CENTRAL DEPOSITORY & SETTLEMENT Co. Ltd.

ANNUAL REPORT 2025

CENTRAL DEPOSITORY & SETTLEMENT CO. LTD

ANNUAL REPORT 2025

The board of directors of the Central Depository & Settlement Co. Ltd (CDS) is pleased to present the Annual Report of the Company for the year ended 30th June 2025. The report was approved by the board of directors of CDS on 29th August 2025.

The board of directors is grateful to all the stakeholders of the Company (including Ministry of Financial Services and Economic Planning; Financial Services Commission; Stock Exchange of Mauritius Ltd; Bank of Mauritius; Investment Dealers; Custodian Banks; Listed Companies; and Registries) for their continued support and collaboration.

The board of directors expresses its appreciation to the management and staff for their motivation and dedication to continuous improvement.

Aruna Radhakeesoon Chairperson	Vipin Y.S Mahabirsingh Managing Director

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CORPORATE INFORMATION

COMPANY PROFILE

The core business of the CDS is to provide centralised depository, clearing and settlement services to securities markets. The objective of the Company is to provide its services in line with the Principles for Financial Market Infrastructures (PFMIs) issued by the Committee on Payment and Market Infrastructure (CPMI) of the Bank for International Settlements (BIS) and the International Organization of Securities Commissions (IOSCO), with particular emphasis on safety, efficiency and financial stability. The disclosure regarding the compliance of the CDS with the CPMI-IOSCO PFMIs is published on the website of the Company. The Securities (Central Depository, Clearing and Settlement) Act 1996, the Securities Act 2005 and the Financial Services Act 2007 provide the legal framework for the operations of the CDS. The CDS is licensed by the Financial Services Commission and is guided in its day-to-day activities by its Rules and Procedures. The CDS also provides consultancy services to African exchanges and depositories as well as IT outsourcing services and registry software as a service, and allocates International Securities Identification Numbers (ISIN) to financial instruments issued by issuers that are registered in Mauritius and maintains the ISIN database for Mauritius.

Board of Directors

Ms Aruna Radhakeesoon	Chairperson
Mr Jaiyansing Soobah	Vice-Chairperson
Mr Sunil Benimadhu	
Mr Rahul Desai	
Mr Lalldeo Iysurey	
Mr Tommy Lo Seen Chong	
Dr Ashwin Moheeput	
Mr Vipin Y.S. Mahabirsingh	Managing Director
Mr Vimal Ori	
Mr Shivraj Rangasami	

Company Secretary

Mr Chaitanand Jheengun (FCG)

Management Team

Mr Vipin Y.S. Mahabirsingh	Managing Director
Mr Manoven Sadayen	Systems Manager
Mrs Joëlle L'Eveque-L'Emplatre	Finance & Administration Manager

Registered Office

4th Floor, One Cathedral Square Building
16 Jules Koenig Street
Port Louis
Mauritius

Website: www.stockexchangeofmauritius.com/cds

Legal Adviser

Me Anwar Moollan SC
Chambers of Sir Hamid Moollan KC
PCL Building
43, Sir William Newton Street
Port Louis

Bankers

The Mauritius Commercial Bank Limited
Sir William Newton Street
Port Louis

SBM Bank (Mauritius) Ltd
SBM Tower
1, Queen Elizabeth II Avenue
Port Louis

ABC Banking Corporation Ltd
7, Duke of Edinburgh Avenue
Place D'Armes
Port Louis

BCP Bank (Mauritius) Ltd
9th Floor, Maeva Tower
Cnr Bank Street / Silicon Avenue
Ebene

AfrAsia Bank Limited
Bowen Square
10, Dr Ferrière Street
Port Louis

Bank One Limited
16, Sir William Newton Street
Port Louis

Independent Auditors

PKF (Mauritius)
5 Duke of Edinburgh Avenue
Port Louis

CHAIRPERSON'S AND MANAGING DIRECTOR'S REPORT

Our main achievements during 2024-2025 were on the market development front. Together with the Stock Exchange of Mauritius Ltd. (SEM), we have implemented a number of initiatives to attract new issuers and investors to our market, and to improve liquidity.

We have collaborated with the SEM to implement the SEM^X board for high growth companies on the Official Market. CDS played a key role in this project in relation to the following:

- Defining the functional requirements for the changes to be made to the trading system, especially for the implementation of the closing auction and the market making function
- Assisting the SEM regarding the market making rules and changes to the Trading Procedures
- Implementing the changes to the trading and CDS systems
- Integrating a third party trading software to the Automated Trading System (ATS) via the FIX API for the first time in Mauritius
- Implementing the schedule of reduced transaction fees for market makers

SEM^X is designed to help fast-growing, profitable companies with proven track records leverage the multi-currency funding platform of SEM and CDS to raise capital for their next stages of growth and expansion. The segment is governed by a tailored set of listing rules that address the requirements of high-growth companies. These rules include provisions for market-making, ensuring adequate secondary market liquidity to enhance the appeal of SEM^X-listed companies to investors.

Companies eligible for SEM^X listing must demonstrate strong growth, with a minimum revenue growth rate of 25% on a compound annual growth basis over the preceding three financial years or a 100% growth rate over the past five years. Three global business companies having their operations in Africa were listed on SEM^X when it was launched on 3rd December 2024. Around 200 new foreign investors have opened securities accounts with CDS in relation with the listing of these companies on SEM^X. The promoter/market maker has developed an app that allows these foreign clients to trade on SEM^X through the FIX API. Successfully integrating this app with the ATS whilst addressing potential regression issues was a major technical achievement for CDS. Trades executed via this app are cleared and settled through a local investment dealer.

