NIT
National Investment Trust

Annual Report 2020

Table of Contents

1

BUSINESS OVERVIEW

2

GOVERNANCE

3

STATUTORY DISCLOSURES

Corporate Information

Chairman

Mr Raj Ringadoo (Appointed on 09 March 2006, Resigned 17 December 2019)

Mr Veenay Rambarassah (Appointed on 02 June 2020)

Chief Executive Officer

Mr Gaetan Wong To Wing

Directors

Mr Mazahir Adamjee (Appointed on 23 Nov 2005, Resigned on 17 Dec 2019

Mr Veenay Rambarassah (Appointed on 16 April 2012)

Mrs Anjana Ramburuth (Appointed on 27 Apr 2017, Resigned on 17 Dec 2019)

Ms Amélie Vitry Audibert (Appointed on 04 Dec 2018, Resigned on 17 Dec 2019)

Mr Roger Koenig (Appointed on 29 May 2020)

Mr Aslam Kathrada (Appointed on 29 May 2020)

Mr Sébastien Pitot (Appointed on 29 May 2020)

Mrs Amélie Vitry Audibert (Appointed on 29 May 2020)

Company Secretary

Untill 06 August 2020: Ah Vee K. C Li Chun Fong

C/o Kingston Marks Leoville L'homme Street, Port Louis

As from 07 August 2020: Executive Services Limited

Vieux Conseil Street, 2nd Floor, Les Jamalacs Building, Port Louis

Auditor

Mazars Chartered Accountants,
4th Floor, Unicorn Centre,
Frère Félix de Valois Street, Port Louis

Bankers

SBM Bank (Mauritius) Ltd

State Bank Tower 1, Queen Elizabeth II Avenue, Port Louis

Absa Bank (Mauritius) Limited (previously known as Barclays Bank Mauritius Limited)

Barclays House 68/68 A Cybercity, Ebène

Share Registry & Transfer Office

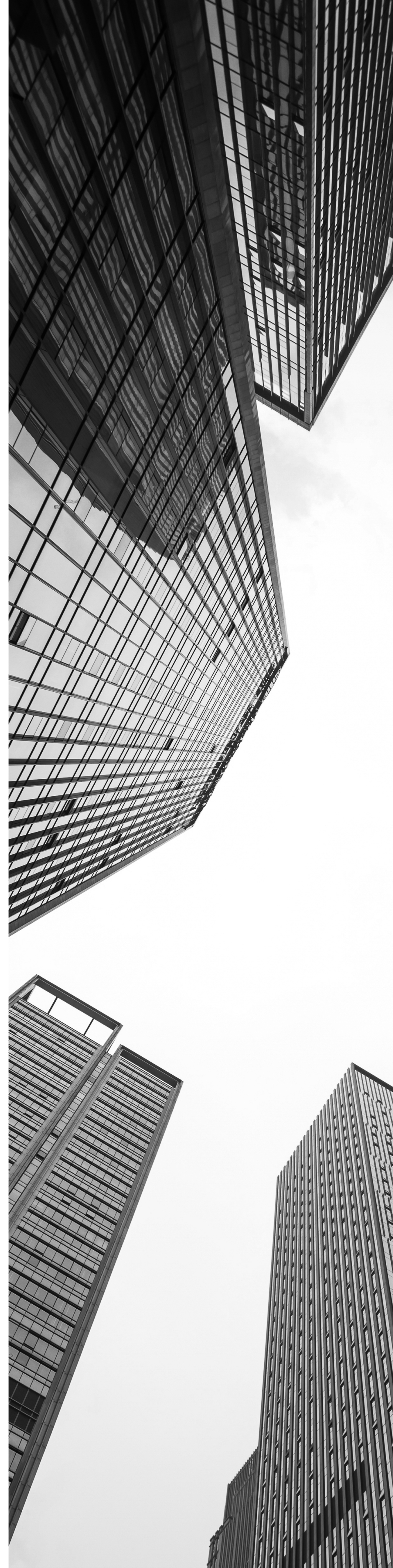
Level 8, Newton Tower, Sir William Newton Street Port Louis

Registered Office

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

BRN C10011104

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 householded 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.



Notice of Meeting

Notice is hereby given that the Annual Meeting of National Investment Trust Ltd will be held at 10:30 a.m on Monday 21 December 2020 at the Taher Bagh (near Champ de Mars) Port Louis, to transact the following business.

1. To approve the Minutes of Proceedings of the Annual Meeting of Shareholders held on 17th December 2019 and the Minutes of Proceedings of the Special Meeting of Shareholders held on 6th March 2020.

2. To receive and adopt the financial statements for the financial year ended 30 June 2020 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 19 November 2020.

4. To appoint Mr Veenay Rambarassah as director of the Company;

5. To appoint Mrs Amélie Vitry Audibert as director of the Company;

6. To appoint Mr Aslam Kathrada as director of the Company;

7. To appoint Mr Roger Koenig as director of the Company;

8. To appoint Mr Sébastien Pitot as director of the Company;

9. To appoint Deloitte as auditors of the Company until the next Annual Meeting and to authorise the Board of Directors to fix their remuneration.

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

By Order of the Board

Executive Services Limited

Per Christian Angseesing

Company Secretary

27 November 2020

Notes:

1. A member 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. The appointment of a proxy must be made in writing on a proxy form and deposited at the Registered Office of the Company, Level 8 Newton Tower, Sir William Newton Street, Port Louis not less than twenty-four hours before the meeting.

2. 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 27 November 2020.

Certificate from the Secretary

Under Section 166 (d) of the Companies Act 2001

I certify that, to the best of my knowledge and belief, National Investment Trust Ltd (the "Company") has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001 for the year ended 30 June 2020.

Executive Services Limited
Per Christian Angseeing
Company Secretary
29 October 2020

Chairman's Statement

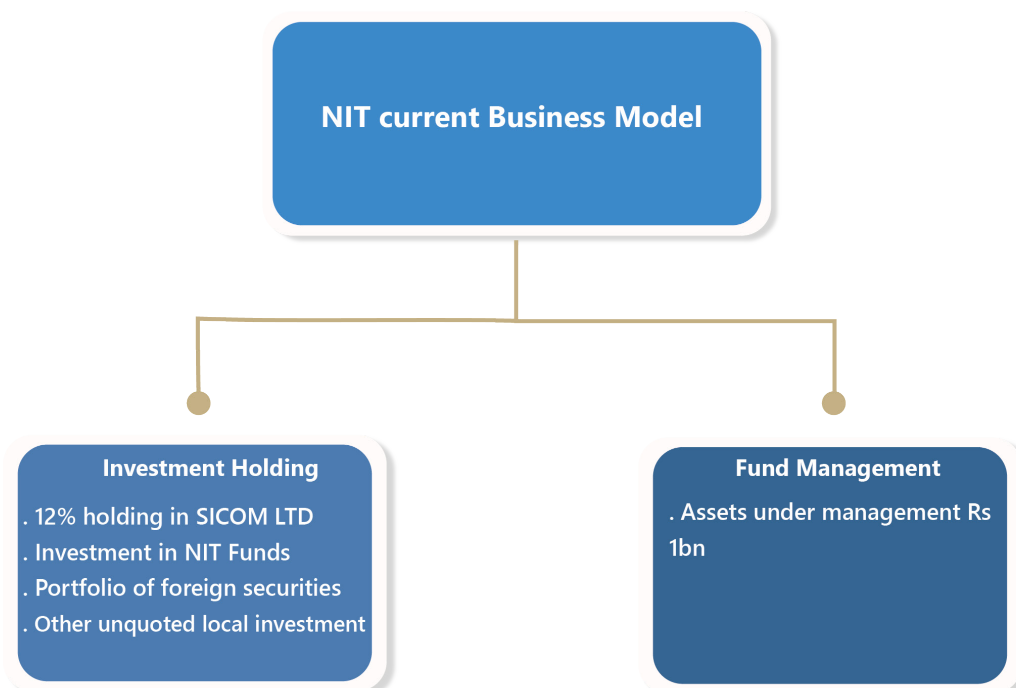
To our valued Shareholders:

It is a great privilege for me to present you, on behalf of the Board of Directors this first Annual Report under my Chairmanship. The financial year 2019/20 was marked by several unusual events, on local, international and even at NIT level.

On the local and international front, the Covid 19 crisis created havoc and disrupted global economic activities on a scale unseen before. Internally, things were also quite eventful, as for the first time in the history of the Company, a Board was voted out by the shareholders during the Annual Meeting of Shareholders held in December 2019. A new Board was then elected at a Special Meeting held in March this year with the new members ultimately taking office on 29 May 2020 due to the delay experienced with the Covid 19 confinement.

Upon arrival, the primary mission of the newly constituted Board has been to align the Company's business practices to the highest governance standards to enhance value for the shareholders and other stakeholders. In this respect, in addition to the existing Audit Committee, two new Committees have been set up namely, an Investment Committee and a Corporate Governance Committee with the view of increasing transparency, accountability and fairness in the way the company does business.

As for the company's current business model whereby, it is both an investment holding entity and, a fund management one, the Board has for objective to explore the alternatives available to unlock value to our shareholders.

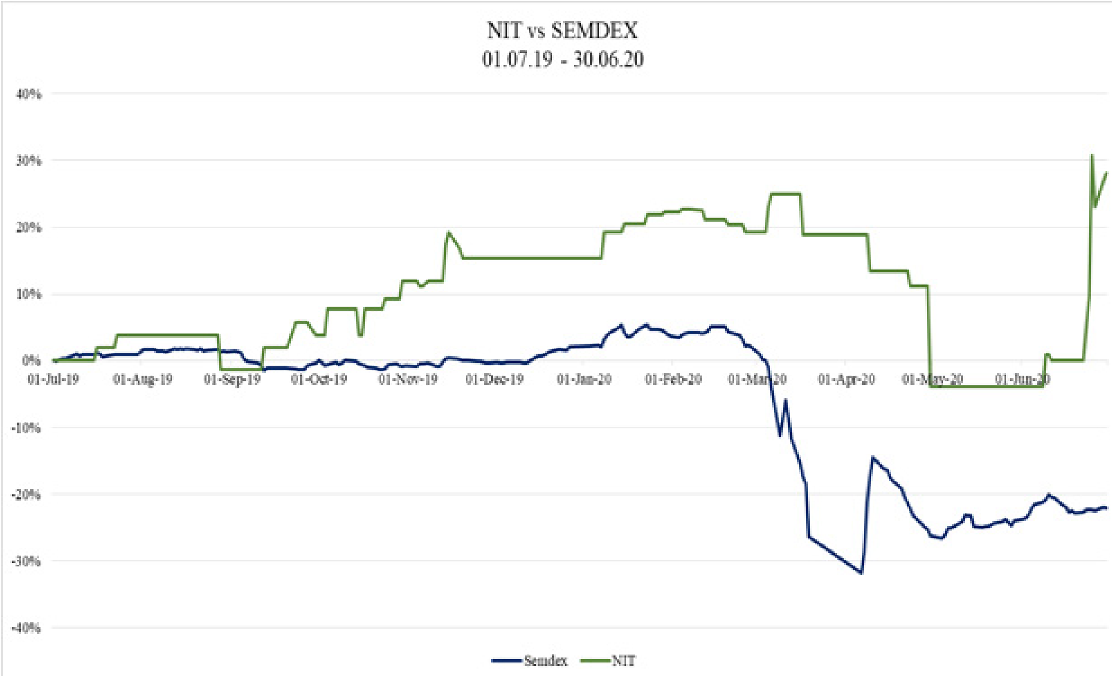


Despite such an unprecedented context, the Company's results for the year were quite encouraging with appreciation registered in both the market value of our portfolio of investment and, in our profitability level.

