



Annual Report *2013*

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Notice of Meeting

Notice is hereby given that the Annual General Meeting of National Investment Trust Ltd will be held at 10.00 a.m. on Saturday 9 November 2013 at Centre social Marie, Reine-de-la-Paix, Port Louis to transact the following business:

1. To approve the Minutes of Proceedings of the previous meeting of shareholders.
2. To receive and adopt the financial statements to June 2013 and the report of the Directors and Auditors thereon.
3. To ratify the dividend declared by the Board of Directors and paid to all shareholders registered at the close of business on 2 September 2013.
4. To elect the existing Directors in accordance with the provisions of the Articles of Association and the Companies Act 2001.
5. To appoint an external auditor in accordance with the provisions of the Articles of Association and, the Companies Act 2001 and, to authorise the Board of Directors to fix their remuneration.
6. To consider and if thought fit approve the following resolution as an ordinary resolution:

“The Shareholders hereby sanction the deal, the terms and conditions of which are set out in the Circular dated 10 October 2013 approved by the Stock Exchange of Mauritius and duly circularized (the ‘Circular’), comprising:

- The acceptance of the offer received from the State Investment Corporation Ltd (SIC) to buyback NIT’s 15 % holding stake in that company for a total consideration of Rs 423 m payable in four equal installments spanning over a period of three years with, interest based on repo rate to be accrued on all outstanding amounts.

The Board of Directors is hereby authorized to execute any agreement and any ancillary documents pertaining to the Transaction and to do all such things and undertake all such acts as may be required to give effect to the Transaction.”

7. To transact such other business, if any, as may be transacted at an Annual General Meeting.

By Order of the Board of Directors

Ah Vee Li Chun Fong

Company Secretary

10 October 2013

Notes:

1. A Shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy (whether a member or not) to attend and vote on his behalf. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or any general power of attorney shall be deposited at the Registered Office of the Company, Level 8 Newton Tower, Sir William Newton Street, Port Louis not less than twenty-four (24) hours before the meeting and in default, the instrument of proxy shall not be treated as valid.
3. A proxy form is included in this Annual Report and is also available at the registered office of the Company.
4. For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 14 October 2013.

Dear Shareholder,

I am pleased to present the Annual Report of the National Investment Trust Ltd for the year ended 30 June 2013.

This report was approved by the Board of Directors on 13 August 2013.

On behalf of the Board of Directors, I invite you to join us at the Annual General Meeting of the Company on :

Date: **9 November 2013**

Time: **10 hours**

Place: **Centre social Marie, Reine-de-la-Paix**

Yours faithfully,

Gaetan Wong To Wing
Chief Executive Officer

Corporate Information

CHAIRMAN

Raj Ringadoo

DIRECTORS

Mazahir Adamjee
Chaya Dawonauth
Veenay Rambarassah
Nikhil Treebhooon

CHIEF EXECUTIVE OFFICER

Gaetan Wong To Wing

Company Secretary

Ah Vee K. C. Li Chun Fong

AUDITORS

Deloitte
Chartered Accountants

BANKER

State Bank of Mauritius Ltd

SHARE REGISTRY & TRANSFER OFFICE

If you are a shareholder and have inquiries regarding your account, wish to change your name or address, or have questions about lost share certificates, share transfers or dividends, please contact our Share Registry and Transfer Office:

Level 8, Newton Tower
Sir William Newton Street
Port Louis

REGISTERED OFFICE

Level 8, Newton Tower
Sir William Newton Street
Port Louis

BRN C10011104



Statement of Compliance

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

Reporting Period: 1st July 2012 to 30th June 2013

We, the Directors of National Investment Trust Ltd 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 Sections 2.2.3, 2.3.2 (d), 2.3.3, 2.5.3 (c), 2.5.3 (e), 2.6.2 (b), 2.7.3, 2.7.6, 2.8.4, 2.9.2, 2.10.1/2/3, all of Sections 3, 5 and 6 and, 7.6.2. The reason for non-compliance being that given the small size of the Company and the Board, all Corporate Governance and other functions can be discharged by the Board of Directors as a unit and the composition of the Board includes members with appropriate experiences.

Signed by

Raj Ringadoo
Chairman

Chaya Dawonauth
Director

13 August 2013

Corporate Governance

Main Shareholders

The largest shareholders of the NIT Ltd. at June 30, 2013 were as follows:

Main Shareholders	% holding
National Pension Fund	22.31
Pershing LLC	16.73
Government of Mauritius	10.74
Sugar Insurance Fund Board	4.55
The Mauritius Development Investment Trust Co.	3.59
Others	42.08

Shareholding Profile

The share ownership and the categories of shareholders at June 30, 2013 are set out hereafter.

Number of Shareholders	Size of Shareholding	No. of Shares owned	% of Total Issued Shares
4,309	1 - 100 shares	131,106	0.96
951	101 - 200 shares	147,855	1.08
501	201 - 300 shares	142,378	1.04
711	301 - 400 shares	255,570	1.87
83	401 - 500 shares	38,097	0.28
483	501 - 1,000 shares	352,065	2.57
307	1,001 - 2,000 shares	455,138	3.32
237	2,001 - 5,000 shares	751,510	5.48
67	5,001 - 10,000 shares	468,031	3.42
61	10,001 - 50,000 shares	1,267,772	9.25
14	50,001 - 100,000 shares	960,985	7.01
8	100,001 - 250,000 shares	1,104,971	8.06
3	250,001 - 500,000 shares	1,120,563	8.18
4	Over 500,000 shares	6,506,159	47.48
7,739		13,702,200	100.00

Number of Shareholders	Category of Shareholders	No. of Shares owned	% of Total Issued Shares
7,569	Individual	3,760,053	27.44
17	Insurance and Assurance Companies	974,569	7.11
25	Pension and Provident Funds	3,515,936	25.66
38	Investment and Trust Companies	884,700	6.46
88	Other Private Corporate Bodies	2,915,884	21.28
2	Other Public Sector/ Para Statal Bodies	1,651,058	12.05
7,739		13,702,200	100.00

Number of Shareholders	Category of Shareholders	No. of Shares owned	% of Total Issued Shares
7,738	Local	11,410,072	83.3
1	Foreign	2,292,428	16.7
7,739		13,702,500	100.00

Share Price Information

To date, the share of the NIT Ltd. is quoted at Rs 26,20 on the Official Market of the Stock Exchange of Mauritius.

Date	Price (Rs)	Yearly Change (%)
June 30, 2010	29.00	41
June 30, 2011	37.00	27
June 30, 2012	24.00	(35)
June 30, 2013	22.35	(7)

Dividend Policy

The Company has no formal dividend policy. Dividend payments are determined by the profitability of the Company, its cash flow and its future investments.

A final dividend is declared on or about October each year.

Key dividend information over the past 3 years is shown below:

	2011	2012	2013
Dividend per share (Rs)	0.50	0.50	0.6
Dividend cover (times)	0.20	0.04	0.92
Dividend yield (%)	1.35	2.08	2.6

The final dividend of Rs 0.60 per ordinary share declared in respect of the financial year will be paid on or around 15 November 2013 to all ordinary shareholders registered at close of business on 2 September 2013.

Total Shareholders' Return

The total return for shareholder over the last 3 years is shown below:

	2011	2012	2013
Share price at June 30 - current year (Rs)	37.00	24.00	22.35
Share price at June 30 - previous year (Rs)	29.00	37.00	24.00
Increase/Decrease in NIT share price (Rs)	8.00	(13.00)	(1.65)
Dividend - current year (Rs)	0.50	0.50	0.60
Total return per share (Rs)	8.50	(12.50)	(1.05)
Total return based on previous year share price	29.3%	(33.8%)	(4.4%)

Shareholders' Agreement

There is currently no shareholders agreement affecting the governance of the Company by the Board.

Management Agreement

There is no management agreement with third parties, except with the two Funds under management namely, the NIT Local Equity Fund and the NIT Global Opportunities Fund.

Shareholders' Communication

The Company's Board of Directors places great importance on open and transparent communication with all shareholders. It endeavours to keep them regularly informed on matters affecting the Company by official press announcements, disclosures in the Annual Report and at Annual Meeting of Shareholders, which all Board members are requested to attend.

NIT's Annual Meeting provides an opportunity for shareholders to raise and discuss matters with the Board relating to the Company. Shareholders are encouraged to attend the AGM to remain informed of the Company's strategy and goals.

Calendar of Forthcomings Events

November-December 2013	Annual Meeting of Shareholders
February 2014	Publication of half-year results to 31 December 2013
May 2014	Publication of third quarter results to 31 March 2014
September 2014	Publication of abridged end-of-year results to June 30 2014 & Declaration of dividend
November 2014	Payment of dividend

Company's Registered Office

Since October 2009, the registered office of the Company is situated at Level 8 Newton Tower, Sir William Newton Street, Port Louis.

Company's Constitution

The Company's Constitution is in compliance with the provisions of the Companies Act 2001.

The salient features of which are as follows:

- the Company has wide objects and powers;
- the Company may acquire and hold its own shares;
- there are no pre-emptive rights attached to the shares;
- fully paid up shares are freely transferable;
- the quorum for a meeting of Shareholders is 3 Shareholders present or represented holding at least 60% of the share capital of the Company;
- the Board of Directors shall consists of not less than 5 or more than 7 Directors;
- the quorum for a meeting of the Board shall be 2 Directors when the Board shall consist of 2 or 3 members, 3 Directors when the Board shall consist of 4 or 5 members and 4 Directors when the Board shall consist of 6 or 7 members;



- the Directors have the power 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 the Constitution. The Director so appointed shall hold office only until the next following annual meeting of Shareholders and shall then be eligible for re-election;
- a Director is not required to hold shares in the Company.

A copy of NIT's Constitution is available upon request in writing to the Company Secretary at the registered office of the Company, Level 8 Newton Tower, Sir William Newton Street, Port Louis.

Board of Directors

The Company has a unitary board of five members, all of whom are Non-Executive Directors and of appropriate calibre, with necessary skills and experience to assist in providing leadership, integrity and commitment to make sound judgments on various key issues relevant to the business of the Company independent of management.

Although the Code of Corporate Governance for Mauritius recommends to have at least two Independent and two Executive Directors, the Directors of the Company believe that the Board composition is adequate due to the presence of Independent Directors on the Board.

The Board of the NIT is collectively responsible for promoting the success of the Company and is aware of its responsibility to ensure that the Company adheres to all relevant legislation, complies with the rules of the Official Market of the Stock Exchange of Mauritius and that the principles of good governance are followed and applied throughout the Company.

The Directors perform their duties, responsibilities and powers to the extent permitted by law. They also ensure that their other responsibilities do not impinge on their responsibilities as a Director of the NIT.

The Board has unrestricted access to the records of the Company and also has the right to seek independent professional advice, at the expense of the Company, to enable it to discharge its responsibility effectively.

The Board of Directors has not adopted a Board Charter and is governed by the provision of the Company's Constitution and the Mauritius Companies Act 2001.

Directors' Profile

Raj Ringadoo (Chairman) – Independent Non-Executive

Mr. Raj Ringadoo is currently the Chairman of The State Investment Corporation Ltd, the investment arm of the Government of Mauritius. Mr Raj Ringadoo is a Chartered Civil Engineer (C.Eng) from the UK and has worked as a Civil Engineer for three years with the firm of Sir Alexander Gibbs & Partners UK. He was formerly Chief Manager at the Development Bank of Mauritius Ltd and reckons more than 20 years in the Banking sector. Mr Raj Ringadoo holds an Honours Degree in Civil Engineering from University of Manchester, Institute of Science and Technology and an MSc in Construction Management from University of Reading, UK.

Directorship in other listed companies:
Air Mauritius

Mazahir Adamjee – Independent Non-Executive

Mr Mazahir F. E. Adamjee is a Chartered Accountant. He is a Director of several companies of Currimjee Group.

Directorship in other listed companies:
Bramer Banking Corporation Ltd.

Chaya Dawonauth – Independent Non-Executive

Mrs Chaya Dawonauth holds an M.Sc, Financial Economics from the School of Oriental and African Studies, University of London. She reckons more than a decade experience in the Banking sector and, currently holds the position of Director, Business Support at Banque des Mascareignes Ltée.

Directorship in other listed companies: None

Veenay Rambarassah – Non-Executive

Mr V. Rambarassah is a Fellow of the Association of Chartered Certified Accountants (FCCA). He is currently the Fund Manager and Fund Accountant of the National Pension Fund & the National Savings Fund. He has wide experience in Accounting and Fund management.

Directorship in other listed companies: None

Nikhil Treebhooonun – Independent Non-Executive

Nikhil Treebhooonun studied economics at the London School of Economics, Financial management at the University of New England, and Development Planning Techniques at the Institute of Social Studies. He is currently the CEO of Global Finance

Mauritius and has also extensive experience in export development and competitiveness issues gained from being Head of the Trade Section at the Commonwealth Secretariat, Director of the Export Processing Zones Development Authority and Executive Director of the National Productivity and Competitiveness Council in Mauritius.

Directorship in other listed companies: None

Senior Management Profile

Gaetan Wong To Wing – Chief Executive Officer

Mr Wong is an Associate of the Institute of Chartered Accountants in England and Wales. After a successful career in Auditing both in the UK and in Mauritius, he joined the National Mutual Fund Ltd (i.e., the first domestic unit trusts manager) in 1989. He was appointed Acting General Manager in 1997, and guided NMF to the forefront of the local fund management industry with, their flagship fund, the NMF General Fund, being consistently ranked 'best performing' local fund under his stewardship.

Gaetan Wong was a Key player in the setting up of the National Investment Trust Ltd in 1993 and was appointed General Manager of the Company in 2001. Under his leadership, NIT was the first Company to ever carry out a share buy-back operation on the local stock exchange and also a pioneer in promoting total transparency on its investment activities by publishing full details of its investment portfolio. Mr Wong was appointed as Chief Executive Officer of the Company in 2008 and, was the Architect behind the successful restructuring of NIT that year whereby, the Company was split into three distinct and separate parts with the resulting effect of unlocking significant value to shareholders.

Teddy Blackburn – Chief Analyst

Teddy Blackburn joined the Company in 2001. He holds postgraduate qualifications in Economics and Applied Finance from Australia and is currently the Company's Chief Analyst.

Directors' and Officers' Interest in NIT Shares

In accordance with the Companies Act 2001, written records of the interests of the Directors and their closely related parties in NIT shares are kept in a Register of Directors' Interests. Consequently, as soon as a Director becomes aware that he is interested in a transaction, or that his holdings or his associates' holdings have changed, the interest should be reported to the Company in writing. The Register of Interests is updated with any subsequent transactions entered into by the Directors and persons closely associated with them.

All new Directors are required to notify in writing to the Company Secretary their direct and indirect holdings in NIT shares. According to the NIT's Constitution, a Director is not required to hold shares in the Company.

