
Current assets	**188,100**	230,357
Current liabilities	**126,248**	178,428
Statement of comprehensive income		
Dividend Income	**124,505**	36,857
Profit/(Loss) before taxation	**358,873**	(71,879)
Profit/(Loss) for the year	**357,527**	(73,085)
Dividends paid	**131,250**	148,185

Proxy Form

For the 47th Annual Meeting

I/We

of

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

of

or failing him/her Mr/Ms

of

or failing him/her the Chairperson of the meeting as my/our proxy to vote for me/us at the meeting of the Company to be held on 20 December 2013 and at any adjournment thereof.

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

Mark with X where applicable		**FOR**	**AGAINST**	**ABSTAIN**
1	To consider and approve the Annual Report including the audited financial statements for the year ended 30 June 2013.			
2	To re-appoint as director Mr Lloyd Coombes			
3	To re-appoint as director Mr Roger Leung Shin Cheung			
4	To re-appoint as director Mrs Geereesha Ramsarran-Kandhai			
5	To re-appoint as director Mr Louis Rivalland			
7	To ratify the payment of the dividends with respect to the year ended 30 June 2013.			
8	To fix the directors' fees for the year ending 30 June 2014.			
9	To re-appoint Deloitte as auditors under section 200 of the Companies Act 2001 and to authorise the directors to fix their remuneration.			

Signed this day of 2013

Signature

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