In fact, during the year under review, the Company's Net Asset Value per share increased by 7% to reach Rs 40.53 while, on the income side, profit after tax increased by 5.2% from Rs 97.5m in 2019 to Rs 102.5m in 2020.

Such a commendable performance can be attributed to the good performance of our underlying investments, most specifically, our SICOM holding where a fair value gain of Rs 34m was registered and, our overseas portfolio where, fair value gains totaling Rs 54m were recorded following a strong appreciation of the USD during the period.

Share Price Movement & Total Return per share during the Financial Year



During the year under review, our share price rose by 28% to reach Rs 33.30 compared to a 22% decline in the SEMDEX during the same time frame.

Taking into account the dividend per share of Rs 1.10 paid during the year under review, the total return on an NIT share was 32.3%.

Review of Performance – Portfolio of Investment

• Our 12% holding in SICOM LTD (which accounts for around 55% of our Portfolio)

According to SICOM's latest available audited financial statements (i.e, 30 June 2019), the group's post-tax profit increased by Rs 112.1m to reach Rs 579.7m. As for the total equity, it increased by 7% to reach Rs 6 billion. During the year under review, NIT received a dividend of Rs 23.3m from SICOM. Over the past five years, the dividend received by NIT increased from Rs 15.4m in 2016 to Rs 23.3m in 2020, representing a dividend yield of 4.14%. A fair value gain of Rs 34m was registered on this investment during the year.

•Investment made in NIT Funds (which accounts for around 20% of our Portfolio)

During the financial year under review all the funds in which we are invested posted positive performances with an overall fair value gain of Rs 25m registered, as global markets staged a rally during the last few weeks of the fourth quarter after the troughs reached in March at the peak of the Covid 19 crisis. The higher returns were also attributable to the nearly 12% appreciation of the USD vis à vis the MUR registered during the financial year.

As for the individual performances in MUR terms, our investment in the NIT Global Healthcare Fund, the NIT North America Fund and, the NIT Global Opportunities Fund were up 19.8%, 16.8% and 12.1% respectively. As for the NIT Europe Fund, the NIT Emerging Markets Fund, the NIT Global Bond Fund and, the NIT Global Value Fund, the returns registered during the period were 10.8%, 8.9%, 11.3% and 8.1%.

• Investment in LIM Funds (which accounts for around 14% of our Portfolio)

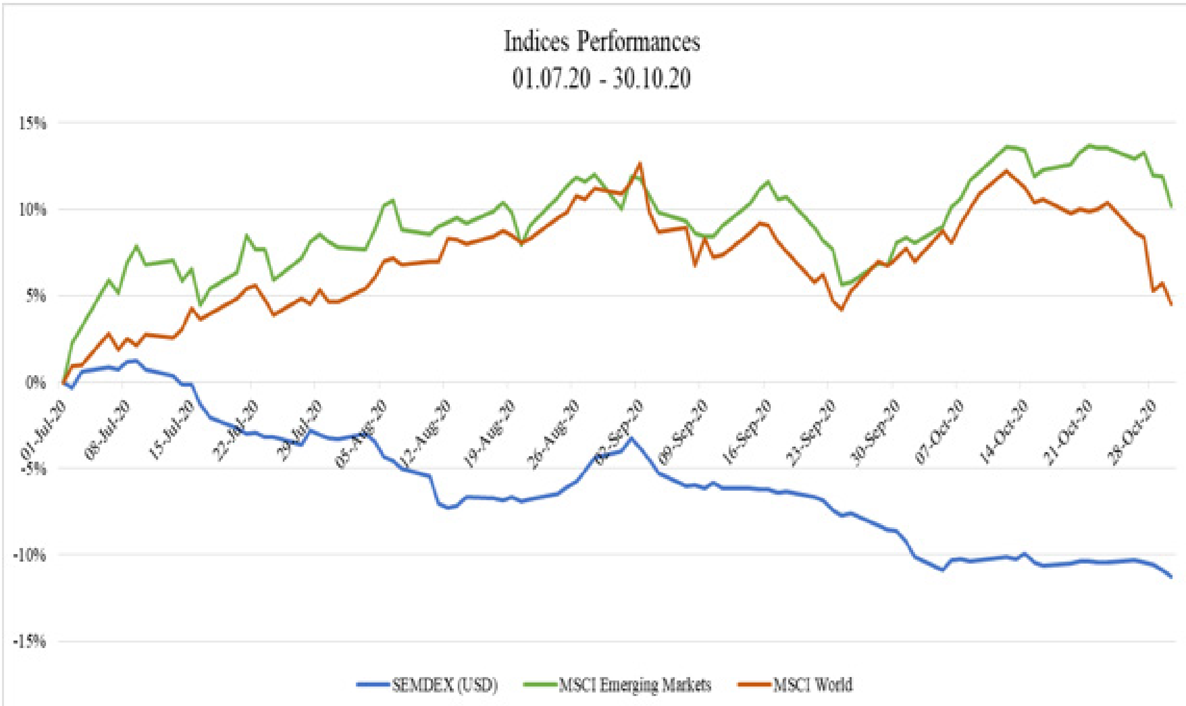
These are private equity vehicles with a focus towards special/distressed assets in the Asia Pacific region. During the year under review, a realized gain of Rs 2.2m was registered as two of the three funds returned capital. Even though, the Covid 19 crisis negatively impacted business activity in the underlying markets in which the funds have invested, our overall investment were up Rs 17m as the USD appreciated by 12% against the MUR during the period under review.

• Cash balances held in foreign currencies (which accounts for around 11% of our Portfolio)

With the bulk of the cash balances denominated in USD, a fair value gain of Rs 12m was registered following the brisk appreciation of the greenback against the local currency during the financial year.

Outlook

Given the nature of our business, the evolution of stock markets both locally and worldwide is critical in determining the Company's performance going forward. Since balance sheet date, financial markets have been rattled by heightened volatility with, episodes of brisk unsettling losses being followed by periods of quite impressive gains.



From our perspective, we do acknowledge that there is clearly a paradigm shift to a higher volatility environment in wake of the global ramifications of the Covid 19 pandemic not only from a health perspective but also, economically, politically and socially. The challenge here is to understand the systemic changes taking place and analyze things under this lens.

As for our holding in SICOM, although at this stage it is clear that economic activity in Mauritius is being hit very hard, how long the crisis will last, and what will be the full impact on businesses, society and the economy is still unknown. It's true that with its strong capital and solvency margins together with its solid liquidity position, SICOM is well positioned to weather the storm but, it is not unreasonable to think that future dividend decisions might be impacted.

On the currency front, although the Euro is up 4% against the USD since balance sheet date, both currencies remain at an elevated level in MUR terms. The relatively high level of indebtedness and rather fragile state of the local economy lead us to think that the trend is here to stay.

Against such a backdrop where visibility going forward is quasi nil, our current stance is one of caution.

Appreciation

I would like to express my gratitude to my colleagues of the Board of Directors for their assistance and guidance throughout the year and, to the staff for their valuable contribution during the year.

Veenay Rambarassah
Chairman

29 October 2020

Statement of Compliance

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

Reporting Period: 1st July 2019 to 30th June 2020

The National Investment Trust Ltd is a public interest entity and is required to adopt and report on Corporate Governance Principles in accordance with the National Code of Corporate Governance 2016) (the 'Code').

Throughout the year ended 30 June 2020, to the best of the Board's knowledge, the Company has complied with all its obligations and requirements under the Corporate Governance Code of Mauritius (2016) except for those mentioned below:

Principles	**Areas of the Code and Reasons for non-compliance**
Principle 1 – Governance Structure – adoption of a Board Charter	A Board Charter has been adopted in October 2020
Principle 2 – Board Composition – Independent Chairperson, number of Independent Directors & number of Executive Directors	The Board is of the view that the individual profile of each Director ensures that the current Board composition is adequate and that, as a unit, the Board is able to carry out its functions in complete objectivity.
Principle 4 – Individual Directors evaluation	Given the changes in the composition of the Board during the financial year an Individual Directors evaluation will be done during the next financial year.
Principle 5 – Whistle-blowing policy	A Whistle-blowing Policy will be implemented during the next financial year.

Veenay Rambarassah
Chairman

Roger Koenig
Director

29 October 2020

Corporate Governance

NATIONAL INVESTMENT TRUST LTD

NATIONAL INVESTMENT TRUST LTD (NIT) is a public company incorporated in the Republic of Mauritius on 18 March 1993 and a public interest entity as defined by law. Disclosures included in this report are in line with the prevailing Code of Corporate Governance for Mauritius (The National Code of Corporate Governance for Mauritius (2016)).

Its registered office is situated at Level 8 Newton Tower, Sir William Newton Street, Port Louis.

Company's Philosophy

The Company is committed to the conduct of business practices that display characteristics of good corporate governance, namely business integrity, transparency, independence, accountability, fairness and professionalism in all its activities and ensures that its organisation and operations are managed ethically and responsibly to enhance business value for its shareholders and other stakeholders.

Corporate Governance Statement

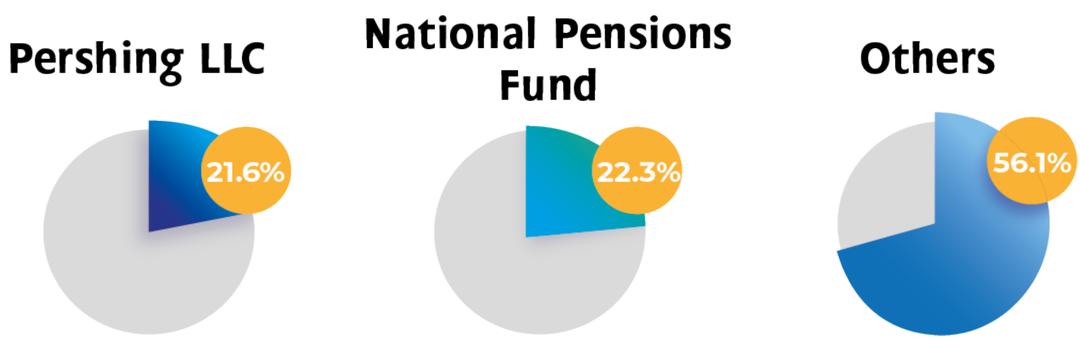
During this financial year ended 30 June 2020, the Board of NATIONAL INVESTMENT TRUST LTD applied only principles six to eight of the new code of Corporate Governance (2016) but recognises that all eight principles should be applied. The directors firmly believe in and support high standards of corporate governance, which are critical to the Company's business integrity.