Moreover, as pursuant to the Securities Act 2005, the NIT registered itself as a reporting issuer with the Financial Services Commission (“FSC”) and makes every effort to follow the relevant disclosure requirements. The Company keeps a Register of its Insiders and the said register is updated with the notification of interest in securities submitted by the Directors, the officers and the other Insiders of the NIT Ltd.

The Directors of the NIT having direct and/or indirect interests in the ordinary shares of the Company at 13 August 2013 were:

Directors	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
Nikhil Treebhoohun	720	0	-	-
Gaetan Wong To Wing			9,563	0.1

Directors’ and Officers’ Dealings in NIT Shares

The Directors of the NIT use their best endeavours to follow the rules of the Official Market of the Stock Exchange of Mauritius. The Directors and officers of the Company are prohibited from dealing in the shares of NIT at any time when in possession of unpublished price-sensitive information, or for the period of one month prior to the publication of the Company’s quarterly and yearly results and to the announcement of dividends and distributions to be paid or passed, as the case may be, and ending on the date of such publications/announcements.

Moreover, Directors and officers of the NIT are also required to observe the insider trading laws at all times, even when dealing in securities within permitted trading periods.

During the year under review, none of the Directors and officers of the NIT dealt with the shares of the Company whether directly or indirectly.

Directors’ and Officers’ Insurance and Indemnification

The Directors and officers of the NIT benefit from an indemnity insurance cover for liabilities incurred while performing the duties to the extent permitted by law.

Directors’ Appointment

In accordance with the Company’s Constitution, the Board may fill vacancies or newly-created directorships on the Board that may occur between annual meetings of shareholders, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Constitution.

Newly appointed Directors are subject to election by shareholders at the Company’s Annual Meeting in their first year of appointment. Moreover, in order to provide greater accountability and give shareholders a further opportunity to send a signal to the Board if they have concerns, all Directors hold office for a one-year period but are eligible for reappointment. Consequently, a new Board is elected every year by ordinary resolution at the Company’s Annual Meeting.

Board Meetings

The Board has at least four scheduled meetings each year. In addition, special meetings may be called from time to time as determined by the needs of the business. It is the responsibility of the Directors to attend meetings.

Board meetings are convened by giving appropriate notice after obtaining approval of the Chairman. As a general rule, detailed agenda, management reports and other explanatory statements are circulated in advance amongst the Directors to facilitate meaningful, informed and focused decisions at the meetings. To address specific urgent business needs, meetings are at times called at shorter notice.

The Directors may ask for any explanations or the production of additional information and, more generally, submit to the Chairman any request for information or access to information which might appear to be appropriate to him/her. The Board is also regularly informed of the state of business in the sector and its developments and competition.

A quorum of 3 Directors is currently required for a Board meeting. In addition to the Directors, Senior Management is invited at each Board meeting of the Company.

The minutes of the proceedings of each Board meeting are recorded by the Secretary to Board and are entered in the Minutes Book. The minutes of each Board meeting are submitted for confirmation at its next meeting and these are then signed by the Chairman and the Secretary.

Board Committees

Given the nature of the Company and the relatively small size of its board, all Corporate Governance functions are discharged by the Board of Directors as a unit. As such, no board committees were operational during the financial year.

Board Attendance

Four meetings were held during the Financial Year.

Directors	Classification	Attendance
Mr R. Ringadoo	Independent Non-Executive	4
Mr M. Adamjee	Independent Non-Executive	3
Mrs C. Dawonauth	Independent Non-Executive	4
Mr V. Rambarassah	Non-Executive	2
Mr N. Treebhoohun	Independent Non-Executive	n/a

Internal Control

The Board is satisfied that a continual process for identifying, evaluating and managing the Company’s significant risks has been place for the financial year and up to the date of this Annual Report. The effectiveness of the internal control systems is reviewed by the Board which derives its information from regular management accounts and external audit reports.



To date, no material financial problems have been identified that would affect the results reported in these financial statements. The Board confirms that if significant weaknesses had been identified during this review, the Board would have taken the necessary steps to remedy them.

Internal Audit

Given the small size of the Company and the nature of the transactions involved, no Internal Audit exists.

Risk Management

The Company is constantly faced with a variety of risks, which could adversely affect its performance and financial condition.

The Board is ultimately responsible for the system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company.

Management analyses investments and divestments decisions and recommends them to the Board after having analysed all inherent risks, in terms of returns to be realised, future growth, etc.

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

- *Financial*

These risks comprise of market risks (including currency risks, interest rate risks and price risks), credit risks and liquidity risks as reported in note 20 of the financial Statements.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The company aims at maintaining flexibility in funding by keeping reliable credit lines available.

Management monitors rolling forecasts of the company's liquidity reserve on the basis of expected cash flows

- *Operational risk*

These risks are defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company's processes are periodically re-evaluated to ensure their effectiveness. Workers and managers at every level fulfill their respective roles to assure that the controls are maintained over time. The risk management process continues throughout the life cycle of the system, mission or activity.

- *Compliance risk*

This risk is defined as the risk of not complying with laws, regulations and policies.

The operations of the Company are compliant with the Occupational Safety and Health Act 2005. Furthermore, the Company has a commitment to the protection of the environment, the welfare of its employees and towards the society at large.

- *Reputational risk*

This risk arises from losses due to unintentional or negligent failure to meet a professional obligation to stakeholders.

The Company's strong reputation revolves around effective communication and building solid relationships. Communication between the Company and its stakeholders has been the foundation for a strong reputation.

Risk management is considered by the Board to be an essential element of business strategy. It is a key responsibility of the Chief Executive Officer of the National Investment Trust Limited and his team, and an activity which is overlooked by the Board of Directors.

The Chief Executive Officer of the National Investment Trust Limited works with his team to identify potential risks to the Company's business rating identified risks by both probability and severity of impact. Necessary strategies and action plans are then developed to offset or mitigate those risks.

Statement of Remuneration Philosophy

All Directors of the NIT Ltd receive a Board remuneration consisting of a fixed fee. Any changes to Board remuneration are submitted to the Annual Meeting of Shareholders for approval.

The Board fees for the year under review were:

Board Service	Meeting Fees
Annual Director's fee	Rs 150 000

All Directors receive the same remuneration.

Code of Ethics

NIT Ltd. believes that it is essential that all employees within the Company act in a professional manner and extend the highest courtesy to co-workers, visitors, clients and all other stakeholders. As such, the National Investment Trust Ltd. has adopted a Code

of Ethics. The Code is based on the important principle of respect. This fundamental principle applies to the clients, employees, shareholders, and the community in which the company operates. Moreover, the Code provides guidance to employees as to how to behave both in the immediate internal environment as well as external interactions. It also defines what is regarded as acceptable and not acceptable for the Company as a whole.

All employees have taken cognisance of the National Investment Trust Limited Code of Ethics and are expected to act according to it.

Related Party Transaction

Transactions with related parties are disclosed in detail in note 19 of the Financial Statements. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company.

Health, Safety and Environmental Policies

The National Investment Trust Ltd believes in providing and maintaining a safe and healthy work environment for all its employees. The objective being the optimization of work efficiency and the prevention of accidents at work through the implementation of safety standards.

Furthermore, the Company carries out its activities in line with best green, environmentally-friendly and energy-saving practices.

Employee Share Option Plan

The Company has no employee share option plan.

Donations

The Company made no donations during the year.

Statement of Directors' Responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position, financial performance and cash flows of the Company and the Company complies with the Companies Act 2001 and with International Financial Reporting Standards.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Other main responsibilities of the Board of Directors include assessment of the management team's performance relative to corporate objectives, overseeing the implementation and upholding of good corporate governance practices, acting as the central coordination body for the monitoring and reporting of sustainability performance of the Company and ensuring timely and comprehensive communication to all stakeholders on events significant to the Company.

Accounting records to be kept

The Board of Directors shall cause accounting records to be kept that:

- correctly record and explain the transactions of the Company;
- shall at any time enable the financial position of the Company to be determined with reasonable accuracy; and
- enable the Directors to prepare financial statements that comply with the Companies Act 2001 and International Financial Reporting Standards.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether or not the Companies Act 2001 and International Financial Reporting Standards have been adhered to and explain material departures thereto; and
- prepare these financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with International Financial Reporting Standards and the responsibility of external auditors to report on these financial statements. The Board also acknowledges its responsibility for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management.

The Board of Directors confirms that it endeavours to implement corporate governance best practice.

Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business. The financial statements are prepared from the accounting records on the basis of consistent and prudent judgements and estimates that fairly present the state of affairs of the Company.

The Board of Directors confirms that it is satisfied the National Investment Trust Limited has adequate resources to continue in business for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements.

Signed on behalf of the Board of Directors

Raj Ringadoo
Chairman

Chaya Dawonauth
Director



Statutory Disclosures

Principal Activities

The Company was incorporated as a closed-end fund whose principal activity was to invest in shares and securities in both the local and international markets.

In January 2008, the Company got the approval from the relevant authorities to go ahead with its plan to split its assets into three distinct and separate parts, namely:

- (i) Sub-Fund 1: NIT Local Equity Fund, to hold all domestically quoted stocks;
- (ii) Sub-Fund 2: NIT Global Opportunities Fund, to hold all overseas investments;
- (iii) NIT Ltd, to hold the local unquoted shares and manage the above two funds.

The Company was granted a CIS Manager Licence on 21st June 2010 and, the NIT Unit Trust was authorized to operate as a Collective Investment Scheme under Section 97 of the Securities Act 2005 on 15 January 2013.

Review of Business

The review of the Company's activities and performance is set out in the Chairman's Statement on page 11-14.

Results and Dividends

The Statement of Profit or Loss and other Comprehensive Income of the Company for the year to 30 June 2013 is set out on page 17 of this report.

For the financial year under review, the Company's profit after taxation amounted to Rs 6.4 m (2012-Rs 0.3 m). In that respect, the Directors have declared a dividend of Rs 0.60 per share (2012- Rs 0.50 per share).

Directors' Interests

- (a) *Contracts of significance (transaction > 5 % of share capital and reserves)*

There were no significant contracts or transactions during the year involving the Company and the Directors or their related parties outside the ordinary course of business.

- (b) *Directors Service Contracts*

There are no service contracts between the Company and the Directors.

Auditors

Messrs Deloitte have expressed their willingness to continue to act as auditors of the company.

Directors

The Directors who served during the year are given below :

Chairman

Raj Ringadoo

Directors

Mazahir Adamjee

Chaya Dawonauth

André José Poncini G.O.S.K.

Veenay Rambarassah

Mr José Poncini G.O.S.K. resigned as Director of the Company on 13 August 2013 and Mr Nikhil Treebhooonun was appointed to replace him.

Secretary's Certificate

In terms Section 166 (d) of the Companies Act 2001, I certify that, to the best of my knowledge, the Company has lodged with the Registrar of companies all such returns as are required in terms of the Companies Act 2001 for the year ended June 30, 2013.

Ah Vee K. C. Li Chun Fong
Company Secretary
13 August 2013

Letter to Shareholders and Unit-Holders

On behalf of the Board of Directors, I am pleased to submit to the shareholders of the Company and the unit-holders of the two funds under our management, the audited financial statements, for the year ended 30 June 2013.

Snapshot of Performances

NIT Ltd

Net Asset Value

For the financial year under review, the Company's Net Asset Value increased by 15.7 % to reach Rs 72.56 on a per share basis as the value of our unquoted investments rose by about Rs 135 m. Such an increase is primarily due to the higher rating of most listed insurance companies as at 30 June 2013

Income

On the income side, Net Profit after tax stood at Rs 6.5 m compared to Rs 0.3 m at a similar date last year following higher dividends received from Sicom Ltd.

A dividend of Rs 0.60 per share has been declared.

Going Forward

Offer Received

The State Investment Corporation Ltd (SIC) has made an offer to buyback NIT's 15 % holding stake in SIC for a total consideration of Rs 423 m payable in four equal installments spanning over a period of three years with, interest based on Repo Rate accrued on all outstanding amounts. A Cautionary Announcement to that effect has been issued on 13 August 2013.

Rationale for Accepting

Post-restructuring, the NIT's share price has been consistently trading at a significant discount to its net asset value due to the Company's portfolio of investment being tied up in unquoted holdings whose values are at most theoretical. In this respect, shareholders have not been getting a value proposition in terms of marketability, liquidity and intrinsic value.

Exiting from SIC should therefore go some way to reduce the existing disparity between the share market price and the Company's net asset value as it would allow NIT to monetise its investments in such an unquoted asset and bolster its core fund management activities. As such, by freeing up resources for more productive purposes, the above transaction should allow the Company to meet its objective of enhancing shareholder value by ensuring a reasonable, regular and sustainable dividend payout going forward while, at the same time, maintaining sufficient scope for quality growth.

Against such a background, the Directors of NIT consider the terms of the Transaction to be fair and reasonable and in the best interests of the shareholders of the company.

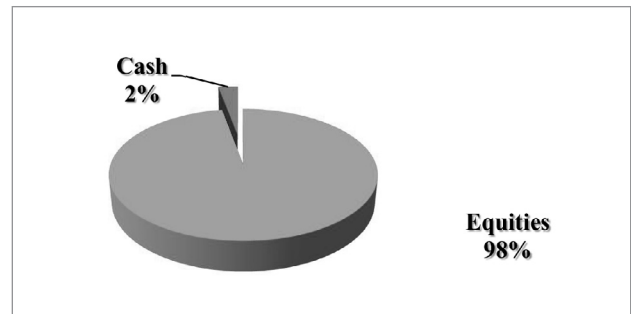
Next Step

Being given that the aggregate value of the proposed consideration represents less than 50 % of the net assets of NIT, the above transaction does not require the prior approval of the shareholders to be finalized. However, to remain true to the raison d'être of the Company which is to promote 'l'actionnariat populaire', the Board has decided to put the matter to a vote at the coming AGM to sanction the deal.

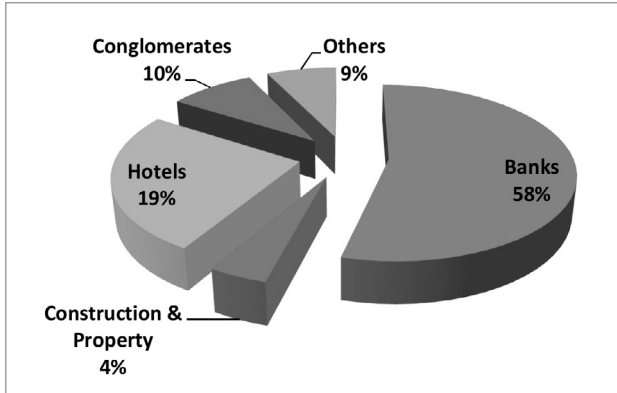
The transaction will be finalized only if the approval of shareholders is obtained.