Another important market development was the implementation of a market making framework together with the SEM, to enhance liquidity on the market and booster investor confidence This required changes to be made to the CDS system and the implementation of new Market Making Rules by SEM. Market Makers play a pivotal role in the smooth functioning of financial markets. By continuously providing buy and sell quotes, they reduce bid-ask spreads, improve price discovery, and ensure seamless trading experiences. For issuers, market making increases the visibility and appeal of their securities, potentially attracting a broader investor base. For investors, it delivers tighter spreads, improved liquidity, and enhanced confidence in the market's operational efficiency. This new framework is expected to bolster trading activity on the SEM, positioning it as a more competitive and responsive exchange in a rapidly evolving global landscape. It also reflects SEM/CDS' commitment to adapting best practices to meet the expectations of stakeholders and drive sustainable growth. One institutional investor and one investment dealer are currently registered with SEM as market makers.

In line with international cyber security standards, CDS implemented Two-Factor Authentication (2FA) to improve the security of the mySEM web and mobile APP which allows investors to view account and market activity in real-time, and place orders to take advantage of trading opportunities. This was a laborious exercise, as the CDS IT team had to record the email addresses of all mySEM users in the database of the automated trading system. We also had to resolve specific technical issues that some users encountered. 2FA is a security protocol requiring two forms of authentication and therefore adding an extra layer of security and verification step beyond the traditional username and password. Hence, even if the password is compromised, the second layer of security prevents unauthorized access. 2FA also shields against phishing, social engineering, and brute-force attacks.

On the operational front, 86,993 trades with a total value of MUR 18.03 Billion were cleared and settled by CDS during 2024-2025 without any failure. Our risk management framework operated effectively and there were no defaults, operational issues nor systems downtime. We have continued to provide our services in accordance with the Securities (Central Depository, Clearing and Settlement) Act 1996, the Securities Act 2005 and the Financial Services Act 2007, and in compliance with international standards, with a particular focus on the Principles for Financial Market Infrastructures (PFMIs) issued by the Committee for Payments and Market Infrastructures (CPMI) of the Bank for International Settlements (BIS), and the International Organisation of Securities Commissions (IOSCO).

In April - June 2025, IT security auditors conducted a security audit of the IT systems of the CDS and SEM. In their report, the auditors have stated that the IT environment of SEM and CDS is well secured from both internal and external threats. Several security controls ranging from information security policies regulating end user actions to technological solution such as firewalls have been put in place to safeguard the SEM and CDS IT ecosystem. The auditors performed internal vulnerability assessment and external penetration testing but were not able to penetrate inside SEM / CDS network. Furthermore, they noted that recommendations made during past assessments have been effectively implemented to further enhance the security posture of the SEM / CDS IT environment. As part of their review, the auditors also performed configuration review of operating systems, databases, network devices and Microsoft 365, and noted that these have been appropriately configured in line with leading practices. They also reviewed SEM / CDS existing Work From Home (WFH) environment and did not find any issues of concern. The disaster recovery procedures are tested regularly to ensure a timely resumption of services following a major incident or disaster. Their vulnerability assessment and penetration testing did not reveal weaknesses which may lead to the direct compromise of the SEM/CDS IT infrastructure. The auditors have made recommendations regarding improvement opportunities which can be incorporated in the current IT environment.

Despite the challenging macroeconomic environment on the domestic front and the impact of rising geopolitical tensions at global level, CDS managed to achieve a Profit after Tax of Rs 36.981 M in 2024-2025 which represents an increase of 14.8% compared to last year. An actuarial gain on the Defined Benefit Pension Scheme of the Company increased the Total Comprehensive Income for the year to Rs 38.331 M which represents an increase of 10.6 % compared to last year. The actuarial gain was mainly due to an increase in the value of the assets of the Pension Scheme and a change in the discount rate to calculate the present value of the defined benefit obligation.

The Company earned an amount of Rs 20.851 M, which represents around 25% of total revenue, from sources other than the depository, clearing and settlement services which is its core business. These other sources of income include: investment income: IT outsourcing services; ISIN service fee to FSC; and provision of registry software as a service.

On the international front, the Managing Director of CDS spoke on the Tokenisation of Assets in Capital Markets at The Network Forum Africa Meeting held on 7-8 April 2025 in London. This event brought together key players from global and African markets to discuss issues and trends that are shaping the future of African capital markets. The Network Forum is a curated global community for the custody, settlement and post-trade industry. Its key aim is to provide a structured networking environment for this tight-knit industry group, in which key issues are discussed, developments are communicated and best practices shared. The conference was a good opportunity to reaffirm our leadership role in the African market infrastructure and technology space.

Tokenisation of securities has been in the limelight since quite some time now and is a hot topic at all major international capital market conferences. However, despite all the interest shown by market players for distributed ledger technologies (DLT), tokenisation of securities is not taking off as expected. An OECD Business and Finance Policy Paper published in January 2025, analysed possible reasons that may explain the absence of a market for tokenised assets, also in light of the absence of empirical evidence of any actual benefits delivered by DLT and tokenisation for markets and their participants. Possible limitations identified in the Paper are associated with: the lack of liquidity and absence of an ecosystem for tokenised assets; the absence of evidence around measurable materialised benefits at large scale and the lack of investment rationale for the transition towards DLTs; the need for payment rails integrated in DLTs or wholesale CBDCs to exist for the payment leg of settlement; the drawbacks of instant and simultaneous 'atomic' settlement; the lack of custodians to onboard investors and assets; the complexity of the underlying DLT infrastructure and interoperability challenges; the absence of identification solutions and the lack of industry standardisation practices around tokenisation. Other limitations include legal issues, such as the fact that ownership of a token does not necessarily accord ownership to the underlying asset; the legal status of smart contracts; or limits with regards to settlement finality when using DLTs.