Shareholding Structure

The stated capital of the Company as at 30 June 2020 consisted of 27,405,000 ordinary shares of MUR 10 each

Main Shareholders

The largest shareholders of NIT Ltd. at June 30, 2020 were as follows:



Shareholding Profile

The share ownership and the categories of shareholders at June 30, 2020 are set out below:

Number of Shareholders	Size of Shareholders	No. of shares owned	% of Total Issued Shares
7,164	1 - 10,000 shares	4,002,807	14
118	10,001- 100,000 shares	3,487,062	13
33	> 100,000 shares	19,915,131	73
7,315		27,405,000	100

Number of Shareholders	Category of Shareholders	No. of Shares owned	% of Total Issued Shares
7,188	Individuals	8,843,363	32
8	Insurance Companies	1,001,230	4
14	Private pension & Provident Funds	1,500,056	5
24	Investment and Trust Companies	7,075,126	26
78	Other Private Corporate Bodies	2,409,437	9
3	Other Public Sector	6,575,788	24
-	Parastatal Bodies	-	-
7,315		27,405,000	100

Number of Shareholders	Category of Shareholders	No. of Shares owned	% of Total Issued Shares
7,292	Local	21,169,181	77
23	Foreign	6,235,819	23
Total		27,405,000	100

Share Price Information

At 30 June 2020, the share price of NIT Ltd was quoted at Rs 33.30 on the Official Market of the Stock Exchange of Mauritius.

Date	Price (Rs)	Yearly Change (%)
June 30,2020	**33.30**	**28**
June 30,2019	26.00	2
June 30, 2018	25.50	-

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 September each year.

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

	2020	2019	2018	2017
Dividend per share (%)	**1.00**	1.10	1.10	1.00
Dividend cover (times)	**0.3**	0.3	0.4	0.3
Dividend Yield (%)	**3.0**	4.2	4.4	4.0

Shareholders' Agreement

There is currently no shareholders agreement.

Management Agreement

There is no management agreement with third parties, except with the eight Funds under management namely, the NIT Local Equity Fund, NIT Global Opportunities Fund, NIT North America Fund, NIT Europe Fund, NIT Emerging Markets Fund, NIT Global Healthcare Fund, NIT Global Bond Fund and the NIT Global Value.

Shareholders' Communication

The Company's Board of Directors places value 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 Annual Meeting to remain informed of the Company's strategy and goals.

Calender of Forthcoming Events

December 2020	Annual meeting of Shareholders
15th February 2021	Publication of half-year results to 31 December 2020
15th May 2021	Publication of third quarter results to 31March 2021
September 2021	Publication of abridged end-of-year results to June 30 2021 & Declaration of dividend
October 2021	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.

Principle 1- Governance Framework

Good Governance is a fundamental part of the basic principles which have always been applied by the Company and forms an intrinsic part of its Corporate Policy. The Board views adherence to high standards of corporate governance as an essential condition to upholding its long-term business sustainability and creating value for the Company's stakeholders and society at large. In this respect, the Company's views of Corporate governance go beyond the compliance function and aims at incorporating the principles of the Code in its strategy and activities.

The Board provides ethical and effective leadership from the top, in the way it conducts itself and oversees the business and affairs of the Company. It also promotes a culture whereby the principles of integrity, accountability and transparency are embraced by all employees within the Company.

1.1 The 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 50% of the share capital of the Company;
- the Board of Directors shall consist 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 on the Company's website.

Principle 2- Structure of The Board And Its Committees

The Board Composition

The Company has a unitary board of five members, all of whom are Non-Executive Directors and of appropriate caliber, 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.

The Board is of the view that the individual profile of each Director ensures that the current Board composition is adequate and that, as a unit, the Board is able to carry out its functions in complete objectivity.

The Board of 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 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.

All the Directors reside in Mauritius.

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.

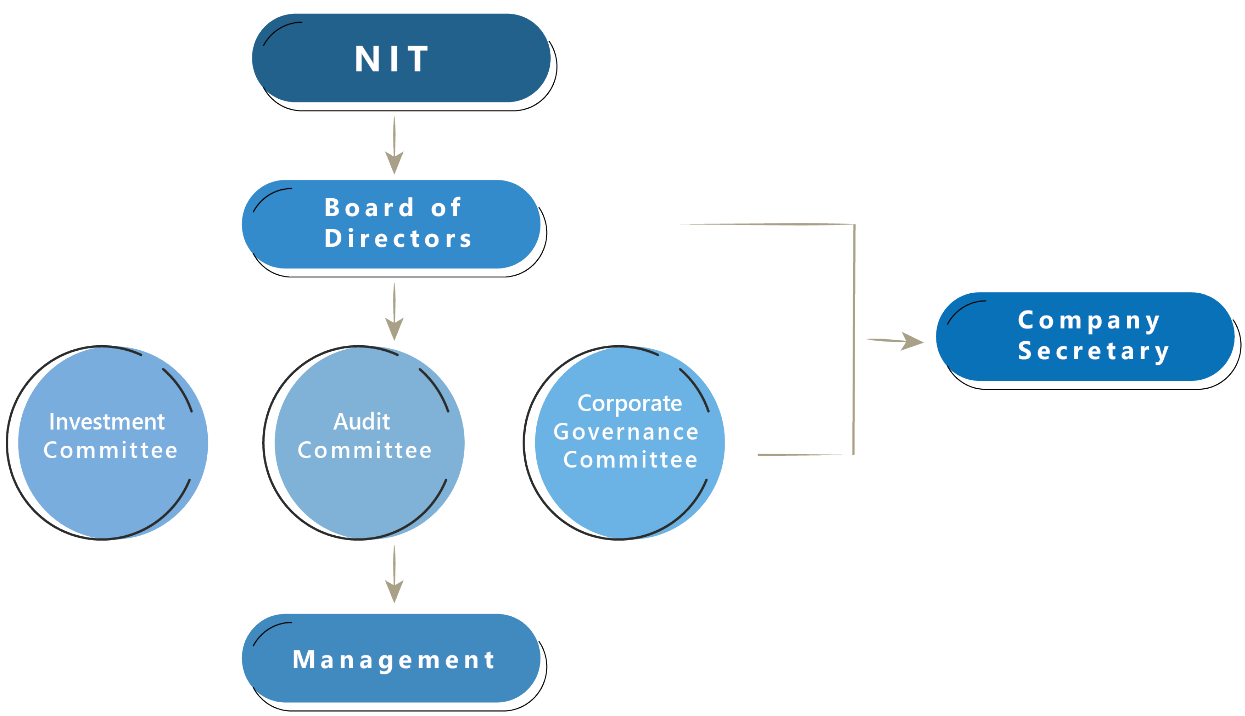
A quorum of 3 Directors is currently required for a Board meeting.

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 Company Secretary 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 Company Secretary.

The Board of Directors did not adopted a Board Charter in the past and was governed by provision of the company's Constitution and the Mauritius Companies Act 2001. A Board Charter was approved by the Board on 26 October 2020.

Organisational Structure



2.1 Chairperson

The Chairperson of the Board is primarily responsible for the activities of the Board and its committee. S/he acts as the spokesperson for the Board and is the principal contact for Management. The Chairperson of the Board and the Chief Executive Officer meet regularly. The Chairperson of the Board presides over the Annual Meeting of shareholders.
The Chairperson ensures that:

The Chairperson ensures that:

- the Board satisfies its duties;
- Board members, when appointed, are briefed by the Chief Executive Officer;
- the Board members receive all information necessary for them to perform their duties;
- the Agenda of Board meetings are determine
- the Board meetings are chaired in an effective manner;
- the Board has sufficient time for consultation and decision-making
- minutes are kept of Board and Committee meetings;
- the Committee(s)function properly;
- there is consultation with external advisors appointed by the Board;
- the performance of the Board and its members is evaluated regularly;

- internal disputes and conflicts of interest concerning individual Board members are addressed, as well as the possible resignation of such members as a result; and the Board has proper contact with the Management.
- neither presides any Committees set up by Board and nor being a member.

2.2 Management

Management is responsible for:

- implementing the overall strategy of the Board and respective Committees;
- directing the daily operating and investment activities of the Company;
- monitoring financial or operational performance of individual investments to ensure portfolios meet risk goals;
- evaluating the potential of new investment opportunities;
- the proper valuation of the Company's investments including the development and monitoring of valuation guidelines;
- responding to regulatory compliance;
- overseeing the finance, accounting and reporting functions;
- attending Board and Committee meetings and provide report on performance of the Company and analysis of local and foreign markets;

2.3 Company Secretary

The Company Secretary sees to it that the Board follows correct procedures and that the Board complies with its obligations under the Company's Constitution and law, including the Companies Act 2001 namely:

- providing the Board with guidance as to its duties, responsibilities and powers;
- informing the Board of all legislation relevant to or affecting meetings of shareholders and Directors and reporting at any meetings and the filing of any documents required of the company and any failure to comply with such legislation;
- ensuring that minutes of all meetings of shareholders or Directors are properly recorded in accordance with paragraph 8 of the Fifth Schedule and all statutory registers be properly maintained;
- certifying the return to be filed, together with the Company's annual financial statements with the Registrar of Companies and any other returns required;
- ensuring that a copy of the company's annual financial statements and, where applicable, the annual report is sent, in accordance with sections219 and 220, to every person entitled to such statements or report.

The Company Secretary also assists the Chairperson of the Board in organising the Board's activities (including providing information, preparing an agenda, reporting of meetings, evaluations and training programs).

2.4 Board and Audit Committee Attendance

As from 01 July 2019 to 30 June 2020, directors' attendance was as:

Directors	Classification	Board	Audit Committee
Mr. R Ringadoo*	Independent Non-Executive	2 out of 3	n/a
Mr. M Adamjee*	Independent Non-Executive	2 out of 3	2 out of 2
Mrs. A Ramburuth-Seesurn*	Independent Non-Executive	2 out of 3	2 out of 2
Mr. V Rambarassah	Non-Executive	3 out of 3	2 out of 2
Mr. A Kathrada**	Non-Executive	1 out of 3	n/a
Mr. R Koenig**	Non-Executive	1 out of 3	n/a
Mr. S Pitot**	Non-Executive	1 out of 3	n/a
Ms. A V Audibert***	Independent Non-Executive	3 out of 3	n/a

* Not re-appointed on 17/12/19

**Appointed on 29 /05/2020

***Not re-appointed on 17/12/19 and, appointed on 29/5/20

Board Committees

The Code provides for the establishment of an Audit Committee as a minimum. The Board of NIT is ultimately responsible for the performance of the Company and on 2 June 2020 has established the following committees to assist it in its decision-making process and help it to carry out all its duties and responsibilities:

- Audit Committee (AC)
- Corporate Governance Committee (CGC)
- Investment Committee (IC)

Each Committee acts according to its respective Charter approved by the Board on 26 October 2020 and reports to the Board on matters discussed at Committee meetings. The respective Committee Charters will be reassess by the Board every year. The Company Secretary acts as secretary to the Board Committees.