NIT Local Equity Fund

Asset Allocation at the end of year 2013



Sector Allocation

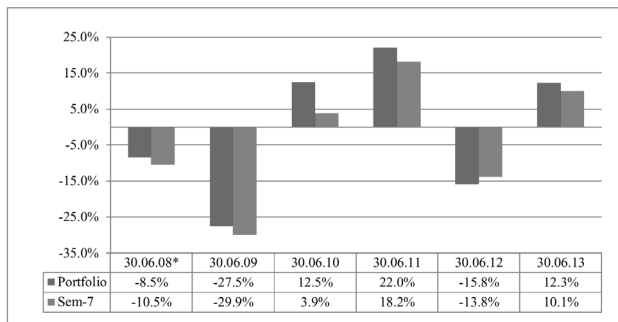


Significant Holdings

Company	Weight in portfolio (%)	Weight in Semdex (%)	Over/(under) (%)
Mauritius Commercial Bank	29.6	25.2	4.4
State Bank of Mauritius	26.6	14.8	11.8
New Mauritius Hotels	10.6	6.4	4.2
Sun Resorts	8.1	2.4	5.7
IBL	5.2	3.3	1.9
Rogers	5.0	4.9	0.1
Omnicanne	4.3	3.0	1.3
UBP	3.5	1.7	1.8

Financial Year Returns vs Benchmark

*Split done on 31.01.08



Portfolio Movement

Disposals

Holding	2009 Proceeds (Rs m)	2010 Proceeds (Rs m)	2011 Proceeds (Rs m)	2012 Proceeds (Rs m)	2013 Proceeds (Rs m)
MCB	15.0	19.3	17.0	11.5	3.2
SBM	11.8	16.7	8.5	1.7	-
Rogers	0.7	14.9	2.8	5.9	7.7
NMH	25.8	12.8	6.4	-	-
Sun	5.1	4.4	1.1	-	0.9
Others	7.1	11.4	-	-	-
Total	65.5	79.5	35.8	19.1	11.8

Acquisition

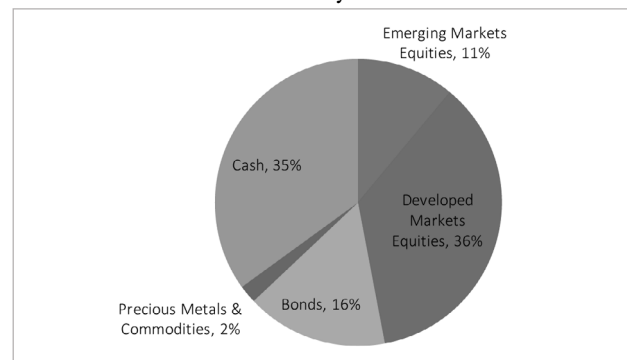
Holding	2013 Costs (Rs m)
Omnicanne Ltd Notes (second issue)	9.0

Currency Movements during the Financial Year

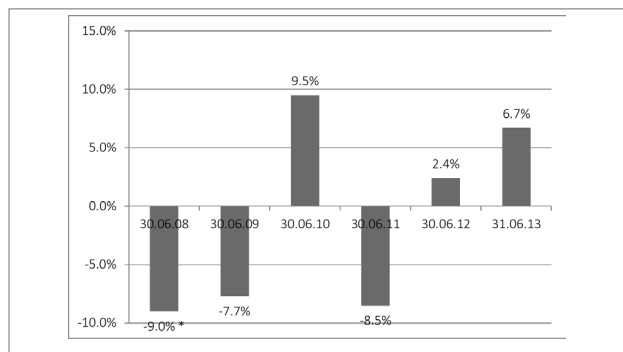
Mauritian Rupee vs	USD	(1.7)%
	Euro	+1.0%
	GBP	+4.6%
	JPY (100)	+24.5%
	Brazilian Real	+9.1%
	Indian Rupee	+8.3%
	ZAR	+20.1%
	AUD	+11.1%

NIT Global Opportunities Fund

Asset Allocation at the end of year 2013



Financial Year Returns



Portfolio Movement during Financial Year

	2013 (%)	2011 (%)	Change
Cash	35	23	Up
Developed Markets Equities	35	32	Up
Emerging Markets Equities	11	9	Up
Bonds	16	21	Down
Precious Metals	0	9	Down
Commodities	2	2	No Change
Property	1	2	Down
Hedge Funds	0	0	No Change
Structured Products & Warrants	0	2	Down
	100	100	

Returns during the Financial Year

Asset	Currency	%
MSCI World	USD	15.6
MSCI Emerging Markets	USD	(0.1)
S&P 500	USD	17.6
Eurostoxx 50	EUR	10.2
U.S 10 Yr Treasury Note	USD	(56)
Gold	USD	(24.1)

Currency Movements during the Financial Year

US Dollar vs	Euro	(3.3)
	GBP	+3.1
	JPY (100)	+24.9
	Brazilian Real	+11.0
	Indian Rupee	+7.3

Some Market Thoughts

Earlier this year the Fed started tinkering with the idea of a possible tapering of its QE program so much so that, prior to the

September meeting, the consensus was that the Fed would ease off the accelerator (not to be confused with putting on the brakes!) and, cut the current monthly QE program by \$10-15 billion. With the Unemployment rate and jobless claims falling, such convictions were based upon the tacit belief that the U.S. economy was about to reach escape velocity and engage onto a new organically- fueled expansionary growth path.

However, with such “taper talk” in full swing, market volatility shored up with, emerging market currencies in particular being the hardest hit as, a normalization in U.S. monetary policy implies a reversal in capital flows from emerging economies which have been one of the prime beneficiaries of the global search for yield in the wake of the unprecedented liquidity injection programs. Against such a backdrop, countries with the greatest external imbalances such as, Brazil, Turkey, South Africa, India & Indonesia have witnessed destabilizing pressures on their interest rates and currencies.

Major Exchange Rate Movements from 1 January to 26 September 2013

US Dollar vs	Turkish Lira	+12.3 %
	Brazilian Real	+8.3 %
	Indian Rupee	+14 %
	ZAR	+17.7 %
	Indonesian Rupiah	+19.2 %

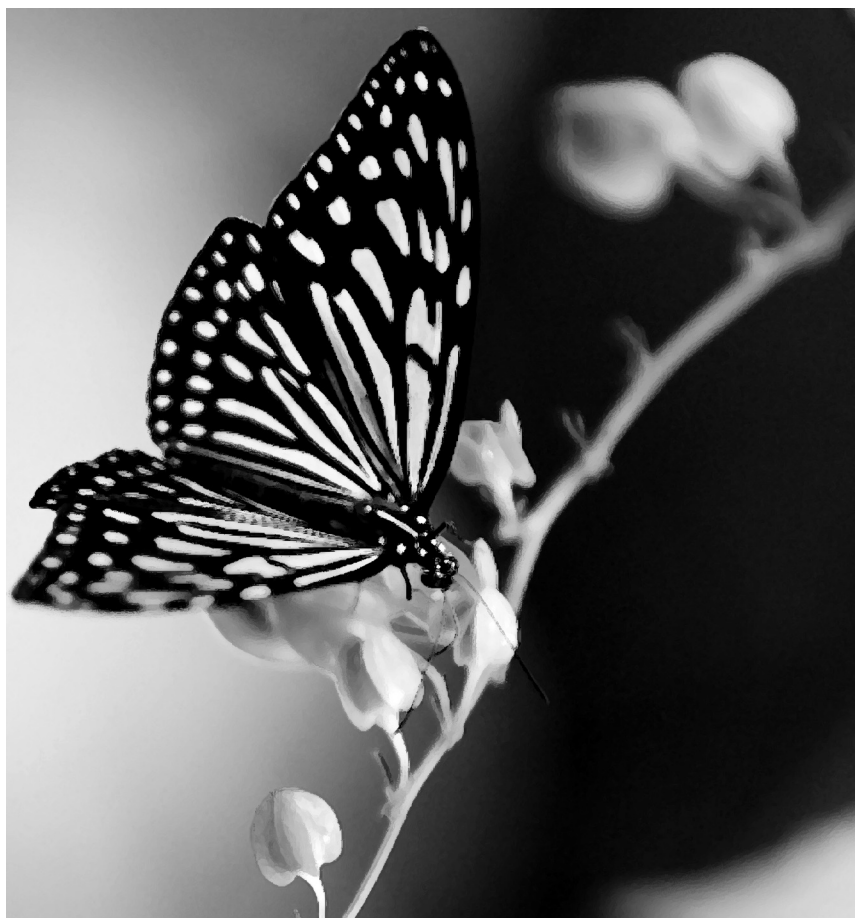
Having said all that, the Federal Reserve stunned the consensus its September meeting by maintaining the current QE program “as is” with no reductions in the amount of bond purchases!

So, here we are asking ourselves:

Why life support from the Fed is still required if indeed the U.S. economy is about to reach escape velocity?

- Is it because all is not that well with the U.S economy such that significant contractionary forces are still in play?
- Is it because the U.S. is quickly approaching the limit of its borrowing capability such that, the threat of a government shut down and “debt ceiling” debate once again looms?
- Is it because, a mere slowdown in the pace of the Fed’s liquidity program has far-reaching destabilizing consequences which extend well beyond U.S. borders and risk derailing the fragile global recovery?

On the domestic front, although Mauritius is an island, the economy and the local bourse are certainly not immune against



developments overseas. So far, foreign investors continue to invest heavily on the SEM such that the Semdex is up 2.3 % since the beginning of the new financial year. Unsurprisingly, the focus has remained on the banks & hotels as such investors look for quality and liquidity.

Some factors attracting interests from investors include:

- Better expectations in the banking and tourism sectors;
- High asset backing of some counters;
- Healthy state of companies in terms of debt and profitability;
- Negligible return on cash following low interest rate environment.

Against such a background, our current stance remains one of caution. In fact, although the immediate outlook for share prices is not certain, we believe that equity markets continue to represent potentially good value over a longer-term time horizon. In terms of our outlook, looking out 18 months, 24 months, we believe that differentiation among asset classes, regions and countries will be key thereby vindicating a dynamic approach to portfolio management.

Chairman
National Investment Trust Ltd
26 September 2013

Independent auditor's report to the shareholders of the National Investment Trust Ltd

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 National Investment Trust Ltd on pages 16 to 32 which comprise the statement of financial position as at 30 June 2013 and the statement of profit or loss and other 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 16 to 32 give a true and fair view of the financial position of the National Investment Trust Ltd 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 capacity as auditor;
- 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 and making the disclosures required by Section 8.4 of the Corporate Governance of Mauritius ("Code"). Our responsibility is to report on these disclosures.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

Deloitte Chartered Accountants
7th Floor, Raffles Tower,
19, Cybercity, Ebène



Statement of Financial Position at 30 June 2013

	Notes	2013 Rs	2012 Rs
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	41,761,267	45,098,042
Portfolio of Domestic Securities	6	882,639,231	774,645,072
		<u>924,400,498</u>	<u>819,743,114</u>
CURRENT ASSETS			
Accounts receivable	7	35,763,968	28,646,332
Cash at bank and in hand		26,560,090	34,349,598
TOTAL CURRENT ASSETS		<u>62,324,058</u>	<u>62,995,930</u>
TOTAL ASSETS		<u>986,724,556</u>	<u>882,739,044</u>
		Rs	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Stated capital	9	156,718,346	156,718,346
Capital redemption reserve		319,722,000	319,722,000
Deficit on realisation of investments		(377,393,998)	(377,393,998)
Fair value reserve		791,439,231	683,445,072
Retained earnings		76,598,624	77,091,630
TOTAL EQUITY		<u>967,084,203</u>	<u>859,583,050</u>
NON CURRENT LIABILITIES			
Bank Loan	15	11,250,000	15,000,000
Deferred tax liability	10	1,087,299	941,408
TOTAL NON CURRENT LIABILITIES		<u>12,337,299</u>	<u>15,941,408</u>
CURRENT LIABILITIES			
Accounts payable	8	3,396,844	3,445,010
Bank Loan	15	3,750,000	3,750,000
Taxation	10	156,210	19,576
TOTAL CURRENT LIABILITIES	11	<u>7,303,054</u>	<u>7,214,586</u>
TOTAL LIABILITIES		<u>19,640,353</u>	<u>23,155,994</u>
TOTAL EQUITY AND LIABILITIES		<u>986,724,556</u>	<u>882,739,044</u>

Approved by the Board of Directors and authorised for issue on 13 August 2013.

Raj Ringadoo)
Mazahir Adamjee) Directors

Statement of Comprehensive Income

for the year ended 30 June 2013

	Notes	2013 Rs	2012 Rs
INCOME	13	22,785,974	17,406,052
Surplus/(deficit) on portfolio of investments		107,994,159	(78,104,928)
		<u>130,780,133</u>	<u>(60,698,876)</u>
Administrative expenses		(14,813,985)	(14,567,631)
PROFIT/(LOSS) BEFORE FINANCE COST		<u>115,966,148</u>	<u>(75,266,507)</u>
Finance cost	16	(1,403,261)	(2,285,483)
PROFIT/(LOSS) BEFORE TAXATION	12	<u>114,562,887</u>	<u>(77,551,990)</u>
TAXATION	10	(210,484)	(255,366)
PROFIT/(LOSS) FOR THE YEAR		<u>114,352,403</u>	<u>(77,807,356)</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>114,352,403</u>	<u>(77,807,356)</u>
MOVEMENT IN PORTFOLIO OF INVESTMENTS TRANSFERRED TO:			
- Fair value reserve		(107,994,159)	78,104,928
NET DISTRIBUTABLE PROFIT FOR THE YEAR		<u>6,358,244</u>	<u>297,572</u>
EARNINGS/(LOSS) PER SHARE BEFORE MOVEMENT ON PORTFOLIO OF INVESTMENTS (i.e. BASED ON PROFIT/(LOSS) FOR THE YEAR):	17(a) Rs	8.35	(5.68)
EARNINGS PER SHARE AFTER MOVEMENT ON PORTFOLIO OF INVESTMENTS (i.e. BASED ON DISTRIBUTABLE PROFIT FOR THE YEAR):	17(b) Rs	0.46	0.02

Statement of Changes in Equity for the year ended 30 June 2013

	Note	Stated capital	Capital Redemption reserve	Deficit on realisation of investments	Fair value reserve	Retained earnings	Total
		Rs	Rs	Rs	Rs	Rs	Rs
Balance at 1 July 2011		156,718,346	319,722,000	(377,393,998)	761,550,000	83,645,308	944,241,656
Loss for the year		-	-	-	-	(77,807,356)	(77,807,356)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive loss for the year		-	-	-	-	(77,807,356)	(77,807,356)
Transfers:		-	-	-	(78,104,928)	78,104,928	-
Movement on revaluation of investments transferred to fair value reserve		-	-	-	(78,104,928)	78,104,928	-
Dividend	14	-	-	-	-	(6,851,250)	(6,851,250)
Balance at 30 June 2012	Rs	156,718,346	319,722,000	(377,393,998)	683,445,072	77,091,630	859,583,050
Balance at 1 July 2012		156,718,346	319,722,000	(377,393,998)	683,445,072	77,091,630	859,583,050
Profit for the year		-	-	-	-	114,352,403	114,352,403
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	114,352,403	114,352,403
Transfers:		-	-	-	107,994,159	(107,994,159)	-
Movement on revaluation of investments transferred to fair value reserve		-	-	-	107,994,159	(107,994,159)	-
Dividend	14	-	-	-	-	(6,851,250)	(6,851,250)
Balance at 30 June 2013	Rs	156,718,346	319,722,000	(377,393,998)	791,439,231	76,598,624	967,084,203

Following capital reduction in January 2008, a capital redemption reserve has been created to reduce the stated capital upon cancellation of the shares.