The Managing Director of CDS remains a member of the Product Advisory Committee (PAC) of the Digital Token Identifier Foundation (DTIF). DTIF's mission is to provide the golden source reference data for the unique identification of digital tokens based on ISO's new standard for digital assets, ISO 24165. Initially designed to identify cryptocurrencies like Bitcoin and Ether, the DTI standard now supports a wide range of tokenised assets, including securities, stablecoins, and real-world assets. The DTIF Registry currently holds over 5,000 identifiers. DTIs are issued and maintained under ISO FRAND (fair, reasonable, and non-discriminatory) principles, with periodic fee reviews to ensure cost alignment as the market evolves. The main objectives of the PAC are to:

- Provide product stewardship to the DTIF Board
- Offer guidance on the application and utilization of DTIs
- Advise DTIF on the implementation of future product enhancements

The PAC also discusses such topics as how future regulatory changes will impact the crypto and digital asset market landscape. The PAC comprises over 20 members, representing a cross-section of crypto and digital asset market stakeholders, including global institutional investors, standard setting bodies, academics, asset managers and market infrastructure providers from various regions globally.

The Managing Director of CDS was also an active member of the Working Group 7 (WG7) Digital Assets that has been set up by the Association of National Numbering Agencies (ANNA) as the successor working group to the WG2 Subgroup on Digital Assets and as an independent working group focusing on the distinct subject matter of digital tokens in scope for ISIN allocation. The overarching responsibility of the WG7 is to provide governance, guidance, recommendations related to all activities related to International Securities Identification Number (ISIN) allocation for digital assets, including ensuring the complementary nature of the ISIN and DTI standards.

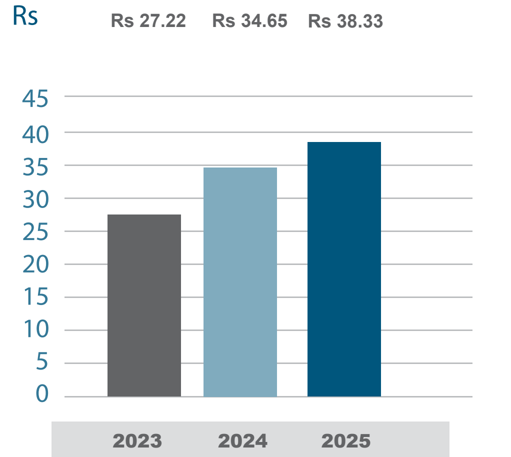
The above achievements of the Company would not have been possible without the guidance and support of the Board and its Committees. We wish to thank all directors for their active participation and contribution to the smooth running of the Company. We also wish to express our gratitude to the employees of the Company for the dedication, excellent team work and loyalty they have demonstrated throughout the financial year.

Aruna Radhakeesoon
Chairperson

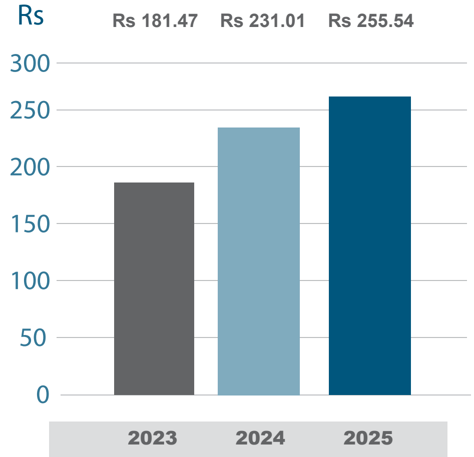
Vipin Mahabirsingh
Managing Director

FINANCIAL HIGHLIGHTS

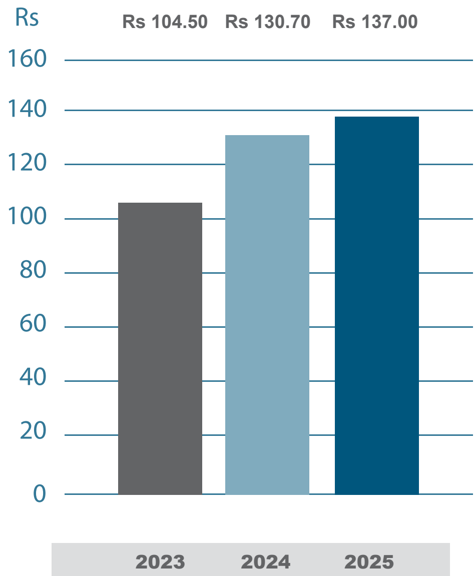
TOTAL COMPREHENSIVE INCOME (IN MILLION)