Audit Committee (AC)

The AC was set up to provide a link between the Board and the external auditor and also reviews the Company's Risk Management function.

The AC Charter, approved by the Board, sets out the terms of reference of the Committee. The Chairperson of the Committee informs the board of Directors of any matter which, in its opinion, the Board should be made aware of.

The members of the AC are:

- Roger Koenig (Chairperson)
- Aslam Kathrada
- Sébastien Pitot

The AC roles and responsibilities, per its Charter, include reviewing the appropriateness of the Company's accounting policies, assessing the effectiveness of the internal control processes, reviewing the financial statements and the reporting function, ensuring compliance with relevant laws and regulations, discussing the results of the external audit processes with the external auditors, and with the support of the external auditor.

As may be required, the AC also meets with the external auditor without the presence of Management. The external auditor has free access to the AC to report on any matters or findings.

Corporate Governance Committee (CGC)

The CGC is committed to best practices of corporate governance and also acts as Nomination and Remuneration Committee. The CGC's terms of reference are defined in its Charter approved by the Board.

The members of the CGC are:

- Amélie Vitry Audibert (Chairperson)
- Roger Koenig
- Sébastien Pitot

The main objective of the CGC is to review and make recommendations to the Board in relation to Corporate Governance matter of the Company including fulfilling its oversight responsibilities for the Company's compliance with the Code.

Investment Committee (IC)

The IC, in accordance with its Charter approved by the Board, has been set up to review that the investment policies being adopted by Management is in line with the Board's strategy and, the applicable regulatory restrictions. It also considers avenues which may give opportunities for growth.

This IC comprises the following members:

- Aslam Kathrada (Chairperson)
- Roger Koenig
- Sébastien Pitot

Principle 3-Directors' Appointment Procedures

Appointment & Induction

The Board assumes the responsibilities for the appointment and induction of new directors to the Board. Newly appointed Directors are then subject to election by shareholders at the Company's Annual Meeting in their first year of appointment.

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.

Whenever appointments are considered, the Board reviews its structure, size and composition, to ensure that the Board has a diverse mix of competencies, knowledge and experience, in order to enrich Board discussions from different perspectives and thus improve the quality of decision making.

All new Directors are provided with Board Pack as part of their inductions.

Succession Planning

The Board regularly reviews the aspect of succession planning for both the Board and senior management positions to ensure continued balance of knowledge, skills and experience.

Directors'
& Executives Profiles

The profiles of the Board members as at end of the financial year under review are given hereunder. Their directorships in other listed companies (where applicable) are also provided.

Veenay Rambarassah

Chairman

Mr. Veenay Rambarassah is a Fellow of the Association of Chartered Certified Accountants (FCCA). He is currently the Director of Investment of the National Pensions Fund & the National Savings Fund. He has wide experience in Accounting and Fund management. He is also a Director of Port Louis Fund, Eastern Southern African Trade Development Bank and Eastern Southern African Trade Finance Fund.

Directorship in other listed companies: None

Amélie Vitry Audibert

Independent Non-Executive Director

Mrs. Amélie Vitry Audibert holds an International MBA from Paris Dauphine/ IAE Sorbonne, together with, Master Degrees in Social Sciences/Economy and Human Resources Management from FASSE Institut Catholique de Paris. She has nearly 15 years of experience in the Operation, Communications and Human Resources fields with several high-profile companies in the private sector. Currently, she is a freelance Consultant in Leadership and a Certified Hedo-Coach by PREFACE, Belgium.

Directorship in other listed companies: None

Aslam Kathrada

Non-Executive Director

Mr. Aslam Kathrada is a well-known local businessman with an extensive experience in various sectors of economic activity and a pioneer of inter-island trade. For the last two decades, he has been at the helm of NAK Enterprises Ltd, a company engaged in import and export activities.

Directorship in other listed companies: None

Roger Koenig

Non-Executive Director

Mr. Roger Koenig is a Chartered Accountant (SA) and holds a certificate in Theory of Accountancy and Bachelor of Commerce from the University of Cape Town. He is also a member of the Society of Chartered Accountants Mauritius (ICAEW) and member of the Mauritius Institute of directors (MIoD). After ten years of financial management, he has spent the last sixteen years in senior general management positions, of which twelve years in the capacity of Chief Executive Officer of a well-diversified local company and regional group. He has strong managerial background with local/regional experience and cross sector exposure and has acquired valuable experience serving as Board, Audit Committee and Investment Committee member of several companies during his career. He joined UIL as Chief Finance Officer in June 2016.

Directorship in other listed companies: None

Sébastien Pitot

Non-Executive Director

Mr. Sébastien Pitot holds a 'BTS en Informatique de Gestion' from the Mauritius Chamber of Commerce and Industry Business School and an Executive MBA from the University of Birmingham. Sébastien started his career in the IT sector, more specifically in programming. He then spent five years in an asset management company holding various functions before joining AXYS Group in March 2005. He spent two years at AXYS Capital Management before joining AXYS Leasing Ltd as Business Development Manager, then General Manager in 2008 and Managing Director since 2010. He was appointed as Project Lead in August 2016 and is now the Chief Operations Officer since July 2020.

Directorship in other listed companies: None

Senior Management

Gaetan Wong To Wing

Chief Executive Officer

Mr. Gaetan Wong is a Fellow of the Institute of Chartered Accountants in England and Wales. He was appointed General Manager of the Company in 2001 and, Chief Executive Officer in 2008. Under his leadership, the company underwent a multi-phased transformation from an investment holding company to a fully-fledged fund management one.

Teddy Blackburn

Chief Analyst

Mr. Teddy Blackburn joined the Company in 2001 and, is the Company's Chief Analyst. He holds postgraduate qualifications in Economics and Applied Finance from Australia and is also a Fellow Associate of the Financial Services Institute of Australasia.

Principle 4- Directors' Duties, Remuneration and Performance

Performance Evaluation & Professional Development

The Board considers regular training and development needs of Directors and senior management, as appropriate, to ensure constant professional update.

No such exercises were carried out during the financial year under review.

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's shares. According to NIT's Constitution, a Director is not required to hold shares in the Company.

Moreover, as pursuant to the Securities Act 2005, 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 NIT Ltd.

The Directors/Senior Management of NIT having direct and/or indirect interests in the ordinary shares of the Company at June 30, 2020 were as follows:

Directors	Direct Interest		Indirect Interest	
	No. of shares	%	No. of Shares	%
Aslam Kathrada	406,800	1.4844	110,240	0.4

CEO	Direct Interest		Indirect Interest	
	No. of shares	%	No. of Shares	%
Gaetan Wong To Wing			19,366	0.1

Directors' and Officers' Dealings in NIT Shares

The Directors of 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 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 NIT dealt with the shares of the Company whether directly or indirectly.

Directors' and Officers' Insurance and Indemnification

The Directors and officers of NIT benefit from an indemnity insurance cover.

Remuneration

<u>**Directors**</u>

All Directors of NIT Ltd receive a Board remuneration consisting of a fixed monthly fee and, an attendance 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:

	2020
Annual Directors' fee	Rs 394,075

The current monthly remuneration of Rs 10,000 for Chairman and Rs 6,500 for all other Directors is supplemented by an attendance fee of Rs 7,000 and Rs 6,000 per meeting respectively.

Any changes to Board remuneration are submitted to the Annual Meeting of Shareholders for approval.

Senior Executives

The Company's policy for determining remuneration for Senior Executives is to:

- Provide a remuneration package that retains and motivates key personnel;
- Ensure that pay levels are internally consistent and are aligned with market rates.

During the year under review, no director has received remuneration in the form of share options or bonuses associated with organisational performance.

Information Governance

With the coming into force of the Data Protection Act 2017 in January 2018, the company has endeavoured to reinforce the safety and security measures in place to protect the data it collects, stores and processes.

The company continuously seeks to foster a robust framework that upholds the security and performance of information and IT systems in adherence to regulatory and industry norms.

In this respect, the Board, ensures that set policies, which are regularly reviewed, are duly implemented by Management to manage associated risks, backed by fitting structures, processes and resources.

Internal Control

The Company maintains a system of financial control that is designed to provide assurance regarding the keeping of proper accounting records and the reliability of financial information used within the business and for publication. It also ensures compliance with internal procedures, statutory guidelines and regulations, accounting and financial reporting standards.

Given the nature and small size of the Company the Board as a unit is responsible for the Company's system of internal control and for reviewing its effectiveness. In carrying out this function, the Board derives its information from regular management accounts and external audit reports.

As stated above, 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 is satisfied that a continual process for identifying, evaluating and managing the Company's significant risks has been in place for the financial year and up to the date of this Annual Report. Furthermore, 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.

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 and conduct business by adopting a newly approved Code of Ethics approved by the Board on 26 October 2020. The Code is based on the important principle of respect. This fundamental principle applies to the clients, employees, Directors, shareholders, and the community in which the company operates.

Moreover, the Code provides guidance to employees and the Board of Directors 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 and the Board of Directors have taken cognizance of the National Investment Trust Limited new Code of Ethics and should act accordingly.

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.

Principle 5- Risk Governance and Internal Control

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 risk

These risks comprise of market risks (including currency risks, interest rate risks and price risks), credit risks and liquidity risks as reported in note 3 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 National Investment Trust Limited and his team, and an activity which is overlooked by the Board of Directors.

The Chief Executive Officer of 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.

Principle 6- Reporting with Integrity

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 is 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.

Directors' Report

Statement of Directors' Responsibilities

The Directors present their annual report and the audited financial statements of National Investment Trust Ltd (the "Company" or "NIT") for the year ended 30 June 2020.

Statutory Disclosures

PRINCIPAL ACTIVITIES

The Company was incorporated as a closed-ended fund whose principal activity is 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. Consequently, all investment activities carried out by the Company are now subject to certain restrictions.

The Company currently manages 8 sub-funds, established under the NIT Unit Trust.

Results And Dividends

The Statement of Profit or Loss and other Comprehensive Income of the Company for the year ending 30 June 2020 is set out on page 32 of this report. For the financial year under review, the Company's profit after taxation amounted to Rs 102,541,552 (2019-Rs 97,548,188).