Statement of Cash Flows for the year ended 30 June 2013

	2013 Rs	2012 Rs
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	114,562,887	(77,551,990)
Adjustments for:		
Interest income	(2,630,345)	(2,814,209)
(Surplus)/deficit on portfolio of investments	(107,994,159)	78,104,928
Depreciation of property and equipment	3,453,904	3,901,271
Interest payable	1,403,261	2,285,483
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	8,795,548	3,925,483
Movement in Working Capital		
(Increase)/decrease in accounts receivable	(7,117,636)	10,006,319
(Decrease)/increase in accounts payable	(48,166)	344,097
	(7,165,802)	10,350,416
NET CASH GENERATED FROM OPERATIONS	1,629,746	14,275,899
Interest paid	(1,403,261)	(2,285,483)
Taxation refunded/(paid)	72,041	(633,967)
NET CASH GENERATED FROM OPERATING ACTIVITIES	298,526	11,356,449
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(117,129)	(83,835)
Interest income	2,630,345	2,814,209
NET CASH GENERATED FROM INVESTING ACTIVITIES	2,513,216	2,730,374
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(6,851,250)	(6,851,250)
Loan repaid	(3,750,000)	(3,750,000)
NET CASH USED IN FINANCING ACTIVITIES	(10,601,250)	(10,601,250)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(7,789,508)	3,485,573
CASH AND CASH EQUIVALENTS AT 1 JULY	34,349,598	30,864,025
CASH AND CASH EQUIVALENTS AT 30 JUNE	26,560,090	34,349,598
Represented by:		
Cash at bank	Rs 26,560,090	Rs 34,349,598

Notes to the Financial Statements

for the National Investment Trust Ltd for the year ended 30 June 2013

1. LEGAL FORM AND ACTIVITIES

The company was incorporated on 18 March 1993 as a public company and is listed on the Stock Exchange of Mauritius. The Company's registered office is Level 8, Newton Tower, Sir William Newton Street, Port Louis.

Following the restructuring of the company in January 2008, the company acts as a management company which also holds securities. The company was appointed as the manager of NIT Local Equity Fund and NIT Global Opportunities Fund as established by a Trust Deed dated 19th and 20th October 2007.

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

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 Revised Standards applied with no material effect on the financial statements

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for current and prior periods 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)

2.2 New and revised Standards in issue but not yet applied

At the date of authorisation of these financial statements, the following standards and Interpretations were in issue but effective on 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 16	Property, plant and equipment - Amendments resulting from Annual Improvements 2009-2011 Cycle (servicing equipment) (effective 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 relating to the offsetting of assets and liabilities (effective 1 January 2013)
IFRS 7	Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2015)
IFRS 9	Financial Instruments - Original Issue (Classification and measurement of financial assets) (effective 1 January 2013)
IFRS 9	Financial Instruments - Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing derecognition requirements (effective 1 January 2013)

IFRS 9	Financial Instruments - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2015)
IFRS 12	Disclosure of Interests in Other Entities - Original Issue (effective 1 January 2013)
IFRS 12	Disclosure of Interests in Other Entities - Amendments to transitional guidance (effective 1 January 2013)
IFRS 13	Fair Value Measurement (effective 1 January 2013) .

The directors anticipate that these IFRSs will be applied on their effective dates in future periods. The directors have not yet had an opportunity to consider the potential impact of the application of these amendments.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied by 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 (IFRSs).

(b) **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and impairment losses.

Profit or loss arising on disposal of property and equipment is determined by the difference between the carrying value of the assets at the time of disposal and its net disposal proceeds.

Depreciation

Depreciation of property and equipment is calculated so as to write off the cost of these assets in use to their estimated residual values on a straight line basis over their expected useful lives. Depreciation on newly acquired property and equipment is calculated pro rata from date of acquisition. The annual depreciation rates used for the purpose are as follows:

Buildings	- 5 %
Computer hardware	- 20 %
Office equipment	- 10 %
Motor vehicles	- 20 %

(c) **Deferred taxation**

Deferred taxation 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.

(d) **Investment valuation**

Fair value is determined as follows:

The Company classifies its investments as fair value through profit or loss ("FVTPL"). Purchases and sales of investments are recognised on the trade-date basis – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value for all financial assets. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

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

The gains and losses on disposal of FVTPL assets are recognised in profit or loss. Realised gains or losses on disposal of investments are subsequently transferred to surplus on realisation of investments.

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

(i) *Unquoted Investments*

Where there is no active market, the fair value of unquoted investments is determined using valuation techniques including comparisons to similar recent transactions and reference to price earnings ratios of similar quoted investments. Such valuation exercises require that the Company makes estimates of future cash flows and price earnings ratio as applicable to the relevant markets.

(e) **Income**

Income comprises of dividend income, interest income, management fees receivable, exit and initial service fees receivable

(i) Dividends from investments are accounted for when the company's right to receive payment is established.

(ii) *Fixed interest investments*

Interest receivable from bank and short term deposits are accrued for on a daily basis using the effective interest method.

(f) **Foreign currency transactions**

Monetary assets and liabilities in foreign currencies outstanding at year end are translated into rupee at rates of exchange ruling at the end of the reporting period. Revenue items denominated in foreign currencies are converted into rupee at the exchange rates ruling at the date of transactions. Foreign exchange gains or losses are recognised in profit or loss.

(g) **Cash and cash equivalents**

Cash comprises cash at bank and in hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) **Retirement benefit obligations**

Contribution to the defined contribution pension fund of the Company is expensed to statement of profit or loss and other comprehensive income.

(i) **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 due to the short-term nature of the balances involved. These instruments are measured as follows:

(i) *Investments*

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

(ii) *Accounts receivables*

Accounts receivables originated by the company are stated at amortised cost. An allowance for doubtful debts is made based on a review of all outstanding amounts at end of reporting period. 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 exchange rates at reporting date.

(iv) *Accounts payables*

Accounts payables are stated at their amortised cost.

(v) *Bank loans*

Bank loans are stated at their amortised cost.

(j) **Impairment**

At the end of each reporting period, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is established 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 and an impairment loss is immediately recognised in the statement of comprehensive income.

(k) **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 year end and adjusted to reflect the current best estimate.

(l) **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.

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 have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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 of accounting policy 3(d) (i). Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

5. PROPERTY AND EQUIPMENT

		Buildings Rs	Computer hardware Rs	Office equipment Rs	Motor vehicles Rs	Total Rs
COST						
At 1 July 2011		41,150,738	2,644,940	7,979,787	3,949,652	55,725,117
Additions		-	83,835	-	-	83,835
At 30 June 2012	Rs	41,150,738	2,728,775	7,979,787	3,949,652	55,808,952
At 1 July 2012		41,150,738	2,728,775	7,979,787	3,949,652	55,808,952
Additions		-	117,129	-	-	117,129
At 30 June 2013	Rs	41,150,738	2,845,904	7,979,787	3,949,652	55,926,081
DEPRECIATION						
At 1 July 2011		2,931,605	1,512,347	1,865,687	500,000	6,809,639
Charge for the year		2,057,537	545,755	797,979	500,000	3,901,271
At 30 June 2012	Rs	4,989,142	2,058,102	2,663,666	1,000,000	10,710,910
At 01 July 2012		4,989,142	2,058,102	2,663,666	1,000,000	10,710,910
Charge for the year		2,057,537	98,388	797,979	500,000	3,453,904
At 30 June 2013	Rs	7,046,679	2,156,490	3,461,645	1,500,000	14,164,814
NET BOOK VALUE						
At 30 June 2013	Rs	34,104,059	689,414	4,518,142	2,449,652	41,761,267
At 30 June 2012	Rs	36,161,596	670,673	5,316,121	2,949,652	45,098,042

Property and equipment of the company have been pledged to secure banking facilities for the company.

6. PORTFOLIO OF DOMESTIC SECURITIES

Fair value through profit or loss

At fair value	UNQUOTED	
	2013 Rs	2012 Rs
At 1 July	774,645,072	852,750,000
Movement in fair value	107,994,159	(78,104,928)
At 30 June	882,639,231	774,645,072

The investments were revalued as per note 3 (d).

6.1 PORTFOLIO OF DOMESTIC SECURITIES

	SHARE HOLDINGS 2013 & 2012 Rs	MARKET VALUE 2013 Rs	MARKET VALUE 2012 Rs
State Investment Corporation Ltd (SIC)	1,500,000	423,000,000	450,000,000
SICOM Ltd	30,000	457,839,231	322,845,072
Mauritius Shopping Paradise Ltd (MSP)	18,000	1,800,000	1,800,000

At the end of the reporting period, the directors have reviewed the carrying amounts of the investments in line with the company's accounting policy and/or available recent prices. In their opinion, this reflects the fair value of the investments

MSP is in the process of winding up. The directors have valued the investment at its nominal value as they consider it to be the minimum recoverable amount of the investment.

6.2 SIGNIFICANT HOLDINGS

Details of investments in which the Company holds a 10 % interest or more are set out below:

Name of Company	Class of Shares	Proportion Held
Mauritius Shopping Paradise Ltd	Ordinary	15.0 %
SICOM Ltd	Ordinary	12.0 %
State Investment Corporation Ltd	Ordinary	15.0 %

7. ACCOUNTS RECEIVABLE

	2013 Rs	2012 Rs
Amount receivable from NIT Local Equity Fund	1,662,730	1,465,393
Prepayments	315,858	420,600
Loan receivable from NIT Global Opportunities Fund	33,785,380	26,760,339
	Rs 35,763,968	28,646,332

Loans receivable from NIT Global Opportunities Fund and amount receivable from NIT Local Equity Fund carry interest of 5 % (2012: 5 %), unsecured and are repayable at call.

8. ACCOUNTS PAYABLE

	2013 Rs	2012 Rs
Accruals	396,498	508,911
Unclaimed dividends	3,000,346	2,936,099
	Rs 3,396,844	3,445,010

The company has financial risk management policies in place to ensure that all payables are paid within the timeframe.

9. **STATED CAPITAL**

Issued and Fully Paid

2013 and 2012
Rs13,702,500 shares of Rs 10 each
Share premium137,025,000
19,693,346
156,718,346

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

10. **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.

Tax expense

	2013	2012
	Rs	Rs
Provision for the year	156,210	33,526
Deferred tax (income)/expense	145,891	(68,214)
Overprovision of deferred tax in previous year	-	(116,897)
Refund of overpayment from Mauritius Revenue Authority	(82,688)	-
(Over)/underprovision of tax in previous year	(8,929)	406,951
	210,484	255,366
Tax liability		
Balance at 1 July	19,576	213,066
Current tax liability	156,210	33,526
Tax paid during the year	(10,647)	(620,017)
APS paid	-	(13,950)
(Over)/Underprovision of tax in previous year	(8,929)	406,951
	156,210	19,576

(ii) **Tax Reconciliation**

	2013	2012
	%	%
Applicable income tax rate	15	15
Tax effect of:		
- Non taxable income	(15.34)	(0.94)
- Expenses not deductible for tax purposes	0.56	15.85
- Overprovision of deferred tax in previous year	-	(0.15)
- Underprovision of tax in previous year	0.01	0.52
- Corporate social responsibility	-	0.04
- Tax Loss for previous year	(0.08)	-
Effective tax rate	0.15	0.32

(iii) **Deferred tax liability**

	2013 Rs	2012 Rs
At 1 July	941,408	1,126,519
Deferred tax (income)/expense	145,891	(68,214)
(Over)/underprovision in previous year	-	(116,897)
At 30 June	1,087,299	941,408

Deferred tax liability arises from

	2013 Rs	2012 Rs
Accelerated capital allowances	1,182,417	1,216,750
Tax loss	(95,118)	(275,342)
	1,087,299	941,408

11. RETIREMENT BENEFIT OBLIGATION

The company has set up its own pension fund, the NIT Pension Fund, and entered into a defined contribution scheme for its employees as from Sept 2010. The amounts contributed are included in staff costs (note 13) and recognised in the statement of comprehensive income as follows:

	2013 Rs	2012 Rs
Defined contribution pension plan:		
Contributions paid	641,310	922,365
State pension plan:		
National pension scheme contributions charged	183,270	232,388

12. PROFIT/(LOSS) BEFORE TAXATION

This is arrived at after charging:

	2013 Rs	2012 Rs
Salaries, allowances and pension fund contributions	6,354,479	5,654,233
Directors fees	150,000	150,000
Auditor's remuneration	153,201	152,950
Depreciation on property and equipment	3,453,904	3,901,271

13. INCOME

	2012 Rs	2011 Rs
Domestic dividend receivable	9,772,243	4,834,320
Domestic interest receivable	2,630,345	2,814,209
Management fees receivable	9,987,425	9,313,189
Exit fees receivable	395,961	444,334
	22,785,974	17,406,052

14. DIVIDEND

		2013 Rs	2012 Rs
Dividend of Re 0.50 (2011: Re 0.50) per share	Rs	6,851,250	6,851,250

15. BANK LOAN

		2013 Rs	2012 Rs
Loan repayable by quarterly instalments			
Within 1 year		3,750,000	3,750,000
More than 1 year but less 5 years		11,250,000	15,000,000
	Rs	<u>15,000,000</u>	<u>18,750,000</u>

The loan is repayable in 32 consecutive quarterly instalments in the aggregate of Rs 937,500 each and is secured by fixed charge on commercial space and floating charge on assets.

16. FINANCE COST

		2013 Rs	2012 Rs
Interest on loan	Rs	1,403,261	2,285,483

17. EARNINGS PER SHARE

- (a) The calculation of earnings/(loss) per share before movement on portfolio of investments is based on gain for the year of Rs 114,352,402 (2012: Loss of Rs 77,807,356) and 13,702,500 ordinary shares in issue during the two years ended 30 June 2013.
- (b) The calculation of earnings per share after movement on portfolio of investment is based on net distributable profit for the year of Rs 6,358,244 (2012: Rs 297,572) and 13,702,500 ordinary shares in issue during the two years ended 30 June 2013.