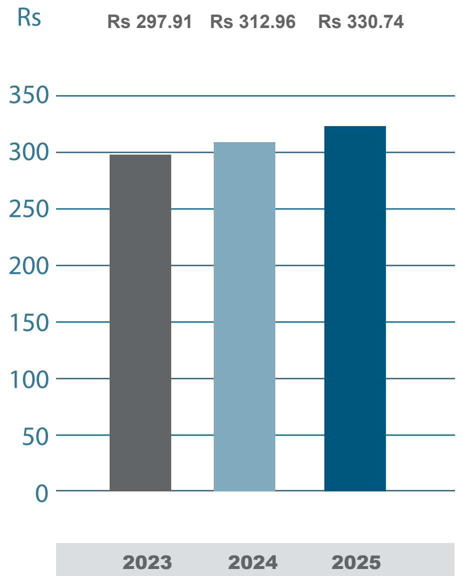
EARNINGS PER SHARE



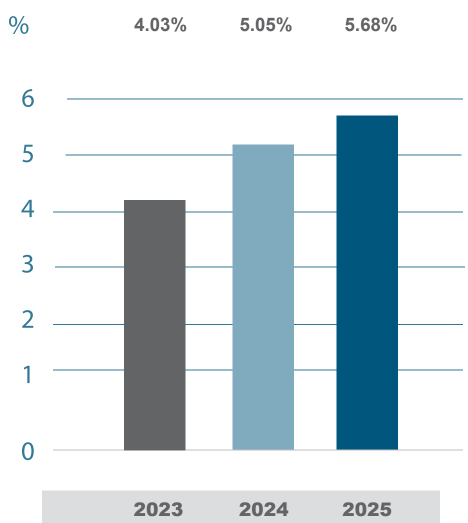
DIVIDENDS PER SHARE



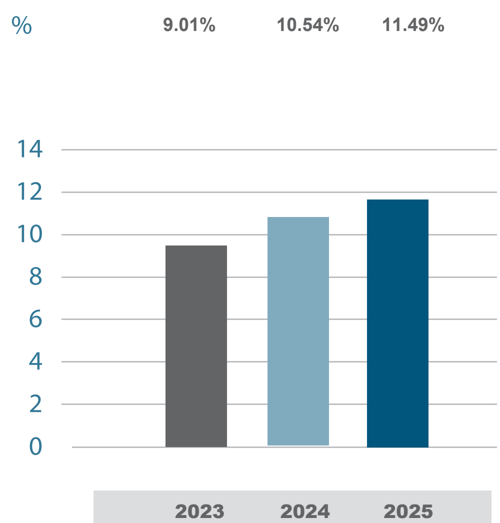
NET ASSET VALUE (in Million)



GROWTH IN NET ASSET VALUE



RETURN ON EQUITY

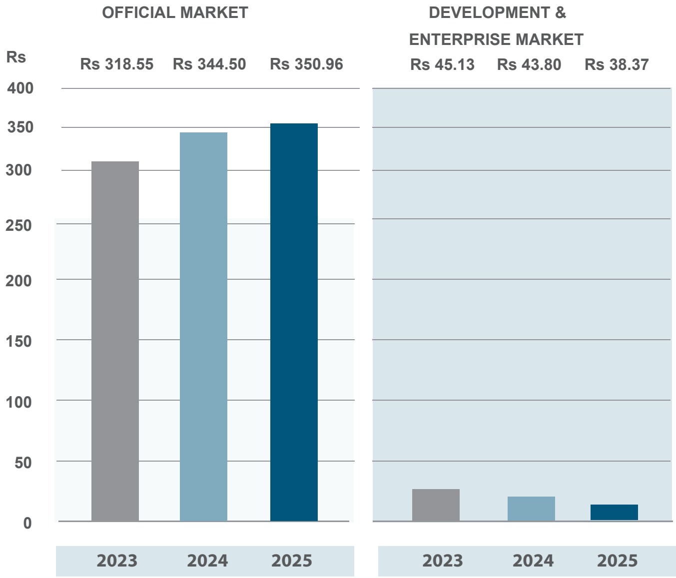


VALUE ADDED STATEMENT

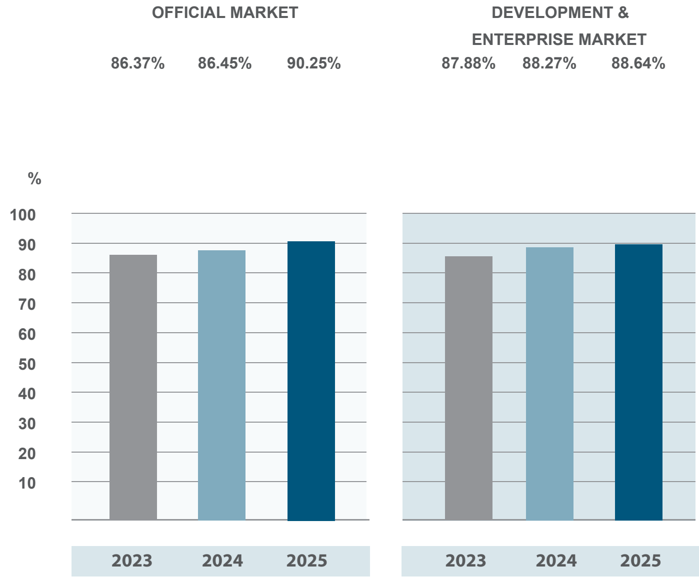
	As at 30th June 2025 Rs ' 000	%	As at 30th June 2024 Rs ' 000	%
Turnover	61,774		51,880	
Other Income	20,851		20,277	
Administrative Expenses	(11,639)		(8,654)	
Total Wealth Created	70,986	100	63,503	100
Distributed as follows				
Members of Staff Salaries and other Benefits	22,682	32	20,234	32
CDS Guarantee Fund Contributions made by the Company	23	1	21	1
Providers of Capital Dividends to Ordinary Shareholders	20,550	28	19,605	30
	43,255	61	39,860	63
Government - Taxation	7,060	10	5,572	9
Corporate Climate Responsibility	873	1	739	1
Corporate Social Responsibility	739	1	690	1
Wealth reinvested in the Company				
Profit Retained	17,781	25	15,047	24
Depreciation	1,278	2	1,595	2
	19,059	27	16,642	26
Total Wealth Distributed and Retained	70,986	100	63,503	100