The Company has declared dividends of **Rs 27, 405,00** (2019: Rs 30,145,500) in respect of the financial year 30 June 2020 The directors have performed the required solvency test as required by the Companies Act 2001.

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. 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:

- are correctly recorded 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 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 to operate within next financial year.

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

The Board of Directors 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 endeavors 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 judgments 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 Ltd 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.

Directors

The Directors who served during the year are given below:

Chairman

Mr. Veenay Rambarassah

Directors

Mr. Raj Ringadoo – Not re-appointed on 17/12/19
Mr. Mazahir Adamjee – Not re-appointed on 17/12/19
Mrs. Anjana Ramburuth-Seesurn – Not re-appointed on 17/12/19
Mr. Aslam Kathrada – Appointed on 29/5/20
Mr. Roger Koenig – Appointed on 29/5/20
Mr. Sebastien Pitot – Appointed on 29/5/20
Mrs. Amélie Vitry Audibert – Not re-appointed on 17/12/19 and, appointed on 29/5/20

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.

The directors interest (direct and indirect) in our shares of the Company is set on page 22 of this report.

(b) Directors' Service Contracts

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

Fees payable to the auditors

The fees payable to the auditors for audit services for the year were as follows:

	2020	2019
Audit Services	**185,838**	172,816

Auditors

Following the completion of 7 years term as External Auditors of the Company, Mazars have resigned during the year under review. The Board will take necessary steps to fill this vacancy by launching an audit tendering process for appointment of a successor auditor who will be appointed in the next annual general meeting.

Signed on behalf of the Board of Directors

Veenay Rambarassah
Chairman
29 October 2020

Roger Koenig
Director

Independent Auditors' Report to the shareholders of the NIT Ltd

Report on the Financial Statements

Opinion

We have audited the financial statements of National Investment Trust Ltd (the "Company") which comprises of the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements on pages 32 to 57 give a true and fair view of the financial position of the Company at 30 June 2020 and its financial performance, and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Mauritius Companies Act 2001.

Basis for Opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition, we have determined the matters described below to be the key audit matters to be communicated in our report.

Other information

The Directors are responsible for the other information. The other information comprises the Director Report and the Secretary's Certificate as required by the Mauritius Companies Act 2001which we have obtained prior to date of the audit report. Other information does not include the financial statements and our audit report thereon.

Our opinion on the Financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise

The Key Audit Matter	How the matter was addressed in our audit
Valuation of financial assets at fair value through profit or loss account As at 30 June 2020, the Company had unquoted investments. We focused on this area because of the significance of the investments in the financial statements, and because determining the valuation methodology and the inputs requires estimation and significant judgement to be applied by management and the Board of Directors.	• Our audit procedures included the assessment of controls over the identification, measurement and management of valuation risk, and evaluating the methodologies, inputs and assumptions used by the Company in determining fair values. • For the Company's fair value models, we assessed the appropriateness of the models and inputs. We compared observable inputs against independent sources and externally available market data. • For a sample of instruments with significant unobservable valuation inputs, and with the assistance of our own valuation specialists, we critically assessed the assumptions and models used or re-performed an independent valuation assessment, by reference to what we considered to be available alternative methods and sensitivities to key factors. • Additionally, we assessed whether the financial statement disclosures of fair value risks and sensitivities appropriately reflect the Company's exposure to valuation risk. We obtained sufficient audit evidence to conclude that the inputs, estimates and methodologies used for the valuation of the investments are within reasonable range and that valuations policies were consistently applied by the Directors.

appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and those charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and in compliance with the Mauritius Companies Act 2001 and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from misstatements whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of
- accounting estimates and related disclosures made by directors.

- Conclude on the appropriateness of director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we compiled with the relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

From matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audits matters. We described these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Mauritius Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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

The Financial Reporting Act 2004

The directors are responsible for preparing the corporate governance report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance (the "Code") as disclosed in the financial statements and on whether the disclosure is consistent with the requirements of the Code. In our opinion, the disclosure in the financial statements is consistent with the requirements of the code.

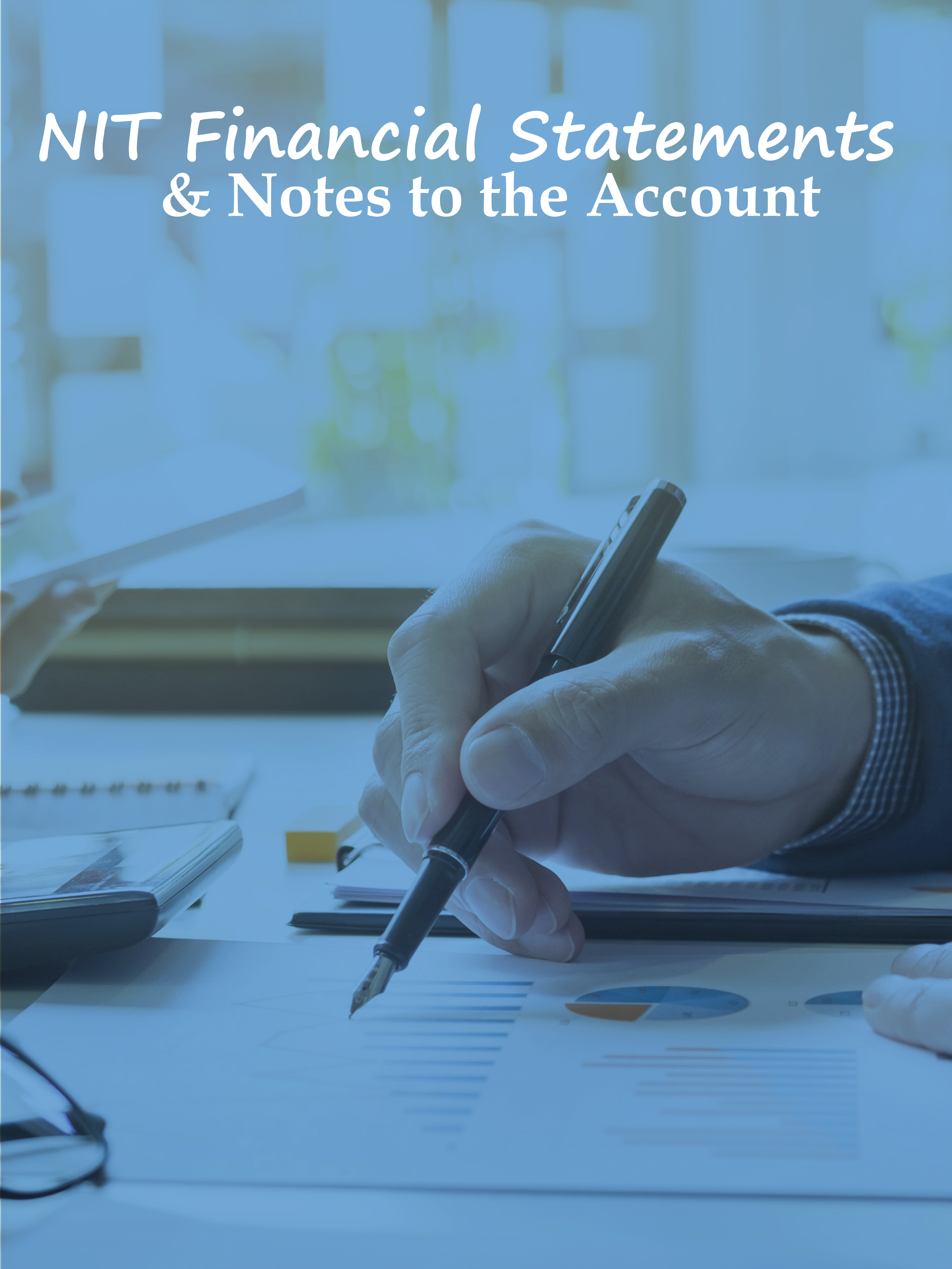
Other matter

This report, including the opinion has been prepared for and only for the Company's members, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Mazars

Udaysingh Taukoordass,
FCA
Licensed by FRC
29 October 2020

NIT Financial Statements
& Notes to the Account



Statement of Financial Position | for the year ended 30 June 2020

	Notes	2020 Rs	2019 Rs
Assets			
Non- Current Assets			
Property, Plant and equipment	5	**22,134,254**	25,344,787
Intangible assets	6	**-**	539,092
Financial assets at fair value through profit or loss	7	**1,052,304,857**	942,169,918
		1,074,439,111	968,053,797
Current Assets			
Other receivables	8	**5,702,512**	10,340,506
Cash and cash equivalents	9	**52,477,712**	65,575,130
		58,180,224	75,915,636
Total Assets		**1,132,619,335**	1,043,969,433
Equity and Liabilities			
Capital and Reserves			
Stated capital	10	**274,050,000**	274,050,000
Fair Value Reserve		**656,065,733**	562,795,541
Retained earnings		**180,650,616**	201,524,757
Total Equity		**1,110,766,349**	1,038,370,298
Liabilities			
Non Current Liabilities			
Deferred tax liabilities	11 (d)	**338,037**	400,765
Current Liabilities			
Other payables	12	**12,335,493**	5,007,977
Borrowings	13	**9,000,000**	-
Taxation	11 (b)	**179,456**	190,393
		21,514,949	5,198,370
Total Liabilities		**21,852,986**	5,599,135
Total Equity and Liabilities		**1,132,619,335**	1,043,969,433

Authorised for issue by Board of Directors

and signed on its behalf by:

Veenay Rambarassah
Chairman
29 October 2020

Roger Koenig
Director

The notes on pages 36 to 57 form an integral part of the financial statements.

Statement of Profit or Loss | And Other Comprehensive Income For The Year Ended 30 June 2020

	Notes	2020 Rs	2019 Rs
Income			
Investment income	14	**23,309,680**	19,649,952
Management fees	15	**13,257,403**	11,916,262
Interest income	16	**875,596**	1,189,303
Gain on disposal of investments		**2,203,896**	1,701,045
Net changes in fair value of financial assets at fair value through profit or loss	7	**93,270,192**	87,135,822
		132,916,767	121,592,384
Expenses			
Administrative expenses	22	**(29,587,250)**	(23,395,648)
Operating profit		**103,329,517**	98,196,736
Finance cost		**(167,486)**	-
Profit before taxation		**103,162,031**	98,196,736
Taxation	11 (a)	**(620,480)**	(648,548)
Profit for the Year		**102,541,551**	97,548,188
Other comprehensive income		**-**	-
Total Comprehensive Income for the Year		**102,541,551**	97,548,188
Analysed as follows:			
Net changes in fair value of financial assets at FVTPL transferred to fair value reserve		**93,270,192**	87,135,822
Surplus available for distribution		**9,271,359**	10,412,366
		102,541,551	97,548,188
Number of shares in issue	19	**27,405,000**	27,405,000
Earnings Per Share	19	**3.74**	3.56

The notes on pages 36 to 57 form an integral part of the financial statements.