18. FINANCIAL STATISTICS

	2013 Rs	2012 Rs	2011 Rs	2010 Rs	2009 Rs
Earnings/(loss) per share before movement on portfolio of investment	8.35	(5.68)	5.69	21.77	(3.62)
Dividend per share	0.50	0.50	0.75	1.00	1.00
Net Asset per share	70.58	62.73	68.91	63.97	43.20

19. RELATED PARTY TRANSACTIONS

The Company is making the following disclosures in respect of related party transactions:

	2013 Rs	2012 Rs
(i) <i>Outstanding balances</i>		
Receivables from related parties:-		
- Amount receivable from NIT Local Equity Fund	1,662,730	1,465,393
- Loan receivable NIT Global Opportunities Fund	<u>33,785,380</u>	<u>26,760,339</u>
(ii) <i>Management fees receivable</i>		
- NIT Local Equity Fund	5,810,254	6,048,354
- NIT Global Opportunities Fund	<u>4,177,171</u>	<u>3,264,835</u>
Rs	<u>9,987,425</u>	<u>9,313,189</u>

There was no compensation to key management personnel during the year (2012: Nil) except for directors fees as disclosed in note 12.

20. FINANCIAL INSTRUMENTS

Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the company consists of bank loans, net of cash and cash equivalents and equity comprising issued capital, retained earnings, fair value reserve, deficit on realisation of investments and capital redemption reserve

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 to their fair values.

Categories of financial instruments

	2013 Rs	2012 Rs
<i>Financial assets</i>		
Investments at fair value through profit or loss (FVTPL)	882,639,231	774,645,072
Accounts receivable	35,448,110	28,225,732
Cash at bank and in hand	26,560,690	34,349,598
	<u>944,648,031</u>	<u>837,220,402</u>
<i>Financial liabilities</i>		
Accounts payable	3,396,844	3,445,010
Loan	15,000,000	18,750,000
	<u>18,396,844</u>	<u>22,195,010</u>

Prepayments amounting to Rs 315,858 (2012: Rs 420,600) have not been included in financial assets.

Financial risk management objectives

The company holds domestic 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's financial assets and liabilities are denominated in MUR and are thus not exposed to currency risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. With respect to credit risk arising from financial assets which comprise of investments at fair value through profit or loss (FVTPL), accounts receivables and cash and cash equivalents, the company's exposure arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date

The company does not have significant concentration of credit risk.

Interest rate risk management

The company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

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

	2013 % p.a	2012 % p.a
<i>Financial assets</i>		
Cash at bank - MRU	4.50	4.50
Loan receivable	5.00	5.00
<i>Financial liabilities</i>		
Loan	8.15	9.25

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the company's exposure to interest rates on its financial assets and liabilities. A 100 basis points increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher and all other variables were held constant, the company's results and equity would be affected as follows:

	2013 Rs	2012 Rs
Increase in Profit	115,601	442,328
Increase in equity	115,601	442,328

Had the interest rates been 100 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 which the company held for trading purposes.

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:

Equity reserves would increase/decrease by Rs 44,131,196 (2012: Rs 38,732,254) as a result of the changes in fair value of investments.

Liquidity risk management

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

Maturity profile

2013	Weighted average effective interest rate % p.a	At call Rs	Less than 1 month Rs	1-3 months Rs	3 months to 1 year Rs	More than 1 year Rs	Total Rs
Financial assets							
Non interest bearing	-	-	-	-	-	882,639,231	882,639,231
Fixed interest rate instruments	5	-	-	35,448,810	-	-	35,448,810
Variable interest rate instrument	4.5	26,560,090	-	-	-	-	26,560,090
		26,560,090	-	35,448,810	-	882,639,231	944,648,031
Financial liabilities							
Non interest bearing				3,396,844			3,396,844
Variable interest rate instrument	8.15	-	-	-	3,750,000	11,250,000	15,000,000
		-	-	3,396,844	3,750,000	11,250,000	18,396,844
		Rs					
2012							
Financial assets							
Non interest bearing	-	-	-	-	-	774,645,072	774,645,072
Fixed interest rate instruments	5	-	-	28,225,732	-	-	28,225,732
Variable interest rate instruments	4.5	34,349,598	-	-	-	-	34,349,598
		34,349,598	-	28,225,732	-	774,645,072	837,220,402
Financial liabilities							
Non interest bearing				3,445,010			3,445,010
Variable interest rate instrument	9.25	-	-	-	3,750,000	15,000,000	18,750,000
		-	-	3,445,010	3,750,000	15,000,000	22,195,010
		Rs					

Fair value measurements

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

The fair values of unquoted financial assets are determined on the basis of accounting policy 3(d)(i).

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).

30 June 2013

Financial assets designated at FVTPL	Level 1 Rs	Level 2 Rs	Level 3 Rs	Total Rs
Unquoted equities	-	-	882,639,231	882,639,231
Total	-	-	882,639,231	882,639,231

30 June 2012

Financial assets designated at FVTPL	Level 1 Rs	Level 2 Rs	Level 3 Rs	Total Rs
Unquoted equities	-	-	774,645,072	774,645,072
Total	-	-	774,645,072	774,645,072

21. EVENTS AFTER THE REPORTING DATE

Dividend of Rs 8,221,500 representing Rs 0.60 per share (2012: Rs 6,851,250 – Rs 0.50 per share) was declared on 13 August 2013 in respect of the financial year ended 30 June 2013.

NIT LEF Trust Constitution

The NIT LOCAL EQUITY FUND is constituted under the NIT UNIT TRUST which is authorized under the Securities Act 2005 and established by a Trust Deed dated 19th & 26th October 2007 between the National Investment Trust Ltd (“The Manager”) and the State Commercial Bank Ltd (“The Trustee”).

NIT LEF Trust Objective

The investment objective of the NIT LOCAL EQUITY FUND is to produce both income and capital growth from a diversified portfolio of domestic securities. Investments are predominantly made in shares quoted on the local stock market.



Independent auditor's report to the unitholders of the NIT Local Equity Fund constituted under the NIT Unit Trust

This report is made solely to the Fund's unitholders, as a body. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders 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 NIT Local Equity Fund on pages 35 to 51 which comprise the statement of assets and liabilities as at 30 June 2013 and the statement of movements in net assets, income and distribution statement and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Responsibilities of manager and trustee

The manager and trustee 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 Trust Deed. 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 Fund'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 Fund'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 35 to 51 give a true and fair view of the financial position of NIT Local Equity Fund 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 Trust Deed.

Deloitte
Chartered Accountants
7th Floor, Raffles Tower
19, Cybercity, Ebène



Statement of Assets and Liabilities at 30 June 2013

	Notes	2013		2012	
		Rs	% of Fund	Rs	% of Fund
ASSETS					
Non-Current Assets					
Portfolio of Domestic Securities	5	620,698,155	98.46	563,455,203	99.22
Current Assets					
Accounts receivable	6	392	0.00	554,003	0.10
Cash at bank		21,495,445	3.41	16,762,750	2.95
		<u>21,495,837</u>	<u>3.41</u>	<u>17,316,753</u>	<u>3.05</u>
TOTAL ASSETS		642,193,992	101.87	580,771,956	102.27
LIABILITIES					
Current Liabilities					
Accounts payable	7	1,852,731	0.29	331,877	0.06
Loan	8	-	-	1,465,393	0.26
Distribution to unitholders	9	9,899,008	1.57	11,088,221	1.95
Taxation	10	36,961	0.01	4,210	0.00
TOTAL LIABILITIES (excluding net assets attributable to unitholders)		11,788,700	1.87	12,889,701	2.27
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		Rs 630,405,292	100.00	567,882,255	100.00

Approved by the Manager of the NIT Local Equity Fund and authorised for issue on 13 August 2013.

The Manager

Statement of Movements in Net Assets

for the year ended 30 June 2013

	Investments Rs	Other net assets Rs	Total Rs
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 1 JULY 2011	702,369,507	(20,235,942)	682,133,565
Cash received for units created	-	11,280,966	11,280,966
Cash paid for units liquidated	-	(5,610,525)	(5,610,525)
NET CASH MOVEMENT FROM UNITS	-	5,670,441	5,670,441
Refund on conversion	(248)	248	-
Proceeds from sale of investments	(18,992,305)	18,992,305	-
NET CASH MOVEMENT FROM INVESTMENTS	(18,992,553)	18,992,553	-
Deficit for the year	-	(119,921,751)	(119,921,751)
Transfer of loss on investment	(119,921,751)	119,921,751	-
	(119,921,751)	-	(119,921,751)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 30 JUNE 2012	563,455,203	4,427,052	567,882,255
	Rs 563,455,203	4,427,052	567,882,255
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 1 JULY 2012	563,455,203	4,427,052	567,882,255
Cash received for units created	-	11,310,873	11,310,873
Cash paid for units liquidated	-	(9,551,671)	(9,551,671)
NET CASH MOVEMENT FROM UNITS	-	1,759,202	1,759,202
Purchase of Investments	8,276,917	(8,276,917)	-
Proceeds from disposal of investments	(11,797,800)	11,797,800	-
NET CASH MOVEMENT FROM INVESTMENTS	(3,520,883)	3,520,883	-
Surplus for the year	-	60,763,835	60,763,835
Net increase in fair value of investments	60,763,835	(60,763,835)	-
	60,763,835	-	60,763,835
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 30 JUNE 2013	620,698,155	9,707,137	630,405,292
	Rs 620,698,155	9,707,137	630,405,292



Income and Distribution Statement

for the year ended 30 June 2013

	Notes	2013 Rs	2012 Rs
INVESTMENT INCOME			
Dividend income		15,801,644	17,727,605
Interest income		541,231	241,345
		16,342,875	17,968,950
FUND EXPENSES			
Management fees	11	5,846,445	6,048,347
Audit fees		142,600	149,500
Trustee fees	12	150,000	150,000
Interest expense		-	431,442
Printing		130,000	130,000
Bank charges		2,560	2,125
General expenses		11,724	2,530
		6,283,329	6,913,944
INCOME FROM OPERATING ACTIVITIES			
		10,059,546	11,055,006
EQUALISATION			
Income received on units created		39,488	141,180
Amounts paid on units liquidated		(146,362)	(89,386)
		(106,874)	51,794
INCOME BEFORE TAXATION			
		9,952,672	11,106,800
TAXATION EXPENSE			
	10	(53,664)	(18,579)
INCOME AFTER TAXATION			
		9,899,008	11,088,221
DISTRIBUTION TO UNITHOLDERS			
	9	(9,899,008)	(11,088,221)
INCOME BEFORE INVESTMENTS ITEMS			
		-	-
Net increase/(decrease) in fair value of FVTPL investments			
		67,058,880	(115,382,153)
Loss on disposals of FVTPL investments			
		(6,295,045)	(4,539,598)
		60,763,835	(119,921,751)
(DEFICIT)/SURPLUS FOR THE YEAR ATTRIBUTABLE TO UNITHOLDERS			
	Rs	60,763,835	(119,921,751)

Cash Flow Statement for the year ended 30 June 2013

	2013 Rs	2012 Rs
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/income before taxation (adjusted for net (loss)/gain on investments)	70,716,507	(108,814,951)
Adjustments for:		
Interest payable	-	431,442
Interest income	(541,231)	(241,345)
Net Increase in fair value of FVTPL investments	(67,058,880)	115,382,153
Loss on disposal of investments	6,295,045	4,539,598
Operating profit before taxation	9,411,441	11,296,897
Movement in working capital		
Increase in accounts receivable	553,611	-
Increase in accounts payable	1,520,854	76,877
	2,074,465	76,877
NET CASH GENERATED FROM OPERATING ACTIVITIES	11,485,906	11,373,774
Taxation	(20,913)	(15,209)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to investments	(8,276,917)	-
Proceeds from sale of investments	11,797,800	18,992,305
Refund on conversion of investment	-	248
Interest income	541,231	241,345
NET CASH GENERATED FROM INVESTING ACTIVITIES	4,062,114	19,233,898
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-	(431,442)
Dividend paid	(11,088,221)	(11,304,682)
Loan received	-	6,699,056
Loan paid	(1,465,393)	(30,201,360)
Net cash movement from units	1,759,202	5,670,441
NET CASH USED IN FINANCING ACTIVITIES	(10,794,412)	(29,567,987)
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,732,695	1,024,476
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	16,762,750	15,738,274
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	Rs 21,495,445	16,762,750



Notes to the Financial Statements

for the NIT Local Equity Fund for the year ended 30 June 2012

1. GENERAL INFORMATION

The NIT Local Equity Fund is a public open-ended collective Investment scheme which is constituted under the NIT Unit Trust. The Fund's registered office is Level 8, Newton Tower, Sir William Newton Street, Port Louis. It was established by a Trust Deed dated 19th and 26th October 2007 made between National Investment Trust Ltd ("The Manager") and State Bank of Mauritius Ltd ("The Trustee").

The investment objective of the NIT Local Equity Fund is to produce both income and capital growth from a diversified portfolio of assets. Investments are mostly in equities and fixed interest securities in the domestic stock market.

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

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 Revised Standards applied with no material effect on the financial statements

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for current and prior periods 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).

2.2 New and revised Standards in issue but not yet effective

At the date of authorisation of these financial statements, the following standards and Interpretations were in issue but effective on 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 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 relating to the offsetting of assets and liabilities (effective 1 January 2013)
IFRS 7	Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2015)
IFRS 9	Financial Instruments - Original Issue (Classification and measurement of financial assets) (effective 1 January 2013) (effective 1 January 2015)
IFRS 12	Disclosure of Interests in Other Entities - Original Issue (effective 1 January 2013)

IFRS 9	Financial Instruments - Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing derecognition requirements (effective 1 January 2013)
IFRS 9	Financial Instruments - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2015)
IFRS 12	Disclosure of Interests in Other Entities - Original Issue (effective 1 January 2013)
IFRS 12	Disclosure of Interests in Other Entities - Amendments to transitional guidance (effective 1 January 2013)
IFRS 13	Fair Value Measurement (effective 1 January 2013).

The directors anticipate that these IFRSs will be applied on their effective dates in future periods. The directors have not yet had an opportunity to consider the potential impact of the application of these amendments.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied by the Fund 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 ("IFRS").

(b) Dividend and interest income

- (i) Dividends receivable from listed investments are accounted for when the shareholder's right to receive the dividends is established
- (ii) Interest receivable from bank and short term deposits is credited to the Income and Distribution Statement on a time basis under the effective interest method.

(c) Deferred taxation

Deferred taxation 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.

(d) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk to change in value.