STATISTICS ON OPERATIONS

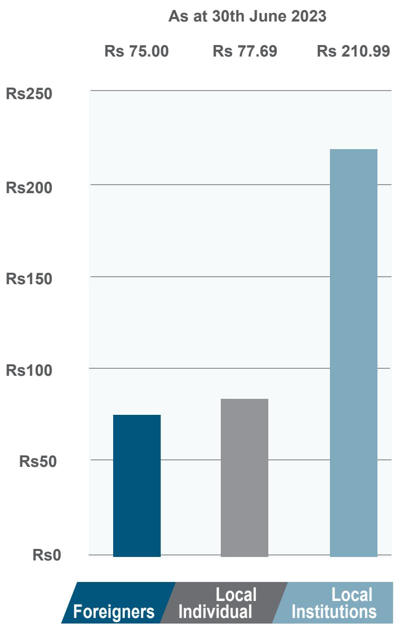
AGGREGATEVALUE OF SECURITIES HELD IN CDS (in Billion MUR)

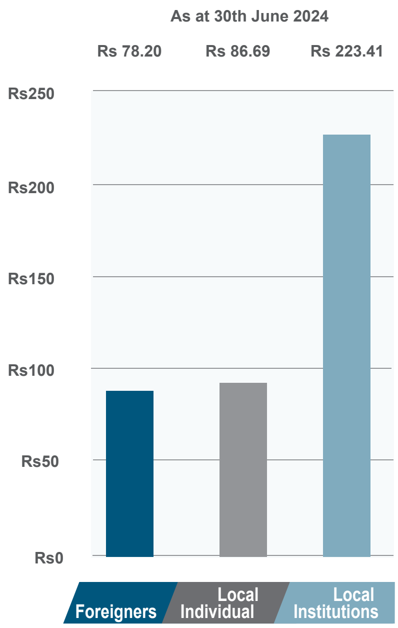


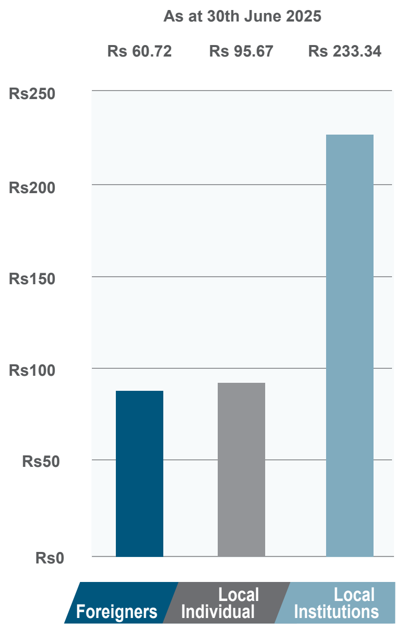
PERCENTAGE OF TOTAL NUMBER OF SECURITIES ISSUED HELD IN CDS



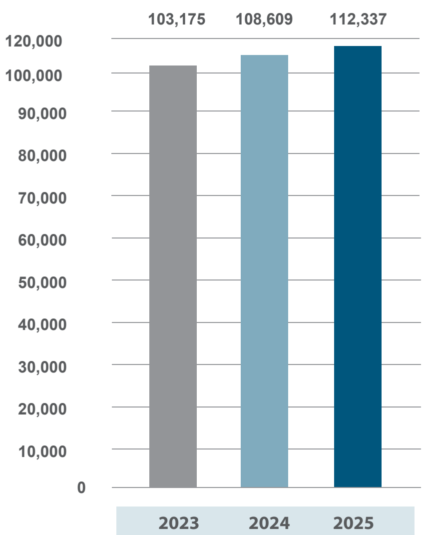
BREAKDOWN OF AGGREGATE VALUE HELD IN CDS (in Billion MUR)