Statement of Changes in Equity | For The Year Ended 30 June 2020

	Stated Capital Rs	Fair Value Reserve Rs	Retained Earnings Rs	Total Rs
At 1 July 2018	274,050,000	475,659,719	221,257,891	970,967,610
Total comprehensive income for the year	-	-	97,548,188	97,548,188
	274,050,000	475,659,719	318,806,079	1,068,515,798
Net changes in fair value of financial assets at FVTPL transferred to fair value reserve	-	87,135,822	(87,135,822)	-
Dividend (Note 18)	-	-	(30,145,500)	(30,145,500)
At 30 June 2019	274,050,000	562,795,541	201,524,757	1,038,370,298
At 1 July 2019	**274,050,000**	**562,795,541**	**201,524,757**	**1,038,370,298**
Total comprehensive income for the year	**-**	**-**	**102,541,551**	**102,541,551**
	274,050,000	**562,795,541**	**304,066,308**	**1,140,911,850**
Net changes in fair value of financial assets at FVTPL transferred to fair value reserve	**-**	**93,270,192**	**(93,270,192)**	**-**
Dividend (note 18)	**-**	**-**	**(30,145,500)**	**(30,145,500)**
At 30 June 2020	**274,050,000**	**656,065,733**	**180,650,616**	**1,110,766,349**

The notes on pages 36 to 57 form an integral part of the financial statements.

Statement of Cash Flows | for the year ended 30 June 2020

	Notes	2020 Rs	2019 Rs
Cash from Operating Activities			
Profit before taxation		**103,162,031**	98,196,736
Interest Income	16	**(875,596)**	(1,189,303)
Net changes in fair value of financial assets at FVTPL	7	**(93,270,192)**	(87,135,822)
Depreciation of property and equipment	5	**3,135,533**	3,479,276
Amortisation of intangible assets	6	**539,092**	539,091
Profit on disposal of investments		**(2,203,896)**	(1,701,045)
Interest expense		**167,486**	-
Property, plant and equipment write off		**75,000**	-
Operating Profit Before Working Capital Changes		**10,729,457**	12,188,933
Decrease in other receivables		**4,637,994**	18,116,566
Increase/(Decrease) in other payables		**7,310,030**	(10,916,475)
Cash Generated from Operating Activities		**22,677,481**	19,389,024
Interest Received		**725,596**	892,158
Tax paid		**(694,145)**	(1,010,304)
Net Cash Generated from Operating Activities		**22,708,933**	19,270,878
Cash Flow from Investing Activities			
Acquisition of financial assets at FVTPL	7	**(38,202,126)**	(40,977,289)
Proceeds from disposal of financial assets at FVTPL		**23,541,275**	42,682,868
Purchase of property and equipment	5	**-**	(232,530)
Net Cash (Used in)/ generated from Investing Activities		**(14,660,851)**	1 ,473,049
Cash Flows from Financing Activities			
Dividends paid		**(30,145,500)**	(30,145,500)
Proceeds from borrowing from related party	13	**9,000,000**	
Net Cash Used in Financing Activities		**(21,145,500)**	(30,145,500)
Net (Decrease) in Cash and Cash Equivalents		**(13,097,418)**	(9,401,573)
Cash and Cash Equivalents at the Beginning of the Year		**65,575,130**	74,976,703
Cash and Cash Equivalents at the End of the Year	9	**52,477,712**	65,575,130

The notes on pages 36 to 57 form an integral part of the financial statements.

Notes to the Financial Statements for the

National Investment Trust Ltd | for year ended 30 June 2020

1. General Information

National Investment Trust Ltd (the "Company") was incorporated in Mauritius on 18 March 1993 as a closed-ended fund whose principal activity was to invest in shares and securities in both the local and international markets. The Company is listed on the Stock Exchange of Mauritius and it's registered office is Level 8, Newton Tower, Sir William Newton Street, Port Louis.

On January 2008, the Company obtained 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; and

(iii) The Company to hold the local unquoted shares and manage the above two funds.

During the year 2015, the Company incorporated 6 new sub- funds namely; NIT North America Fund, NIT Europe Fund, NIT Emerging Markets Fund, NIT Global Bond Fund, NIT Global Healthcare Fund, NIT Global Value Fund, under the NIT Unit Trust. The new Funds hold overseas investments.

The Company was granted a CIS Manager Licence on 21 June 2010, issued by the Financial Services Commission and acts as the Manager of NIT Local Equity Fund, NIT Global Opportunities Fund and six new Funds incorporated during the year 2015. As a CIS Manager, all investment activities carried out by the Company are subject to certain restrictions.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all year presented, unless stated otherwise.

2.1 Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued by the International Accounting Standards Board ("IASB") and its related bodies. The financial statements have been prepared under the historical cost convention, except for fair valuation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are described in Note 4.

(a) Changes in accounting policy and disclosures

(i) New and amended standards adopted by the Company.

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2019:

- IFRS 16 Leases
- Prepayment features with Negative Compensation – Amendments to IFRS 9
- Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28
- Annual Improvements to IFRS Standards 2015 – 2017 Cycle

- Plan Amendment, Curtailment or Settlement – Amendments to IAS 19
- Interpretation 23 Uncertainty over Income Tax Treatments

(ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and foreseeable future transactions.

2.2 Foreign currency translation

(a) Functional and presentation currency

The performance of the Company is measured and reported to the investors in Mauritian Rupee ("Rs"). The Directors consider the Mauritian Rupees ("Rs" or "MUR") as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Rs, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of profit or loss and other comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of their fair value gain or loss. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transactions.

2.3 Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Financial assets All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the ‘income’ line item (note 16).

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called ‘accounting mismatch’) that would arise from measuring assets or liabilities or recognising

the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item; and
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For these financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(a) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due , unless the Company has reasonable and supportable information that demonstrates otherwise.

Impairment of financial assets

(a) Significant increase in credit risk

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instruments is determined to have a low credit risk if:

1. the financial instrument has a low risk of default;
2. the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
3. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(b) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(c) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event ;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(d) Write off

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(e) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn in the future by default date determined based on historical trend, the company's understanding of the specific future financing needs of the debtors, and other relevant forward looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

(i) Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.4 Property, Plant and equipment

All property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial year in which they are incurred.

Depreciation is calculated using straight-line method to allocate their cost to their residual values over their estimated useful lives. The annual depreciation rates are as follows:

Buildings **5 %**

Office equipment **10 %**

Computer Equipment **20 %**

Motor vehicles **20 %**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Where the carrying amount of an asset is greater than its estimated receivable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are included in profit or loss.

2.5 Intangible assets

Software

Acquired software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised on a written-down-value basis at the rate of 25% per annum. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted on a prospective basis.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 4 years.

2.6 Offsetting financial instruments

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss and other comprehensive income.

2.7 Other receivables

Other receivables are recognised at fair value and subsequently measured at amortised costs using the effective interest rate method.

2.8 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position consist of cash at bank with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and short-term deposits, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.9 Stated capital

Ordinary shares are classified as equity.

2.10 Accruals and other payables

Accruals and other payables are recognised initially at fair value and subsequent stated at amortised cost. The difference between the proceeds and the amount payable is recognised over the period of payable using the effective interest method.

2.11 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial position date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax is settled.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.12 Retirements benefits obligations

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

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.14 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.15 Interest income

Interest income is accounted for as it accrues unless collectability is in doubt. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate.

2.16 Management Fees

Management fee receivable from the Sub-Funds is based on 1% of the Net Asset Value of the Sub-Funds (except for, NIT Global Opportunities Fund which is at 1.25% and NIT Global Bond at 0.6%). Management fees are calculated on a weekly basis and receivable quarterly in arrears.

2.17 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Board of Directors.

2.18 Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by management under policies approved by the board of directors. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

(a) Market risk

Foreign exchange risk

The Company holds assets and liabilities denominated in currencies other than the Mauritian Rupee. Consequently, the Company is exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The Company's policy is not to enter into any currency hedging transactions.

The currency profile of the Company's financial assets (excluding prepayments) and liabilities is summarised as follows:

	Financial Assets 2020 Rs	Financial Liabilities 2020 Rs	Financial Assets 2019 Rs	Financial Liabilities 2019 Rs
Mauritian Rupee	**840,623,655**	**9,571,873**	780,144,821	245,511
United States Dollar	**252,115,087**	**-**	226,310,287	
Euro	**17,552,934**	**-**	11,364,630	
Rs	**1,110,291,676**	**9,571,873**	1,017,369,738	245,511

The exchange rate risk arises mainly out of the Company's investment in the foreign securities which are denominated in USD. The currency risk between the foreign currency of the investments and the functional currency of the Company is not actively managed and fluctuates with market movements.

The following table details the Company's sensitivity to a 10% change in the Mauritian Rupee against the relevant foreign currencies. The 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.

	2020 Rs	2019 Rs
Increase/(decrease) in pre-tax profit/equity	**26,966,802**	23,767,492

Price risk

The Company is not exposed to securities price risk as it does not have any investments that are listed for which prices in the future are uncertain.

Interest rate risk

Interest rate risk is the risk that fair values of financial assets and liabilities, as reported in the Company's statement of financial position could change due to fluctuations in prevailing levels of market interest rates. All of the Company's financial assets and liabilities are non-interest bearing except of cash and cash equivalents which are placed at short term interest rates.

The directors consider that the Company is not subject to significant amount of risk arising from changes in interest rates on cash and cash equivalents as these are short term in nature and changes in their values or interest cash flows in the event of a change in interest rates will not be material. Therefore, no interest rate risk sensitivity analysis on cash and cash equivalents has been performed. However, changes in interest rates could impact on earnings of entities in which the Company has invested in.

(b) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are made for losses that have been incurred at the end of the reporting period, if any. The Company's main credit risk concentration is associated with cash and cash equivalents and other receivables.

The bank balances are held with reputable financial institutions. The credit risk for non-current receivables is considered negligible, since the counterparty is a state owned company.

Accordingly, the Company has no significant concentration of credit risk. None of the Company's financial assets are impaired nor past due but not impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as impact of discounting is not significant.

	At Call Rs	Less than 1 year Rs	More than 1 year Rs	Total Rs
Financial liabilities 2020				
Borrowings	**9,000,000**	**-**		**9,000,000**
Other payables	**-**	**9,571,873**	**-**	**9,571,873**
	9,000,000	**9,571,873**		**18,571,873**
Financial Liabilities 2019				
Other payables	-	245,511	-	245,511

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. At 30 June 2020, the Company was not exposed to any liquidity risk as it has sufficient cash resources to settle its obligations in full as they fall due.

3.2 Fair value estimation

The carrying amounts of financial assets at fair value through profit or loss, other receivables, cash and cash equivalents, borrowings and other payables approximate their fair values.