(e) Investment valuation

Fair value is determined as follows:

The Fund classifies its investments as fair value through profit or loss ("FVTPL"). Purchases and sales of investments are recognised on the trade-date basis – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value for all financial assets. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Unrealised gains or losses arising from changes in fair value of FVTPL assets are included in the Income and Distribution Statement and held as assets attributable to unitholders.



The gains and losses on disposal of FVTPL assets are recognised in the Income and Distribution Statement and are held as assets attributable to unitholders.

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

Fair value of the investments is determined by the Fund as follow:

- Investments quoted on the local market are valued on the basis of the market prices prevailing at year end or at the trading sessions immediately preceding the year end.

Unquoted investments

Where there is no active market, the fair value of unquoted investments are determined using valuation techniques including comparisons to similar recent transactions, reference to price earnings ratios of similar quoted investments, discounted cash flow and other valuation models. Such valuation exercises require that the Company makes estimates of future cash flows, discount rates and price earnings ratio as applicable to the relevant markets.

(f) **Financial instruments**

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

The carrying amounts of the Fund's financial instruments approximate their fair values due to the short term nature of the balances involved. These instruments are measured as follows:

(i) *Investments*

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

(ii) *Accounts receivable*

Accounts receivable originated by the Fund are stated at amortised cost less provision for doubtful debts. An estimate of doubtful debts is made based on a review of all outstanding amounts at the end of the reporting period. 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 exchange rates at the year end.

(iv) *Accounts payable*

Accounts payable are stated at their amortised cost.

(v) *Units*

Units of the Fund, which are redeemable at any time at the option of the unitholder for cash, do not have a par value and an unlimited number of units may be issued. The units are financial liabilities and therefore the net assets attributable to unitholders are classified within liabilities in the statement of Assets and Liabilities and distributions to unitholders are included as finance costs in the Income and Distribution Statement.

(g) **Impairment**

The carrying amounts of assets are assessed at end of each reporting period to determine whether there is any indication of impairment. If such indication exists, the Fund estimates the recoverable amount of the assets, being the higher of assets' net selling price and their value in use, and reduces the carrying amount of the assets to their recoverable amounts.

(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 year end and adjusted to reflect the current best estimate.

(i) **Equalisation**

Accrued income included in the issue and repurchase of prices of units are dealt with in the Income and Distribution Statement.

(j) **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.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires 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 have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. PORTFOLIO OF DOMESTIC SECURITIES

(i) **Fair-value through profit or loss**

	Quoted		Unquoted	Total
	Official Market Rs	Development & Enterprises Market Rs	Rs	Rs
At fair value				
At 1 July 2011	692,613,456	8,191,601	1,564,450	702,369,507
Disposals	(23,531,903)	-	-	(23,531,903)
Refund on conversion	-	(248)	-	(248)
Deficit on revaluation	(116,181,963)	799,810	-	(115,382,153)
At 30 June 2012	552,899,590	8,991,163	1,564,450	563,455,203
At 1 July 2012	552,899,590	8,991,163	1,564,450	563,455,203
Additions	9,000,000	-	-	9,000,000
Disposals	(18,092,846)	-	-	(18,092,846)
Conversion (Note 2 and 3)	4,338,885	(2,774,435)	(1,564,450)	-
Refund on conversion	(24)	-	-	(24)
Liquidation Proceed (Note 1)	-	(723,058)	-	(723,058)
Surplus on revaluation	69,658,485	(2,599,605)	-	67,058,880
At 30 June 2013	617,804,090	2,894,065	-	620,698,155
Sales proceeds	11,797,800	-	-	11,797,800



- 1) Knowledge Economies Ltd, a company in liquidation, has made an interim distribution of Rs 3.33 per share to its shareholders.
- 2) On 20 July 2012, Deep River Beau Champ Limited has been amalgamated with Flacq United Estates Limited and, the new entity has been renamed Alteo Limited.
- 3) At a Special Meeting held on 17 July 2012, the shareholders of The Beau Champ Holding Company Limited approved the voluntary winding-up of that company and, the distribution of the shares held by The Beau Champ Holding Company Limited in Alteo Limited to its shareholders.

(ii) **Details of domestic securities**

	Fair value 2013 Rs	Portfolio 2013 %
LEISURE AND TOURISM		
Official List		
New Mauritius Hotels Limited	63,416,853	10.21
Sun Resorts Limited	35,916,209	5.79
Naiade Resort Ltd	4,132,700	0.67
	103,465,762	16.67
BANK, INSURANCE AND FINANCE		
Official List		
State Bank of Mauritius Ltd	187,895,999	30.27
The Mauritius Commercial Bank Ltd	180,066,972	29.01
Mauritian Eagle Insurance Co Ltd	5,244,400	0.84
Swan Insurance Co. Ltd	2,843,820	0.46
CIM Financial Services Ltd	10,467,708	1.69
	386,518,899	62.27
COMMERCE		
Official List		
Shell Mauritius Limited	4,012,568	0.65
PROPERTY AND CONSTRUCTION		
Development & Enterprises Market		
COVIFRA Ltee	156,456	0.03
FOOD AND BEVERAGES		
Official List		
Innodis Limited	4,626,415	0.75
Phoenix Beverages Ltd	9,923	0.00
Development & Enterprises Market		
Les Moulins de la Concorde Ltee	153,000	0.02
	4,789,338	0.77
MANUFACTURING AND INDUSTRIAL		
Official List		
Mauritius Oil Refineries Limited	5,679,851	0.92
United Basalt Products Limited	17,659,600	2.85
Development & Enterprises Market		
Chemco Ltd	2,100	0.00
CIEL Textile Ltd	104,828	0.02
	23,446,379	3.79

	Fair value 2013 Rs	Portfolio 2013 %
CONGLOMERATE		
Official List		
Ireland Blyth Ltd	32,870,815	5.30
Rogers and Company Ltd	11,063,877	1.78
	43,934,692	7.08
SUGAR INDUSTRY		
Official List		
Harel Freres Ltd	2,705,095	0.44
Omnican Limited	28,817,448	4.64
Omnican Ltd Notes (second issue)	9,046,992	1.46
ENL Land Ltd	3,689,200	0.59
Alteo Ltd	6,243,553	1.01
Development & Enterprises Market		
Medine Share Holdings	607,500	0.10
	51,109,788	8.24
INVESTMENTS		
Development & Enterprises Market		
Ciel Investment Limited	1,439,190	0.23
Phoenix Investment	430,992	0.07
	1,870,182	0.30
AIR TRANSPORT		
Official List		
Air Mauritius Limited	1,394,091	0.22
TOTAL VALUE OF DOMESTIC SECURITIES	Rs 620,698,155	100.00

(iii) **Portfolio changes****HOLDINGS SOLD DURING THE YEAR****Official Market**

Sun Resorts Limited (Ord)

Rogers Ltd (Ord)

HOLDINGS ACQUIRED DURING THE YEAR

Omnican Ltd Notes (second issue)

HOLDINGS CONVERTED DURING THE YEAR**Development & Enterprises Market**

Deep River Beau Champ Ltd (Ord), Flacq United Estates Ltd (Ord) and Beau Champ Holdings Ltd (Ord) converted into Alteo Ltd.



6. ACCOUNTS RECEIVABLE

	2013 Rs	2012 Rs
Trade receivables	Rs 392	554,003

Trade receivables for the financial year 2012 represent dividend receivable from listed and DEM companies which is accrued on the basis of the date of dividend declaration. The dividend was received during the financial year.

7. ACCOUNTS PAYABLE

	2013 Rs	2012 Rs
Other payables	1,662,731	1,877
Accruals	190,000	330,000
	Rs 1,852,731	331,877

The company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

8. LOAN

	2013 Rs	2012 Rs
At 1 July	1,465,393	24,967,697
Loan received	-	6,699,056
Loan repaid	(1,465,393)	(30,201,360)
Balance at 30 June	Rs -	1,465,393

The above loan from National Investment Trust Ltd was unsecured, interest bearing at the rate of 5 % p.a (2012: 5 % p.a) and was repaid during the year.

9. DISTRIBUTIONS TO UNITHOLDERS

	2013 Rs	2012 Rs
Final distribution of Re 0.01 per unit (2012: Re 0.01)	Rs 9,899,008	11,088,221

10. TAXATION

(i) Income tax

Income tax is charged on the net income of the Fund, as adjusted for tax purposes, at the rate of 15 % (2012: 15 %) as follows:

	2013 Rs	2012 Rs
Balance at 1 July	4,210	840
Current tax provision	53,664	18,579
Tax paid	(20,913)	(15,209)
Tax liability as per statement of financial position	36,961	4,210
Taxation charge as per Income and Distribution Statement	Rs 53,664	18,579

(ii) **Tax reconciliation**

	2013 Rs	2012 Rs
Net income before taxation	Rs <u>9,952,672</u>	<u>11,106,800</u>
Tax at 15%	1,492,901	1,666,020
Tax effects of:		
- Exempt income	(2,370,246)	(2,665,141)
- Expenses attributable to exempt income	931,009	1,017,700
Taxation expense	Rs <u>53,664</u>	<u>18,579</u>

(iii) **Deferred tax**

The Fund had no deferred tax asset/liability at 30 June 2013 (2012: Nil).

11. **MANAGEMENT FEES**

	2013 Rs	2012 Rs
These comprise fees payable to: National Investment Trust Ltd	Rs <u>5,846,445</u>	<u>6,048,347</u>

Management fees payable to the Fund's Investment Manager, National Investment Trust Ltd is based on 1% of the Net Asset Value of the Fund. The fees which are calculated on a weekly basis are payable monthly in arrears.

12. **TRUSTEE'S FEES**

Trustee's fees payable to State Bank of Mauritius Ltd are determined on the basis of a scale determined by the trustee in consultation with the manager. The trustee fees amounted to Rs 150,000 per year and are payable half yearly in arrears.

13. **UNITS**(a) **Movements in units during the year:**

	Units	Rs
Net assets attributable to unitholders at 1 July 2011	805,814,173	682,133,565
Units created	15,292,007	11,280,966
Units liquidated	(7,596,078)	(5,610,525)
Deficit on investment activities	-	(119,921,751)
Net assets attributable to unitholders at 30 June 2012	<u>813,510,102</u>	<u>567,882,255</u>
Net assets attributable to unitholders at 1 July 2012	813,510,102	567,882,255
Units created	16,900,593	11,310,873
Units liquidated	(13,768,593)	(9,551,671)
Surplus on investment activities	-	60,763,835
Net assets attributable to unitholders at 30 June 2013	<u>816,642,102</u>	<u>630,405,292</u>



(b) Net asset value per unit:		2013	2012
		Rs	Rs
Ex-div	Rs	0.77	0.70
(c) Prices per unit at valuation date:		2013	2012
		Rs	Rs
Issue price	Rs	0.78	0.72
Repurchase price	Rs	0.77	0.70

14. ENTRY AND EXIT FEE

On the issue of units, no entry fee (2012: 1 %) is paid by the unitholder to the Fund and, on the repurchase of units, an exit fee of 2 % (2012: 2 %) of the capital and income values of the units is paid by the unitholder to the Fund. The sums collected are then remitted to the manager.

15. RELATED PARTY TRANSACTIONS

The Fund is making the following disclosures in respect of related party transactions:

		2013	2012
		Rs	Rs
(i) <i>Outstanding balances</i>			
<i>Payable to related parties</i>			
National Investment Trust Ltd (Investment manager)-Loan		1,662,731	1,465,393
State Bank of Mauritius Ltd		75,000	75,000
	Rs	<u>1,737,731</u>	<u>1,540,393</u>

The above loan due to National Investment Trust Ltd is unsecured, repayable at call and bears an interest rate of 5 % p.a. (2012: 5 % p.a.).

<i>Bank balances and short term deposits with</i>			
State Bank of Mauritius Ltd	Rs	<u>21,495,445</u>	<u>16,762,750</u>
Transactions			
(ii) <i>Manager's fees to</i>			
National Investment Trust Ltd	Rs	<u>5,846,445</u>	<u>6,048,347</u>
(iii) <i>Trustee's fees to</i>			
State Bank of Mauritius Ltd	Rs	<u>150,000</u>	<u>150,000</u>
(iv) <i>Interest income from</i>			
State Bank of Mauritius Ltd	Rs	<u>541,231</u>	<u>241,345</u>
(v) <i>Bank charges payable to</i>			
State of Mauritius Ltd	Rs	<u>2,560</u>	<u>2,125</u>
(vi) <i>Interest payable to</i>			
National Investment Trust Ltd	Rs	<u>-</u>	<u>431,442</u>

Compensation to key management personnel

There was no compensation to key management personnel for the year ended 30 June 2013 (2012: Nil).

16. FINANCIAL INSTRUMENTS

Capital risk management

The Fund manages its capital to ensure that the Fund will be able to continue as a going concern. The capital structure of the Fund consists of net debt (loan and net assets attributable to unitholders offset by cash at bank).

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.

Categories of financial instruments

	2013 Rs	2012 Rs
<i>Financial assets</i>		
Investments at fair value through profit or loss (FVTPL)	620,698,155	563,455,203
Accounts receivable	392	554,003
Cash and cash equivalents	21,495,445	16,762,750
Rs	642,193,992	580,771,956
<i>Financial Liabilities</i>		
Accounts payable and loan, at amortised cost	1,852,731	1,797,270
Distribution to unitholders	9,899,008	11,088,221
Net assets attributable to unitholders	630,405,292	567,882,255
Rs	642,157,031	580,767,746

Financial risk management objectives

The Fund deals with domestic securities only 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 Fund's exposure to market risk is determined by a number of factors, including interest rates and market volatility.

Foreign currency risk management

The Fund is not significantly exposed to any currency risk since all its financial assets and liabilities are denominated in Mauritian Rupees.

Credit risk

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

The Fund does not have significant concentration of credit risk which is primarily attributable to its trade receivables.



Interest rate risk management

The Fund is exposed to interest rate risk as the Fund has cash at bank at floating interest rates. The risk is managed by the Fund by maintaining adequate cash reserves at floating interest rates.

The interest rate profile of the Fund's financial assets and financial liabilities as at 30 June 2013 was:

	2013 % p.a	2012 % p.a
<i>Financial assets</i>		
Cash at bank	4.5	4.5
<i>Financial liabilities</i>		
Loan	-	5

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates on bank. A 100 basis points increase or decrease is used as this represents management's assessment of the reasonably possible change in interest rates.

The management considers the sensitivity on interest to be minimal.

Other price risks

The Fund is exposed to equity price risks arising from equity investments which the Fund holds for trading purposes.

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, equity reserves would increase/decrease by Rs 31.0M (2012: Rs 28.2M) as a result of the changes in fair value of the held-for-trading shares.