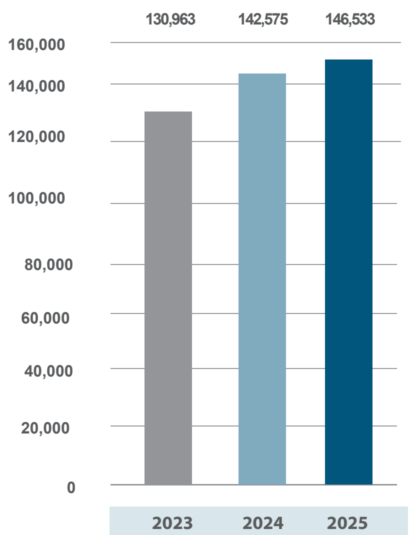




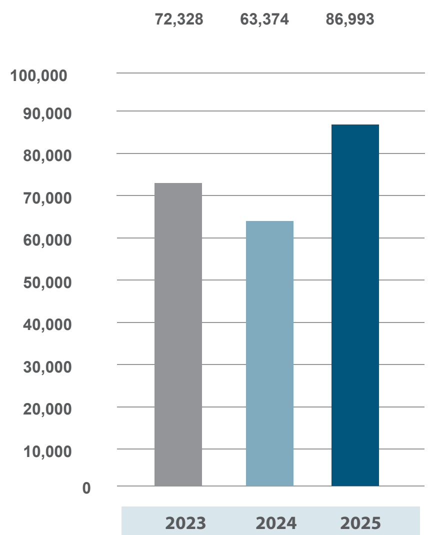
NUMBER OF INVESTORS REGISTERED WITH CDS



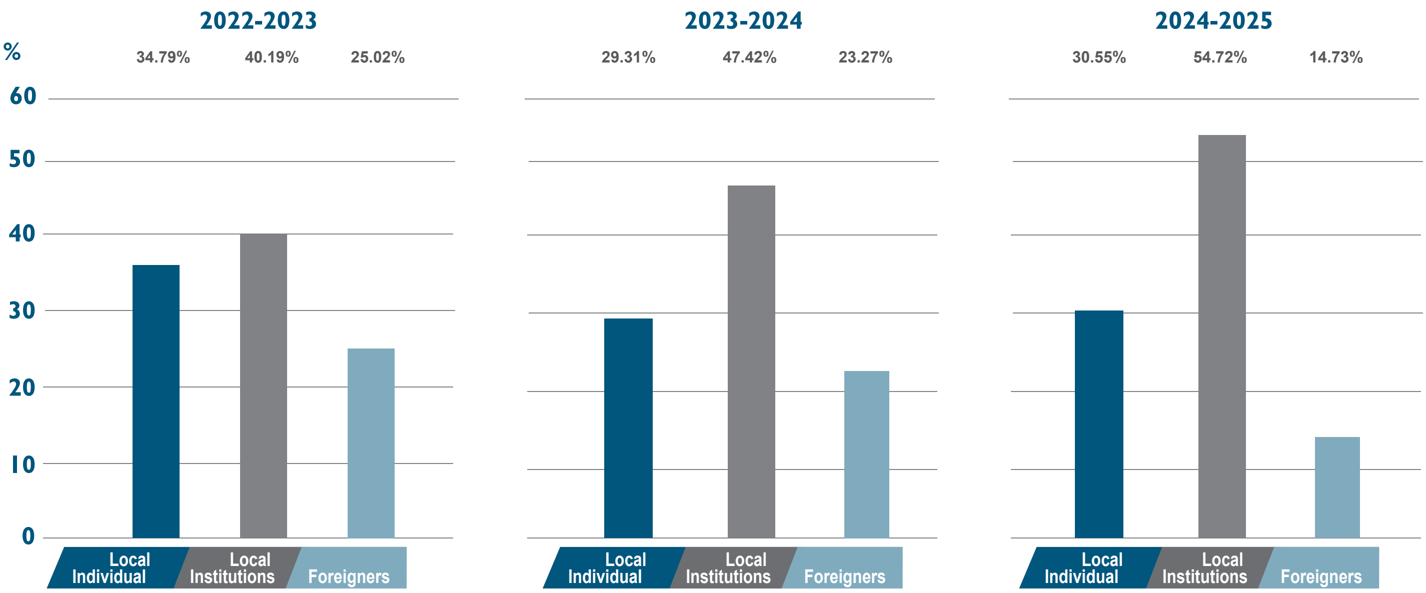
NUMBER OF CLIENTS ACCOUNTS IN CDS



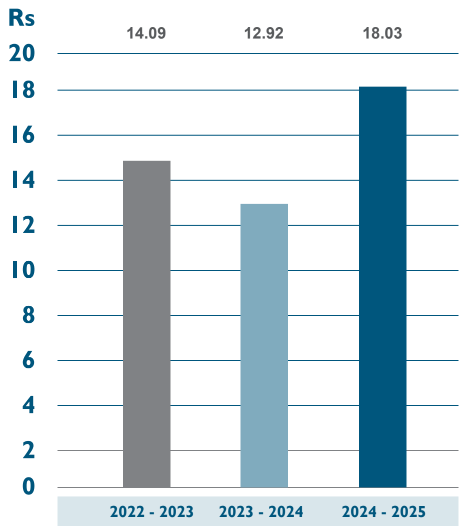
NUMBER OF TRADES CLEARED AND SETTLED



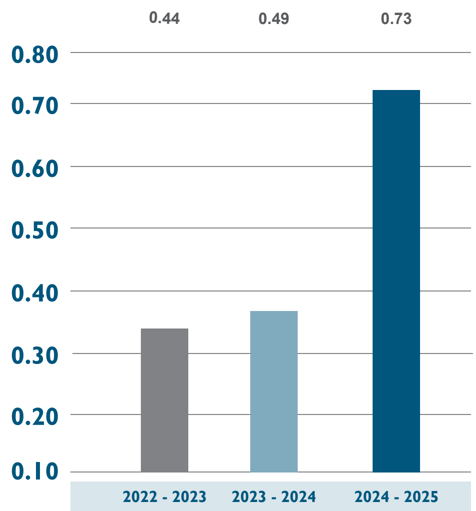
BREAKDOWN OF VALUE OF TRADES CLEARED AND SETTLED



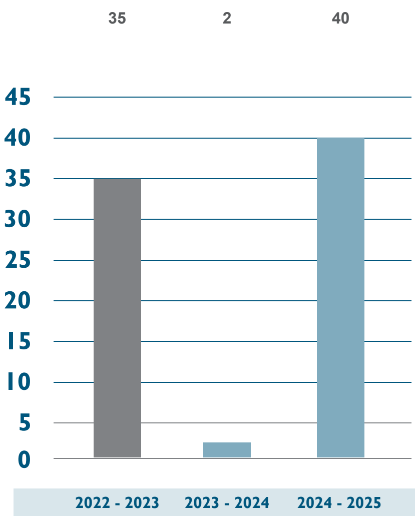
VALUE OF TRADES CLEARED AND SETTLED (in Billion MUR)



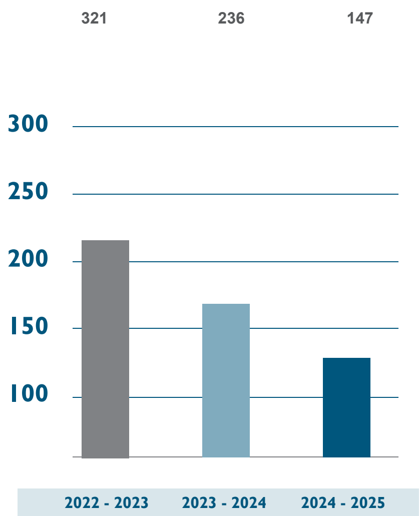
VOLUME OF SECURITIES CLEARED AND SETTLED (in Billion)