The fair value of financial assets at fair value through profit or loss that are not traded in an active market is determined by using valuation techniques. The techniques used by the Company are explained in Note 4 (a).

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significant inputs used in making the measurements:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustments based on observable inputs, that measurement is a level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgements, considering features specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the related

The following table presents the Company's assets and liabilities that are measured at fair value:

	Level 1 Rs	Level 2 Rs	Level 3 Rs	Total Rs
At 30 June 2020				
Financial assets designated at FVTPL				
Unquoted equities	-	360,566,487	567,000,000	927,566,487
At 30 June 2019				
Financial assets designated at FVTPL				
Unquoted equities	**-**	269,635,517	533,000,000	802,635,517

Cash investments of **Rs 124,738,370** (2019: Rs 139,534,401) have not been included in the table above.

3.2 Fair value estimation

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements

Description	Valuation technique/ model	Significant unobservable inputs	Relationship of unobservable inputs to fair value	Reasonable possible change	Fair value Rs m	Change in valuation +/- Rs m
Domestic securities						
SICOM Ltd	Dividend Discount Model ("DDM")	Growth rate	A higher/lower growth rate will lead to an increase/ decrease in fair value	100 basis points	Rs 562 m	Rs 200 m (Rs 119 m)
		Discount rate	A higher/lower discount rate will lead to an increase/ decrease in fair value	50 basis Points		(Rs 64 m) Rs 82 m
Smart Dynamic Note - Swan Wealth	Cost	Not applicable	A higher/lower interest rate will lead to a decrease/ increase in fair value	Not applicable	Rs 5m	Not Applicable

3.3 Financial instruments by category

	Financial assets at amortised cost 2020 Rs	**Financial assets at FVTPL 2020 Rs**	Financial assets at amortised cost 2020 Rs	Financial assets at FVTPL 2019 Rs
Financial assets at FVTPL	**-**	**1,052,304,857**		942,169,918
Other receivables (excluding prepayments)	**5,509,106**	**-**	9,624,690	-
Cash and cash equivalents	**52,477,712**	**-**	65,575,130	-
	57,986,818	**1,052,304,857**	75,199,820	942,169,918

	Financial liabilities at FVTPL 2020 Rs	**Other financial liabilities at amortised cost 2020 Rs**	Financial liabilities at FVTPL 2019 Rs	Other financial liabilities 2019 Rs
Other Payables	**-**	**21,335,493**	-	5,007,977

3.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to its shareholder and to maintain an optimal structure to reduce cost of capital.

The Company monitors capital on the basis of gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash equivalents. The Company regards "equity" as shown on the statement of financial position as capital. Total capital is calculated as equity plus net debt as shown in the statement of financial position.

For purpose of gearing calculations, the directors do not consider loan from related parties as borrowings and thus do not consider that the company to be geared. Additionally, the loan was repaid full post year end.

4. Critical Accounting Estimates and Judgements

The preparation of financial statements in accordance with IFRS requires the directors to exercise its 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 therefore, by definition, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where the Directors have applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimates 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 are discussed below:

(a) Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in Note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the "Rs". The Directors consider "Rs" as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(b) Fair value of unquoted investments

When the fair value of financial assets recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where it is not feasible, a degree of judgement is required in establishing fair value.

(c) Impairment of financial assets at fair value through profit or loss

The Company follows the guidance of IFRS 9 to determine when a financial asset at fair value through profit or loss equity investment is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(d) Asset lives and residual value

Property and equipment are depreciated over its useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issue such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits or losses on the disposal of similar assets.

(e) Depreciation policies

Property and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Company would currently obtain from the disposal of the asset; if the asset were already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use of best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

5. Plant, Property and Equipment

	Building Rs	Computer Equipment Rs	Office equipment Rs	Motor vehicles Rs	Total Rs
Cost					
At 1 July 2018	41,150,738	4,147,087	8,579,182	3,700,000	57,577,007
Additions	-	232,530	-	-	232,530
At 30 June 2019	41,150,738	4,379,617	8,579,182	3,700,000	57,809,537
At 01 July 2019	41,150,738	4,379,617	8,579,182	3,700,000	57,809,537
Additions	-	-	-	-	-
Equipment Written off	-	(125,000)	-	-	(125,000)
At 30 June 2020	**41,150,738**	**4,254,617**	**8,579,182**	**3,700,000**	**57,684,537**
Accumulated Depreciation					
At 1 July 2018	17,334,364	3,651,793	7,499,317	500,000	28,985,474
Charge for the year	2,057,538	227,292	694,446	500,000	3,479,276
At 30 June 2019	**19,391,902**	**3,879,085**	**8,193,763**	**1,000,000**	**32,464,750**
At 01 July 2019	**19,391,902**	**3,879,085**	**8,193,763**	**1,000,000**	**32,464,750**
Charge for the year	2,057,537	220,827	117,169	740,000	3,135,533
Equipment Written Off		(50,000)			(50,000)
At 30 June 2020	**21,449,439**	**4,049,912**	**8,310,932**	**1,740,000**	**35,550,283**
Net Book Value					
At 30 June 2020	**19,701,299**	**204,705**	**268,250**	**1,960,000**	**22,134,254**
At 30 June 2019	21,758,836	500,532	385,419	2,700,000	25,344,787

6. Intangible Assets

Software

	2020 Rs	2019 Rs
Cost		
At 1 July and 30 June	**2,156,365**	2,156,365
Accumulated depreciation		
At 1 July	**1,617,273**	1,078,182
Charge for the year	**539,092**	539,091
At 30 June	**2,156,365**	1,617,273
Net book value		
At 30 June	**-**	539,092

7. Financial Assets at Fair Value Through Profit or Loss

	Unquoted Investments				
30-Jun-20	**Domestic securities** **Rs**	**Foreign securities** **Rs**	**Sub-Funds established under NIT Unit Trust** **Rs**	**Cash balances held with custodians** **Rs**	**Total** **Rs**
At 1 July	533,000,000	98,080,517	171,555,000	139,534,401	942,169,918
Additions	-	24,702,126	13,500,000	-	38,202,126
Net movement in cash investments	-	26,834,687	-	(26,834,687)	-
Disposals	-	(21,337,379)	-	-	(21,337,379)
Net changes in fair value	39,418,319	16,649,700	25,163,517	12,038,656	93,270,192
At 30 June	**572,418,319**	**144,929,651**	**210,218,517**	**124,738,370**	**1,052,304,857**

	Unquoted Investments				
30-Jun-19	**Domestic securities** **Rs**	**Foreign securities** **Rs**	**Sub-Funds established under NIT Unit Trust** **Rs**	**Cash balances held with custodians** **Rs**	**Total** **Rs**
At 1 July	455,000,000	61,678,448	167,255,068	171,054,984	854,988,500
Additions	-	40,977,289	-	-	40,977,289
Net movement in cash invesments	-	-	-	(34,092,797)	(34,092,797)
Net changes in fair value	-	(6,838,896)	-	-	(6,838,896)
	78,000,000	2,263,676	4,299,932	2,572,214	87,135,822
At 30 June	533,000,000	98,080,517	171,555,000	139,534,401	942,169,918

(a) Portfolio of domestic securities

	Holdings		Fair Value	
Equity Securities	**2020** **Units**	2019 Units	**2020** **Rs**	2019 Rs
Mauritius Shopping Paradise Ltd ("MSP")	18,000	18,000	**5,418,319**	-
State Insurance Company of Mauritius Ltd (SICOM)	30,000	30,000	**562,000,000**	528,000,000
Debt securities				
Investment in: SWAN Notes (Note (i))	**50**	50	**5 ,000,000**	5,000,000

(i) On 21 June 2016, the Company subscribed to corporate notes amounting to Rs 5 million in Swan Wealth Structured Products Ltd. The corporate notes have a maturity of 5 years and the Company is entitled to a minimum return of 15 % at maturity over the initial investment.

(b) Portfolio of Foreign Securities

	Holdings		Fair Value	
Equity	**2020** **Units**	2019 Units	**2020** **Rs**	2019 Rs
LIM Opportunistic Credit Fund 1	**108.37**	178.36	**7,414,744**	10,827,073
LIM Opportunistic Credit Fund 2 LP	**-**	-	**27,555,581**	41,999,282
LIM Opportunistic Credit Fund 3 LP	**-**	-	**109,959,326**	45,254,162
Total			**144,929,651**	98,080,517

(c) Investment in Sub-Funds incorporated under NIT Unit Trust

Name of Sub Fund	Holdings 2020 Units	Holdings 2019 Units	Fair Value 2020 Rs	Fair Value 2019 Rs
NIT Global Opportunities Fund	**18,851,977**	12,685,247	**28,277,965**	16,744,526
NIT North America Fund	**2,524,317**	2,524,217	**41,979,392**	35,441,412
NIT Europe Fund	**1,866,647**	1,608,693	**22,885,095**	17,454,326
NIT Global Bond Fund	**1,622,576**	1,622,576	**18,156,628**	16,128,407
NIT Global Value Fund	**2,611,732**	2,494,269	**35,049,446**	30,280,430
NIT Global Healthcare Fund	**1,819,403**	1,819,403	**28,037,002**	23,051,840
NIT Emerging Markets Fund	**2,724,942**	2,724,942	**35,832,987**	32,454,059
			210,218,515	171,555,000

(d) Significant holdings

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

Name of investee	Class of Shares	Holdings 2020	Holdings 2019
Mauritius Shopping Paradise Ltd ("MSP")	Ordinary	**15%**	15 %
State Insurance Company of Mauritius Ltd ("SICOM")	Ordinary	**12%**	12 %

8. Other Receivables

	2020 Rs	2019 Rs
Interest receivable on Swan Notes	**600,000**	450,000
Amount receivable from related parties (Note 20)	**4,909,106**	9,624,690
Deposits and prepayments	**193,406**	265,816
	5,702,512	10,340,506

The terms and conditions of the related party transactions and balances have been disclosed in Note 20.

9. Cash and Cash Equivalents

	2020 Rs	2019 Rs
Cash at bank	**52,469,356**	65,567,448
Cash in hand	**8,356**	7,682
	52,477,712	65,575,130

10. Stated Capital

	2020 Rs	2019 Rs
Issued and Fully Paid		
27,405,000 shares of Rs 10 each	**274,050,000**	274,050,000

Ordinary shares are not redeemable and confers to the holder one voting right per share and right to receive dividends. On winding up, the holder of an ordinary share will be entitled to surplus on assets.

11. Taxation

The Company is subject to income tax at the rate of 15% (2019: 15%) on its tax adjusted profits. The Company is also entitled to Corporate Social Responsibility tax, calculated at 2% on its chargeable income of preceeding year.