Liquidity risk management

Maturity profile

2013	Weighted average effective interest rate % p.a	At call Rs	Less than 1 month Rs	1-3 months Rs	3 months to 1 year Rs	More than 1 year	Total Rs
Financial assets							
Non interest bearing		-	392	-	-	620,698,155	620,698,547
Variable interest rate instruments	4.5	21,495,445	-	-	-	-	21,495,445
		Rs 21,495,445	392	-	-	620,698,155	642,193,992
Financial liabilities							
Non interest bearing		630,405,292	-	190,000	9,899,008	-	640,494,300
Fixed interest rate instruments	5	-	-	1,662,731	-	-	1,662,731
		Rs 630,405,292	-	1,852,731	9,899,008	-	642,157,031
2012							
Financial assets							
Non interest bearing		-	554,003	-	-	563,455,203	564,009,206
Variable interest rate instruments	4.5	16,762,750	-	-	-	-	16,762,750
		Rs 16,762,750	554,003	-	-	563,455,203	580,771,956
Financial liabilities							
Non interest bearing		567,882,255	-	-	11,420,098	-	579,302,353
Fixed interest rate instruments	5	-	-	-	1,465,393	-	1,465,393
		Rs 567,882,255	-	-	12,885,491	-	580,767,746



Fair values

The carrying amounts of financial assets and liabilities approximate their fair values due to the nature of the balances involved, except where stated elsewhere.

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.

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).

	30 June 2013			
	Level 1	Level 2	Level 3	Total
Financial assets designated at FVTPL	Rs	Rs	Rs	Rs
Quoted equities	620,698,155	-	-	620,698,155

	30 June 2012			
	Level 1	Level 2	Level 3	Total
Financial assets designated at FVTPL	Rs	Rs	Rs	Rs
Quoted equities	561,890,753	-	-	561,890,753

NIT GOF Trust Constitution

The NIT GLOBAL OPPORTUNITIES FUND is constituted under the NIT UNIT TRUST which is authorized under the Securities Act 2005 and established by a Trust Deed dated 19th & 26th October 2007 between the National Investment Trust Ltd (“The Manager”) and the State Commercial Bank Ltd (“The Trustee”).

NIT GOF Trust Objective

The investment objective of the NIT GLOBAL OPPORTUNITIES FUND is to produce both income and capital growth from a diversified portfolio of international securities. Investment can be made in overseas equities, fixed-interest securities and other financial assets.



Independent auditor's report to the unitholders of the NIT Global Opportunities Fund constituted under the NIT Unit Trust

This report is made solely to the Fund's unitholders, as a body. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders 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 NIT Global Opportunities Fund on pages 55 to 70 which comprise the statement of assets and liabilities as at 30 June 2013 and the statement of movements in net assets, income and distribution statement and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Responsibilities of manager and trustee

The manager and trustee 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 Trust Deed. 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 Fund'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 Fund'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 55 to 70 give a true and fair view of the financial position of NIT Global Opportunities Fund 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 Trust Deed.

Deloitte
Chartered Accountants
7th Floor, Raffles Tower
19, Cybercity, Ebène

Statement of Assets and Liabilities at 30 June 2013

	Notes	2013		2012	
		Rs	% of Fund	Rs	% of Fund
ASSETS					
Non-Current Assets					
Portfolio of International Securities	5	384,573,769	109.42	360,333,847	108.16
Current Assets					
Accounts receivable	6	294,335	0.08	-	-
Cash at bank		575,293	0.17	269,899	0.01
		869,628	0.25	269,899	0.01
TOTAL ASSETS		385,443,397	109.67	360,603,746	108.17
LIABILITIES					
Current Liabilities					
Accounts payable	7	33,992,633	9.67	27,221,763	8.17
TOTAL LIABILITIES (excluding net assets attributable to unitholders)		33,992,633	9.67	27,221,763	8.17
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		Rs 351,450,764	100.00	333,381,983	100.00

Approved by the Manager of the NIT Global Opportunities Fund and authorised for issue on 13 August 2013.

The Manager



Statement of Movements in Net Assets

for the year ended 30 June 2013

	Investments Rs	Other net assets Rs	Total Rs
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 1 JULY 2011	349,576,765	(8,308,728)	341,268,037
Cash received for units created	-	359,054	359,054
Cash paid for units liquidated	-	(13,635,496)	(13,635,496)
NET CASH MOVEMENT FROM UNITS	-	(13,276,442)	(13,276,442)
Cost of investments purchased	104,112,886	(104,112,886)	-
Proceeds from sale of investments	(103,017,355)	103,017,355	-
NET CASH MOVEMENT FROM INVESTMENTS	1,095,531	(1,095,531)	-
Surplus for the year	-	5,390,388	5,390,388
Transfer of profit on investments items	9,661,551	(9,661,551)	-
	9,661,551	(4,271,163)	5,390,388
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 30 JUNE 2012	360,333,847	(26,951,864)	333,381,983
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 1 JULY 2012	360,333,847	(26,951,864)	333,381,983
Cash received for units created	-	427,389	427,389
Cash paid for units liquidated	-	(9,883,092)	(9,883,092)
NET CASH MOVEMENT FROM UNITS	-	(9,455,703)	(9,455,703)
Cost of investments purchased	213,493,933	(213,493,933)	-
Proceeds from sale of investments	(220,510,384)	220,510,384	-
NET CASH MOVEMENT FROM INVESTMENTS	(7,016,451)	7,016,451	-
Surplus for the year	-	27,524,484	27,524,484
Transfer of profit on investments items	31,256,373	(31,256,373)	-
	31,256,373	(3,731,889)	27,524,484
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 30 JUNE 2013	384,573,769	(33,123,005)	351,450,764

Income and Distribution Statement

for the year ended 30 June 2013

	Notes	2013 Rs	2012 Rs
INVESTMENT INCOME			
Dividend income		2,578,383	1,511,744
Interest income		18,499	47,223
		2,596,882	1,558,967
FUND EXPENSES			
Management fees	9	4,209,135	4,149,309
Custody fees		194,647	238,203
Audit fees		155,250	169,050
Trustee fees	10	150,000	150,000
Interest expense		1,510,310	1,026,851
Printing		130,000	130,000
Bank charges		7,449	5,891
General Expenses		10,575	505
		6,367,366	5,869,809
LOSS FROM OPERATING ACTIVITIES		(3,770,484)	(4,310,842)
EQUALISATION			
Amount paid on units created		(3,445)	(3,033)
Income received on units liquidated		42,040	42,712
		38,595	39,679
LOSS BEFORE INVESTMENTS ITEMS		(3,731,889)	(4,271,163)
Net increase in fair value of FVTPL investments		22,689,425	11,904,613
Profit/(Loss) on disposals of FVTPL investments		8,566,948	(2,243,062)
		31,256,373	9,661,551
SURPLUS FOR THE YEAR ATTRIBUTABLE TO UNITHOLDERS		Rs 27,524,484	5,390,388



Statement of Cash Flows for the year ended 30 June 2013

	2013 Rs	2012 Rs
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before investment items (adjusted for net loss on investments)	27,524,484	5,390,388
Adjustments for:		
Interest payable	1,510,310	1,026,851
Interest income	(18,499)	(47,223)
Net increase in fair value of FVTPL investments	(22,689,425)	(11,904,613)
Loss/gain on disposal of investments	(8,566,948)	2,243,062
Operating loss before taxation	(2,240,078)	(3,291,535)
Movement in working capital		
Increase in accounts receivable	(294,335)	-
Increase in accounts payable	6,770,870	13,471,995
	6,476,535	13,471,995
NET CASH GENERATED FROM OPERATIONS	4,236,457	10,180,460
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	18,499	47,223
Additions to investments	(213,493,933)	(104,112,886)
Proceeds from sale of investments	220,510,384	103,017,355
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	7,034,950	(1,048,308)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash movement from units	(9,455,703)	(13,276,442)
Interest paid	(1,510,310)	(1,026,851)
NET CASH USED IN FINANCING ACTIVITIES	(10,966,013)	(14,303,293)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	305,394	(5,171,141)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	269,899	5,441,040
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	575,293	269,899

Notes to the Financial Statements

for the NIT Global Opportunities Fund for the year ended 30 June 2013

1. GENERAL INFORMATION

The NIT Global Opportunities Fund is a public open-ended collective investment scheme which is constituted under NIT Unit Trust. The Fund's registered office is Level 8, Newton Tower, Sir William Newton Street, Port Louis. It was established by a Trust Deed dated 19th and 26th October 2007 made between National Investment Trust Ltd ("The Manager") and State Bank of Mauritius Ltd ("The Trustee").

The investment objective of the NIT Global Opportunities Fund is to produce both income and capital growth from a diversified portfolio of assets. Investments are mostly in equities and fixed interest securities in the international stock market.

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

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 Revised Standards applied with no material effect on the financial statements

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for current and prior periods 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).

2.2 New and revised Standards in issue but not yet effective

At the date of authorisation of these financial statements, the following standards and Interpretations were in issue but effective on 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 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 relating to the offsetting of assets and liabilities (effective 1 January 2013)
IFRS 7 Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2015)
IFRS 9 Financial Instruments - Original Issue (Classification and measurement of financial assets) (effective 1 January 2013)
IFRS 9 Financial Instruments - Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing derecognition requirements (effective 1 January 2013)
IFRS 9 Financial Instruments - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2015)



- IFRS 12 Disclosure of Interests in Other Entities - Original Issue (effective 1 January 2013)
 IFRS 12 Disclosure of Interests in Other Entities - Amendments to transitional guidance (effective 1 January 2013)
 IFRS 13 Fair Value Measurement (effective 1 January 2013).

The directors anticipate that these IFRSs will be applied on their effective dates in future periods. The directors have not yet had an opportunity to consider the potential impact of the application of these amendments.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied by the Fund 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 (“IFRS”).

(b) Dividend and interest income

- (i) Dividend income is accounted for when shareholder’s right to receive the dividend is established.
- (ii) Interest receivable from bank and short term deposits is credited to the Income and Distribution Statement on a time basis under the effective interest method.

(c) Deferred taxation

Deferred taxation 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.

(d) Cash and cash equivalents

Cash comprises cash at bank and in hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk to change in value.

(e) Investment Valuation

Fair value is determined as follows:

The Fund classifies its investments as fair value through profit or loss (“FVTPL”). Purchases and sales of investments are recognised on the trade-date basis – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value for all financial assets. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Unrealised gains or losses arising from changes in fair value of FVTPL assets are included in the Income and Distribution Statement and held as assets attributable to unitholders.

The gains and losses on disposal of FVTPL assets are recognised in the Income and Distribution Statement and held as assets attributable to unitholders.

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

The fair values of the overseas investments are determined by reference to the available bid price or market price prevailing at end of reporting period or according to the trading session immediately preceding the end of the reporting period.

(f) Financial instruments

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

The carrying amounts of the Fund's financial instruments approximate their fair values due to the short term nature of the balances involved. These instruments are measured as follows:

(i) Investments

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

(ii) Accounts receivable

Accounts receivable originated by the Fund is stated at amortised cost less provision for doubtful debts. An estimate of doubtful debts is made based on a review of all outstanding amounts at statement of assets and liabilities 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 exchange rates at the year end.

(iv) Accounts payable

Accounts payable are stated at their amortised cost.

(v) Units

Units of the Fund, which are redeemable at any time at the option of the unitholder for cash, do not have a par value and an unlimited number of units may be issued. The units are financial liabilities and therefore the net assets attributable to unitholders are classified within liabilities in the statement of Assets and Liabilities and distributions to unitholders are included as finance costs in the Income and Distribution Statement.

(g) Impairment

The carrying amounts of assets are assessed at each end of reporting date to determine whether there is any indication of impairment. If such indication exists, the Fund estimates the recoverable amount of the assets, being the higher of assets' net selling price and their value in use, and reduces the carrying amount of the assets to their recoverable amounts.

(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 year end and adjusted to reflect the current best estimate.

(i) Equalisation

Accrued income included in the issue and repurchase of prices of units are dealt with in the Income and Distribution Statement.

(j) 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.



4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires 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 have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. PORTFOLIO OF INTERNATIONAL SECURITIES

Fair-value-through profit and loss

	2013 Rs	2012 Rs
At fair value		
At 1 July	360,333,847	349,576,765
Additions	213,493,933	104,112,886
Disposals	(211,943,436)	(105,260,417)
Surplus on revaluation	22,689,425	11,904,613
At 30 June	384,573,769	360,333,847
Sales proceeds	220,514,384	103,017,355

5.1. PORTFOLIO OF INTERNATIONAL SECURITIES

EQUITIES	HOLDINGS 2013	MARKET VALUE 2013 USD	MARKET VALUE 2013 Rs	% OVERSEAS PORTFOLIO 2013
EMERGING MARKETS				
Aberdeen Global Asia Pacific	6,076	421,957	12,852,810	3.3%
Franklin Templeton Emerging Markets	11,284	382,194	11,641,629	3.0%
BL Fund Selection Asia	110	235,258	7,165,959	1.9%
Sony Corp	3,000	63,570	1,936,342	0.5%
Magellan Emerging Markets	98	196,517	5,985,908	1.6%
Vale SA-SP ADR	2,103	27,654	842,341	0.2%
		1,327,150	40,424,989	10.5%
EUROPE (inc. UK)				
Fidelity European	5,979	87,403	2,662,295	0.7%
Oyster European Opportunities	198	84,536	2,574,967	0.7%
Franklin Templeton European	7,820	195,696	5,960,900	1.6%
BL Equities Dividend	1,562	249,115	7,588,042	2.0%
BL Equities Europe	41	251,281	7,654,019	2.0%
Vanguard Investment Euro Stock Index	14,680	251,678	7,666,112	2.0%
Royal Bank of Scotland Group Plc	5,865	49,325	1,502,440	0.4%
Banco Santander SA ADR	6,520	42,184	1,284,925	0.3%