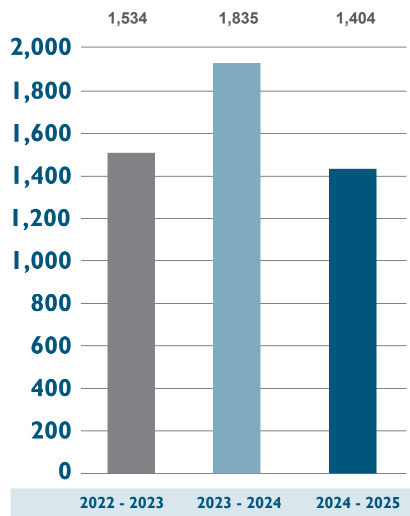
NUMBER OF WITHDRAWALS PROCESSED



NUMBER OF PLEDGES PROCESSED



NUMBER OF DEPOSITS PROCESSED



CORPORATE GOVERNANCE REPORT

1.0 STATEMENT OF COMPLIANCE WITH THE NATIONAL CODE OF CORPORATE GOVERNANCE FOR MAURITIUS (2016)

This report describes the governance measures that have been implemented by the Central Depository & Settlement Co. Ltd (CDS) during the financial year 2024-2025 and complies with the requirements of Section 20(1)(a) of the Securities Act 2005. Throughout the year ended 30th June 2025, to the best of the Board's knowledge, the Company has complied with the National Code of Corporate Governance for Mauritius (2016) in the manner set out in this report. The Company has applied all of the principles set out in the Code and explained how these principles have been applied. Matters relating to risk management, internal control and audit are covered in the Risk Management Report and the Directors' Report.

2.0 GOVERNANCE STRUCTURE

The Board of the CDS assumes responsibility for leading and controlling the Company and meeting all legal and regulatory requirements. The Board Charter, Code of Corporate Behaviour, Position Statements of Chairperson and Company Secretary, Job Description of Management Team, and Organisational Chart have been approved by the Board. These documents and the Constitution of the Company are available on the website of the CDS.

The Managing Director performs the following main duties:

a) Lead the management team;
b) Make recommendations to the Board regarding strategic issues;
c) Oversee management activities and human resources;
d) Responsible for overall operations, cost control, risk management and development of the Company;
e) Manage legal and regulatory issues;
f) Responsible for the implementation of Board decisions and policies;
g) Interact with government and relevant institutions in the financial sector;
h) Promote the Company on the international scene;
i) Provide consultancy services to African stock exchanges and depositories.

3.0 THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

3.1 SIZE AND COMPOSITION OF THE BOARD

The Company has a unitary Board composed of 10 directors as follows:

- 5 directors appointed by the SEM;
- 1 director appointed by the Minister to whom the responsibility of Financial Services is attributed;
- 1 director appointed by the Bank of Mauritius;
- 2 directors appointed by ordinary resolution at the annual meeting of shareholders (and where the SEM is not entitled to vote on any resolution appointing such 2 directors);
- 1 Managing Director.

The title, function and role of the Chairperson is separate from that of the Managing Director. The status of directors and their attendance at Board meetings during the year under review are provided in Table 1 below.

Table 1

Name	Status	No. of meetings attended
Ms Aruna Radhakeesoon	Chairperson, Non-Executive (appointed at annual meeting)	5/5
Mr Jaiyansing Soobah	Vice-Chairperson, Non-Executive (appointed by SEM)	4/5
Mr Sunil Benimadhu	Non-Executive (appointed by SEM)	4/5 (as from 19/07/2024)
Mr Dipak Chummun	Non-Executive (appointed by SEM)	0/2 (up to 21/11/2024)
Mr Rahul Desai	Non-Executive (appointed by SEM)	1/1 (as from 25/04/2025)
Mr Lalldeo Iysurey	Independent (appointed by Minister of Financial Services and Economic Planning)	4/4 (as from 12/10/2024)
Mr Vinaye Jaggessur	Independent (appointed by Minister of Financial Services and Good Governance)	1/1 (up to 11/10/2024)
Mr Tommy Lo Seen Chong	Non-Executive (appointed by SEM)	5/5
Mr Vipin Y.S Mahabirsingh	Executive	5/5
Dr Ashwin Moheeput	Independent (appointed by Bank of Mauritius)	5/5
Mr Vimal Ori	Non-Executive (appointed at annual meeting)	5/5
Mr Shivraj Rangasami	Non-Executive (appointed by SEM)	3/5

The Company has only one executive director. The Board is of the view that due to the relative small size of the Company, there is no need to appoint a second executive director. Moreover, directors may have access to departmental managers.

The Corporate Governance Committee of CDS has in the past reviewed the blend of skills and experience needed by the CDS so that the Board can discharge its responsibilities effectively and has assessed the availability of these skills with respect to the composition of the Board. The blend of knowledge, skills and experience identified include the following: IT; Company Secretary; Investment Dealer; Legal; Risk Management; Banking; Finance/Investment; Accountancy; and Economics. The members of the Board and of the Board Committees do have the appropriate balance of skills, experience and knowledge of the organization to enable them to discharge their respective duties and responsibilities effectively.

There is diversity, including gender, on the Board, Board committees and management of CDS. In line with section 9 of the Equal Opportunities Act 2008 and the Guidelines issued by the Equal Opportunities Commission pursuant to Section 27(3)(f) of the Act, CDS has adopted an Equal Opportunity Policy with a view to minimizing the risks of discrimination and to promoting recruitment, training, selection and employment on the basis of merit.

The number of directors of CDS was previously reduced from 15 to 10 after an assessment of the optimal size of the Board. Based on the size of the organisation, turnover and the activities carried out by CDS, a Board comprising of 10 members is sufficient to meet the requirements of the business.

The secretary of the Company is Mr Chaitanand Jheengun (FCG). The Position Statement for the Company Secretary has been approved by the Board.