(a) Tax expense

	2020 Rs	2019 Rs
Provision for the year	**683,208**	783,844
Deferred tax credit	**(62,728)**	(123,211)
Under provision of tax deferred tax in previous year	**-**	(12,085)
	620,480	648,548

(b) Tax (receivables)/liabilities

	2020 Rs	2019 Rs
Balance at 1 July	**1 90,393**	428,938
Provision for the year	**6 83,208**	783,844
Tax refund/(paid) during the year	**(185,390)**	(416,853)
Tax paid under APS	**(508,755)**	(593,451)
Under provision of tax in previous year	**-**	(12,085)
	1 79,456	190,393

(c) Tax reconciliation

	2020 Rs	2019 Rs
Profit before tax	**103,162,031**	98,196,736
Income tax rate at 15%	**15,474,305**	14,729,510
Tax Effect of :		
Non taxable income	**(17,962,865)**	(16,456,095)
Expenses not deductible for tax purposes	**3,069,473**	2,404,926
Deferred tax charge/(credit)	**(62,728)**	(123,211)
Corporate Social Responsibility tax	**91,045**	105,503
Over provision of tax in previous years	**-**	(12,085)
Tax charge	**609,230**	648,548

(d) Deferred tax liabilities

	2020 Rs	2019 Rs
At 1 July	**400,765**	523,976
Deferred income tax movement	**(62,728)**	(123,211)
At 30 June	**338,037**	400,765
Deferred tax liabilities arise from:		
Accelerated capital allowances	**2,178,574**	2,671,769

12. Other Payables

	2020 Rs	2019 Rs
Accruals	**4 04,387**	245,511
Unclaimed Dividends	**5 ,234,139**	4,762,466
Provisions for performance bonus	**6 ,529,481**	-
Interest accrued (Note 20)	**167,486**	-
	12,335,493	5,007,977

The terms and conditions of the related party transactions and balances have been disclosed in Note 20.

13. Borrowings

	2020 Rs	2019 Rs
Loan from NIT Local Equity Fund	**9 ,000,000**	-

On 16 October 2019 and 16 December 2019, the Company borrowed Rs 7,000,000 and Rs 2,000,000 respectively from one of its sub-funds, namely, NIT Local Equity Fund, bearing interest at the rate of 2.75%.

14. Investment Income

	2020 Rs	2019 Rs
Domestic dividends	**23,309,680**	19,649,952

15. Management Fees

	2020 Rs	2019 Rs
Management fees (Note 20(i))	**13,257,403**	11,916,262

The Company acts as an investment manager for the Sub Funds established under the NIT UNIT TRUST. The Sub Funds do not have any employee and all of their investing and operating activities are performed by the Company, in return the Company charges a management fee of 1% of the Net Asset Value of the underlying Sub Funds (except for NIT Global Opportunities Fund which is 1.25% & Global Bond Fund which is 0.6 %).

16. Interest Income

	2020 Rs	2019 Rs
Interest income on:		
Interest on Corporate Notes	**150,000**	150,000
Cash and cash equivalents	**725,596**	1,039,303
	875,596	1,189,303

17. Retirement Benefit Obligations

The Company has set up its own pension fund, the NIT Pension Fund, and has set a defined contribution scheme for its employees as from September 2010. The Company makes the following contribution in respect of each member admitted to the pension scheme.

- 12% of the member's pensionable emoluments plus a further percentage to match 50% of any contribution made by the member, up to a maximum further contribution of 3% of the member's pensionable emoluments.
- a further percentage of the member's pensionable emoluments by mutual agreement between the Company and the mem ber of the pension scheme.

The amounts contributed are included in staff costs and recognised in the statement of profit or loss and other comprehensive income as follows:

	2020 Rs	2019 Rs
Defined contribution pension plan:		
Contributions paid	**1,444,797**	1,383,553
State pension plan:		
National pension scheme contributions charged	**372,993**	113,184

18. Dividend

	2020 Rs	2019 Rs
Dividend of Rs 1.10 (2019: 1.10) per share	**30,145,500**	30,145,500

19. Earnings per Share

	2020 Rs	2019 Rs
Profit for the year	**102,541,552**	97,548,188
Number of shares	**27,405,000**	27,405,000
Earnings per share	**3.74**	3.56

The calculation of basic earnings per share for the year ended 30 June 2020 is based on the income attributable to ordinary equity holders of **Rs 102,541,552** (2019: Rs.97,548,188) and the number of shares of 27,405,000 (2019: 27,405,000).

20. Related Party Transactions

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

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

	2020 Rs	2019 Rs
Outstanding balances		
Receivables from / (payables to) related parties		
NIT Local Equity Fund	**3,168,776**	1,094,322
NIT Global Opportunities Fund	**1,311,589**	4,458,074
NIT Global Bond Fund	**19,662**	14,319
NIT Global Value Fund	**85,487**	901,631
NIT North America Fund	**100,476**	79,960
NIT Europe Fund	**54,546**	2,825,962
NIT Emerging Markets Fund	**93,450**	80,146
NIT Global Healthcare Fund	**75,120**	61,411
NIT Pension Funds	**-**	108,865
	4,909,106	9,624,690

The amounts due from related parties are unsecured, interest free and with no fixed term of repayment.

Transactions	2020 Rs	2019 Rs
(i) Management fees		
- NIT Local Equity Fund	**5,015,691**	5,621,875
- NIT Global Opportunities Fund	**4,923,242**	4,617,398
- NIT Emerging Markets Fund	**368,769**	355,136
- NIT Europe Fund	**200,612**	181,551
- NIT Global Bond Fund	**108,571**	97,238
- NIT Global Healthcare Fund	**313,073**	284,065
- NIT Global Value Fund	**357,338**	339,738
- NIT North America Fund	**407,596**	355,458
	10,307,702	11,852,459
(ii) Acquisition/ (redemption) of units in Sub-Fundss		
- NIT Global Opportunities Fund	**9,000,000**	17,000,000
- NIT Europe Fund	**4,000,000**	-
- NIT Global Bond Fund	**3,000,000**	-
- NIT Global Value Fund	**1,500,000**	3,714,631
- NIT Europe Fund	**(1,000,000)**	-
- NIT Global Bond Fund	**(3,000,000)**	-
- NIT Global Healthcare Fund	**-**	4,955,449
	13,500,000	25,670,080
(iii) Borrowings from related parties		
- NIT Local Equity Fund (Note 13)		-
Loan received during the year	**9,000,000**	
Interest Incurred	**167,486**	

The loan is unsecured, carries interest at the rate of 2.75% and repayable within one year.

	2020 Rs	2019 Rs
(iv) Key Management Personnel		
Compensation to key management personnel	**8,185,884**	6,427,465
(v) Contributions made to NIT Pension Fund		
Defined contribution pension plan:		
Contributions paid	**1,444,797**	1,383,553
State Pension Plan:		
National Pension Scheme contributions charged	**372,993**	113,184

(vi) Units Held in Sub-Funds established under NIT Unit Trust

	Number of Units	
- NIT Local Equity Fund	**649,077,663**	646,337,076
- NIT Global Opportunities Fund	**286,702,415**	295,805,529
- NIT Emerging Markets Fund	**2,931,769**	3,096,682
- NIT Europe Fund	**1,892,701**	1,637,487
- NIT Global Bond Fund	**1,738,751**	1,739,935
- NIT Global Healthcare Fund	**2,150,358**	2,369,724
- NIT Global Value Fund	**2,832,629**	2,868,381
- NIT North America Fund	**2,620,582**	2,690,155

21. Commitments

LIM Opportunistic Credit Fund 3LP

The Board of Directors approved the investment of Rs 109,275,000 (equivalent to USD 3,100,000) in LIM Opportunistic Credit Fund 3 LP on 28 November 2018. Investments are made by instalments based on a "Capital Call Notice". At 30 June 2020, the 'Capital Commitment Drawn Down' was Rs 44,626,288 (equivalent to USD 1,265,994) and the 'Undrawn Capital Commitment' was as follows:

	2020 Rs	2019 Rs
Capital commitment	**105,750,000**	109,275,000
Capital commitment drawn down	**(87,255,234)**	(44,626,289)
Increase in commitment due to fluctuation in exchange rate	**13,050,000**	-
Undrawn capital commitment	**3 1,544,766**	64,648,712

22. Administrative Expenses

	2020 Rs	2019 Rs
Salaries, allowances and pension fund contribution	**18,342,642**	12,079,185
Director fees	**394,075**	556,500
Office supplies and consumables	**652,518**	510,628
Corporate information expenses	**1,572,999**	1,767,064
Audit fees	**185,838**	172,816
Professional fees	**553,017**	667,634
Listing fees	**720,454**	713,253
Secretarial fees	**102,000**	102,000
General expenses	**204,826**	287,546
Bank charges	**106,366**	72,175
Overseas travelling	**721,047**	534,280
Reference books and subscriptions	**46,360**	60,397
Rent, telephone and electricity	**1,017,135**	951,080
Repairs and maintenance	**124,294**	108,008
Motor vehicles running expenses	**263,930**	287,090
Depreciation of property and equipment and other amortisation of software	**3,674,625**	4,018,367
Insurance	**445,568**	507,625
Fees paid	**384,556**	-
Write off equipment	**75,000**	-
	29,587,250	23,395,648

23. Subsequent Event

On 12th August 2020 the Company informed its Shareholders, Regulators and the public in general, by way of a cautionary announcement, that it has resolved to launch an independent investigation following allegations of serious misconduct drawn to its attention. In this context, the CEO has, as a conservative measure, been provisionally suspended from his professional duties so as to ensure the seamless conduct of the said investigation.

At the date of this report, the investigation is still in progress and the Board wishes to state that the ensuing process will be conducted in strict compliance with all regulations and applicable laws.

The Board wishes to add that it is ensuring strategic and business continuity and that no material financial impact on the Company has been felt to date.

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 Meeting of the Company
to be held at 10:30 hours on Monday 21 December 2020 at the Taher Bagh (near Champ de Mars) , 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 Annual Meeting of Shareholders held on 17th December 2019 and the Minutes of Proceedings of the Special Meeting of Shareholders held on 6th March 2020.			
2. To receive and adopt the financial statements for the financial year ended 30 June 2020 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 19 November 2020.			
4. To appoint Mr. Veenay Rambarassah as director of the Company;			
5. To appoint Mrs. Amélie Vitry Audibert as director of the Company;			
6. To appoint Mr Aslam Kathrada as director of the Company;			
7. To appoint Mr Roger Koenig as director of the Company;			
8. To appoint Mr Sébastien Pitot as director of the Company;			
9. To appoint Deloitte as auditors of the Company until the next Annual Meeting and to authorise the Board of Directors to fix their remuneration.			
10. To transact such other business, if any, as may be transacted at an Annual Meeting.			

Signed this .... **day of** **2020**

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 27 November 2020.

NIT

National Investment Trust

www.nitmru.com

Level 8, Newton Tower • Sir William Newton • Port Louis

Mauritius • Tel: 211 5484 • Fax 211 1262