EQUITIES	HOLDINGS	MARKET	MARKET	% OVERSEAS
	2013	VALUE 2013 USD	VALUE 2013 Rs	PORTFOLIO 2013
Vodafone Group Plc ADR	1,805	51,894	1,580,691	0.4%
GlaxoSmithKline Plc ADS	955	47,721	1,453,582	0.4%
Bristol-Myers Squibb Co	1,500	67,035	2,041,886	0.5%
Glencore International Plc	11,521	47,659	1,451,693	0.4%
BHP Billiton Plc	618	35,634	1,085,412	0.3%
BP Plc ADR	1,650	68,871	2,097,811	0.5%
EADS ADR	850	45,559	1,387,727	0.4%
SIEMENS R*	754	76,388	2,326,778	0.6%
		1,651,979	50,319,280	13.2%
AMERICA				
Vontobel U.S. Value Equity	592	407,762	12,420,431	3.2%
Alger American Asset Growth	5,596	197,203	6,006,803	1.6%
Morgan Stanley Investment U.S. Property	1,878	104,631	3,187,060	0.8%
Fidelity Global Health Care	10,881	203,649	6,203,149	1.6%
Blackrock Global U.S. Flexible	10,702	208,362	6,346,707	1.7%
Blackrock World Energy	10,909	244,044	7,433,580	1.9%
JP Morgan U.S. Dynamic	14,875	218,485	6,655,053	1.7%
EMC	2,403	56,759	1,728,879	0.4%
Microsoft	2,042	70,551	2,148,983	0.6%
Intel	3,859	93,504	2,848,132	0.7%
Cisco Systems Inc	2,120	51,601	1,571,766	0.4%
Apple	131	51,945	1,582,245	0.4%
Goldman Sachs	428	64,735	1,971,828	0.5%
Mastercard	118	67,791	2,064,914	0.5%
Blackstone Group	3,921	82,576	2,515,265	0.7%
American international Group	1,783	79,700	2,427,662	0.6%
JP Morgan Chase	1,295	68,363	2,082,337	0.5%
General Electric	3,923	90,974	2,771,068	0.7%
Boeing	1,030	105,513	3,213,926	0.8%
McDonald's	499	49,401	1,504,754	0.4%
Ford	4,795	74,179	2,259,492	0.6%
Johnson & Johnson	508	43,617	1,328,574	0.3%
Eli Lilly & Company	842	41,359	1,259,795	0.3%
Abbvie Inc	1,023	42,291	1,288,184	0.3%
Barrick Gold Corp	3,075	48,401	1,474,294	0.4%
Halliburton	1,026	42,805	1,303,840	0.3%
		2,810,201	85,598,721	21.9%
BONDS				
Franklin Templeton Global Bond Fund	21,450	488,850	14,890,371	3.9%
Pimco Emerging Local Bond	88,797	893,300	27,209,918	7.1%
Julius Baer Multibond Local Emerging Bond	990	300,214	9,144,518	2.4%
AllianceBernstein Global High Yield Portfolio	62,623	286,186	8,717,226	2.3%
		1,968,550	59,962,033	15.7%
COMMODITIES AND PRECIOUS METALS				
Parvest Agriculture	1,049	118,880	3,621,085	0.9%
DWS Invest Commodity Plus	799	83,753	2,551,116	0.7%
		202,633	6,172,201	1.6%



EQUITIES	HOLDINGS 2013	MARKET VALUE 2013 USD	MARKET VALUE 2013 Rs	% OVERSEAS PORTFOLIO 2013
PROPERTY				
UBSWM GLOB PTY US	22,127	140,631	4,283,620	1.1%
CASH INVESTMENTS				
BDL – USD		3,114,756	94,875,468	24.7%
BNP IPB - USD A/C		6,476	197,252	0.1%
SBM – USD		1,319,614	40,195,442	10.5%
SBM – EURO		75,313	2,294,043	0.6%
SBM – GBP		7,848	239,036	0.1%
UBP Current A/C – USD		383	11,684	0.0%
		4,524,390	137,812,925	36.0%
TOTAL INTERNATIONAL INVESTMENTS		12,625,534	384,573,769	100%

6. ACCOUNTS RECEIVABLE

	2013 Rs	2012 Rs
Trade receivable	294,335	-

Trade receivables represent dividend receivable which is accrued on the basis of receipt of dividend declaration by the investee companies. There are no past due dividend receivable.

7. ACCOUNTS PAYABLE

	2013 Rs	2012 Rs
Other payables	33,785,383	26,760,340
Accruals	207,250	461,423
	Rs 33,992,633	27,221,763

The Fund has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Included in other payables is an amount of Rs 33,785,383 (2012: Rs 26,760,340) due to National Investment Trust Ltd which is unsecured, repayable at call and bears an interest rate of 5 % p.a. (2012: 5 % p.a.).

8. TAXATION

(i) Income tax

Net income of the Fund, as adjusted for tax purposes is subject to income tax at the rate of 15 % (2012: 15 %). At 30 June 2013, the fund has a tax loss of Rs 27,109,117 (2012: Rs 25,439,982), which can be carried forward for set off against taxable income derived in five succeeding years.

Accumulated tax losses Rs	Available for set off up to year ending
5,588,772	2014
6,884,855	2015
6,554,164	2016
4,310,842	2017
3,770,484	2018

(ii) **Deferred tax**

The Fund has deferred tax assets of Rs 4,066,367 (2012: Rs 3,815,997) arising from accumulated losses and equalisation and which have not been recognised in these financial statements due to uncertainty of their recoverability.

9. **MANAGEMENT FEES**

Management fees payable to the fund's Investment manager, National Investment Trust Ltd is based on 1 % of the Net Asset Value of the fund. The fees which are calculated on a weekly basis are payable monthly in arrears.

Management fees payable to UBS is based on 1.2 % of the Net Asset Value of the investments held with them. The fees are calculated on a daily basis and are payable quarterly in arrears.

10. **TRUSTEE'S FEES**

Trustee's fees payable to State Bank of Mauritius Ltd are determined on the basis of a scale determined by the trustee in consultation with the manager. The trustee fees amounted to Rs 150,000 per year and are payable half yearly in arrears.

11. **UNITS**

(a) Movements in units during the period:

	2013	
	Units	Rs
Net assets attributable to unitholders at 1 July 2012	387,209,180	333,381,983
Units created	451,237	427,389
Units liquidated	(10,810,816)	(9,883,092)
Surplus for the year	-	27,524,484
Net assets attributable to unitholders at 30 June 2013	376,849,601	351,450,764

Net assets value per unit

Ex-div

	2013 Rs	2012 Rs
Rs	0.93	0.86

(b) Prices per unit at valuation date

Issue price

Repurchase price

	2013 Rs	2012 Rs
Rs	0.93	0.87
Rs	0.91	0.84



12. ENTRY AND EXIT FEE

On the issue of units, no entry fee (2012:1%) is paid by the unitholder to the Fund and on the repurchase of units an exit fee of 2% (2012: 2.5%) of the capital and income values of the units is paid by the unitholder to the Fund. The sums collected are then remitted to the manager

13. RELATED PARTY TRANSACTIONS

The Fund is making the following disclosures in respect of related party transactions:

	<u>2013</u> Rs	<u>2012</u> Rs
(i) <i>Outstanding balances</i>		
<i>Payable to related parties</i>		
National Investment Trust Ltd	Rs <u>33,785,383</u>	<u>26,760,340</u>
<i>Bank balances and short term deposits with</i>		
State Bank of Mauritius Ltd	Rs <u>575,293</u>	<u>269,899</u>

The above loan due to National Investment Trust Ltd is unsecured, repayable at call and bears an interest rate of 5% p.a. (2012: 5%p.a.).

Transactions

(ii) Management fees to National Investment Trust Ltd	Rs <u>3,520,888</u>	<u>3,264,835</u>
(iii) Trustee's fees to State Bank of Mauritius Ltd	Rs <u>150,000</u>	<u>150,000</u>
(iv) Interest income from State Bank of Mauritius Ltd	Rs <u>18,499</u>	<u>47,223</u>
(v) Bank charges payable to State Bank of Mauritius Ltd	Rs <u>7,449</u>	<u>5,891</u>
(vi) Interest payable to National Investment Trust Ltd	Rs <u>1,510,310</u>	<u>1,026,851</u>

Compensation to key management personnel

There was no compensation to key management personnel for the period ended 30 June 2013. (2012: Nil)

14. FINANCIAL INSTRUMENTS

Capital risk management

The Fund manages its capital to ensure that the Fund will be able to continue as a going concern. The capital structure of the Fund consists of amount due to related party (as disclosed in note 13) and net assets attributable to unitholders offset by cash at bank.

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 to their fair values due to the short term nature of the balances involved.

Categories of financial instruments

	2013 Rs	2012 Rs
<i>Financial assets</i>		
Investments at fair value through profit or loss (FVTPL)	384,573,769	360,333,847
Cash and cash equivalents	575,293	269,899
Accounts receivable	294,335	-
	385,443,397	360,603,746
<i>Financial liabilities</i>		
Accounts payable, amortised cost	33,992,633	27,221,763
Net assets attributable to unitholders	351,450,764	333,381,983
	385,443,397	360,603,746

Financial risk management objectives

The Fund deals with international securities only 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 Fund's exposure to market risk is determined by a number of factors, including interest rates and market volatility.

Foreign currency risk management

The Fund undertakes certain transactions denominated in foreign currencies. Consequently, the Fund is exposed to the risk that the carrying amounts of assets and liabilities denominated in foreign currency may change due to fluctuations in foreign exchange rates.

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

Currency	2013		2012	
	Financial assets Rs	Financial liabilities Rs	Financial Assets Rs	Financial liabilities Rs
MUR	575,293	385,443,397	269,899	360,603,746
USD	326,918,214	-	357,624,256	-
EURO	56,259,170	-	2,281,420	-
CHF	-	-	42,099	-
GBP	1,690,720	-	386,072	-
Rs	385,443,397	385,443,397	360,603,746	360,603,746

The Fund is mainly exposed to the USD, EURO and GBP.



The following table details the Fund's sensitivity to a 10% change in the Mauritian Rupee against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in profit and equity where the Mauritian Rupee weakens 10% against the relevant foreign currencies. For a 10% strengthening 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

Foreign Currency Impact	Profit and Equity	
	2013 Rs	2012 Rs
USD	32,691,821	35,762,426
EURO	5,625,917	228,142
GBP	169,072	38,607
	Rs 36,486,810	36,029,175

The above foreign currency impact is mainly attributable to the foreign currency exposure on investment balances.

Credit risk

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

The Fund does not have significant concentration of credit risk.

Interest rate risk management

The Fund is exposed to interest rate risk as the Fund has borrowings at floating interest rates. The risk is managed by the Fund by maintaining adequate cash reserves at floating interest rates

The interest rate profile of the Fund's financial assets and financial liabilities as at 30 June 2013 was:

	2013 % p.a	2012 % p.a
Financial assets		
Cash at bank	4.50	4.50
Financial liabilities		
Other payables	5.00	5.00

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates on financial assets and liabilities at end of reporting period. A 100 basis points increase or decrease represents management's assessment of the reasonably possible change in interest rates

Management considers the sensitivity on the interest to be minimal.

Other price risks

The Fund is exposed to equity price risks arising from equity investments which the company holds for trading purposes.

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, net assets attributable to unitholders would increase/decrease by Rs 19,228,688 (Rs 18,016,692) as a result of the changes in fair value of the held-for-trading shares.

Liquidity risk management

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

Liquidity and interest risk tables

The following tables detail the Fund's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Fund can be required to earn or pay.

2013	Weighted average effective interest rate % p.a	At call Rs	Less than 1 month Rs	1-3 months Rs	3 months to 1 year Rs	More than 1 year	Total Rs
Financial assets							
Non interest bearing	n/a	-	294,335	-	-	384,573,769	384,868,104
Variable interest rate instruments	4.50	575,293	-	-	-	-	575,293
		Rs 575,293	294,335	-	-	384,573,769	385,443,397
Financial liabilities							
Non interest bearing	n/a	351,450,764	207,250	-	-	-	351,658,014
Fixed interest rate instruments	5	33,785,383	-	-	-	-	33,785,383
		Rs 385,236,147	207,250	-	-	-	385,443,397
2012							
Financial assets							
Non interest bearing	n/a	-	-	-	-	360,333,847	360,333,847
Variable interest rate instruments	4.5	269,899	-	-	-	-	269,899
		Rs 269,899	-	-	-	360,333,847	360,603,746
Financial liabilities							
Non interest bearing	n/a	333,381,983	461,423	-	-	-	333,843,406
Fixed interest rate instruments	5	26,760,340	-	-	-	-	26,760,340
		Rs 360,142,323	461,423	-	-	-	360,603,746



Fair value measurements

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

The fair values of quoted financial assets are determined on the basis of accounting policy 3(e).

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).

	30 June 2013			
	Level 1	Level 2	Level 3	Total
Financial assets designated at FVTPL	Rs	Rs	Rs	Rs
Quoted equities	384,573,769	-	-	385,573,769

	30 June 2012			
	Level 1	Level 2	Level 3	Total
Financial assets designated at FVTPL	Rs	Rs	Rs	Rs
Quoted equities	360,333,847	-	-	360,333,847

Reconciliation of the level 3 is detailed in Note 5.





Proxy Form

I/We

of

being a member/s of the above named company, do hereby appoint

of

or failing him

of

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at **10.00 hours on Saturday 9 November 2013** at the Centre Social Marie, Reine-de-la-Paix, Port Louis and at any adjournment thereof.

Resolutions

I/We desire my/our vote(s) to be cast on the Resolutions as follows:

(Please indicate with an X in the spaces below how you wish your votes to be cast)

	For	Against	Abstain
1. To approve the Minutes of Proceedings of the previous meeting of shareholders.			
2. To receive and adopt the financial statements to June 2013 and the report of the Directors and Auditors thereon.			
3. To ratify the dividend declared by the Board of Directors and paid to all shareholders registered at the close of business on 2 September 2013.			
4. To elect the existing Directors in accordance with the provisions of the Articles of Association and the Companies Act 2001.			
5. To appoint an external auditor in accordance with the provisions of the Articles of Association and, the Companies Act 2001 and, to authorise the Board of Directors to fix their remuneration.			
6. To consider and if thought fit approve the following resolution as an ordinary resolution: "The Shareholders hereby sanction the deal, the terms and conditions of which are set out in the Circular dated 10 October 2013 approved by the Stock Exchange of Mauritius and duly circularized (the 'Circular'), comprising: - The acceptance of the offer received from the State Investment Corporation Ltd (SIC) to buyback NIT's 15 % holding stake in that company for a total consideration of Rs 423 m payable in four equal installments spanning over a period of three years with, interest based on repo rate to be accrued on all outstanding amounts. The Board of Directors is hereby authorized to execute any agreement and any ancillary documents pertaining to the Transaction and to do all such things and undertake all such acts as may be required to give effect to the Transaction."			
7. To transact such other business, if any, as may be transacted at an Annual General Meeting.			

Signed this _____ day of _____ 2013

Signature _____

Notes:

1. A Shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy (whether a member or not) to attend and vote on his behalf. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or any general power of attorney shall be deposited at the Registered Office of the Company, Level 8 Newton Tower, Sir William Newton Street, Port Louis not less than twenty-four (24) hours before the meeting and in default, the instrument of proxy shall not be treated as valid.
3. A proxy form is included in this Annual Report and is also available at the registered office of the Company.
4. For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 14 October 2013.

The Company delivers only one copy of shareholder reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is known as “householding” and is intended to eliminate duplicate mailings and reduce expenses. Mailings of your shareholder documents may be househanded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please contact the Company on (230) 211 54 84.



Level 8 Newton Tower, Sir William Newton Street, Port Louis, Mauritius
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