3.2 BOARD COMMITTEES

The Board of CDS is ultimately responsible and accountable for the performance and affairs of the organization. Board committees have been established to assist the Board to discharge its duties effectively and there are transparent procedures for committees to report to the Board. The Board has constituted the following committees to facilitate efficient decision making and to assist it in the execution of its duties and responsibilities: Business Conduct Committee; Audit Committee; Corporate Governance Committee; Remuneration Committee; Investment Committee and Pension Committee. The terms of reference of these Committees have been determined and approved by the Board and are posted on the website of the Company. The Corporate Governance Committee also has the responsibilities of a Nomination Committee. A separate Risk Committee has not been set up since the Business Conduct Committee, which was set-up at the inception of CDS in accordance with its Rules, already covers the functions of the Risk Committee. The work done by the Business Conduct Committee is covered in the Risk Management Report.

AUDIT COMMITTEE

The composition of the Audit Committee as at 30th June 2025 was as follows:

Chairperson:	Mr Jaiyansing Soobah
Members:	Dr Ashwin Moheeput
	Mr Vimal Ori
Secretary:	Mr Chaitanand Jheengun

The main responsibility of the Audit Committee is to assist the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

The attendance of members at the meetings of the Audit Committee for the year under review is given in Table 2 below.

CORPORATE GOVERNANCE COMMITTEE

The composition of the Corporate Governance Committee as at 30th June 2025 was as follows:

Chairperson:	Dr Ashwin Moheeput
Members:	Ms Aruna Radhakeesoon
	Mr Tommy Lo Seen Chong
Secretary:	Mr Chaitanand Jheengun

The Corporate Governance Committee makes recommendations to the Board on all corporate governance measures to be adopted so that the Board remains effective and complies with prevailing corporate governance principles. It also oversees the CSR activities of the Company. The Committee ensures that the reporting requirements with regard to corporate governance, whether in the annual report or on an ongoing basis, are in accordance with the principles of the National Code of Corporate Governance.

The attendance of members at the meeting of the Corporate Governance Committee for the year under review is given in Table 2 below.

REMUNERATION COMMITTEE

The composition of the Remuneration Committee as at 30th June 2025 was as follows:

Chairperson: Ms Aruna Radhakeesoon
Members: Mr Vimal Ori
Mr Jaiyansing Soobah

The Remuneration Committee determines the annual salary increases and the performance bonus of employees of the Company. The Committee makes recommendations to the Board regarding the remuneration of the Managing Director and Non-Executive Directors.

The attendance of members at the meeting of the Remuneration Committee for the year under review is given in Table 2 below.

INVESTMENT COMMITTEE

The composition of the Investment Committee as at 30th June 2025 was as follows:

Chairperson: Dr Ashwin Moheeput
Members: Mr Shivraj Rangasami
Mr Vipin Mahabirsingh

The Investment Committee sets investment guidelines within which funds generated by the Company are invested. Investment decisions are then made by management based on the guidelines. The decisions of management do not need to be approved by the Investment Committee as long as they comply with the investment guidelines. Any proposed deviation from the Investment Guidelines must be approved by the Committee. Reporting to the Investment Committee and any subsequent discussions generally take place via electronic mail.

PENSION COMMITTEE

The composition of the Pension Committee as at 30th June 2025 was as follows:

Chairperson: Mr Jaiyansing Soobah
Member: Dr Ashwin Moheeput

The Pension Committee was set-up by the Board in 2019 to monitor the investments of the CDS Pension Scheme. Reporting to the Pension Committee and any subsequent discussions generally take place via electronic mail.

Table 2: Attendance at Meetings of Board Committees

Name	Audit Committee	Corporate Governance Committee	Remuneration Committee	Pension Committee
Ms Aruna Radhakeesoon		1/1	1/1	
Dr Ashwin Moheeputh	2/2 (as from 29/11/2024)	1/1		1/1
Mr Dipak Chummun		1/1(up to 21/11/2024)		
Mr Vinaye Jaggessur	1/1(up to 11/10/2024)			
Mr Tommy Lo		(as from 29/11/2024)		
Mr Vimal Ori	3/3		1/1	
Mr Jaiyansing Soobah	3/3		0/1	1/1

4.0 DIRECTOR APPOINTMENT PROCEDURES

The Board assumes responsibility for succession planning and for the appointment and induction of new directors to the Board. With the exception of the Managing Director, all directors have a term of office of one year. The non-executive directors are elected/ re-elected/ appointed/ re-appointed every year at the Annual Meeting, pursuant to the provisions of the Constitution of the Company. Before the Annual Meeting a letter is addressed to all shareholders, other than SEM, requesting them to nominate a candidate as prospective director for the election of directors at the next Annual Meeting. A resolution for the election of directors is forwarded to all shareholders with the notice of the Annual Meeting, together with a brief of prospective directors. The Annual Report contains details of each director. The election of non-executive directors, if the need arises, is carried out by ballot pursuant to the provisions of the Constitution. The SEM does not vote for the election of directors. Other non-executive directors, nominated by SEM, Bank of Mauritius and the Minister of Financial Services and Economic Planning as per the Constitution of the Company, are re-appointed/ appointed at the Annual Meeting following a review of their short biography by the Corporate Governance Committee.

An induction pack including an overview of CDS and the latest annual report is provided to new directors.

Succession planning for senior management positions is discussed at the level of the Remuneration Committee. A short profile of each director is provided in the table below.

DIRECTORS	KEY POSITION AND MAIN DIRECTORSHIPS
Aruna Radhakeesoon *Attorney-at-law, Mauritius* *Solicitor, England & Wales (NP)* *BA (Hons) Jurisprudence, Oxon* *F.MIoD*	Founder and Director, Prakriti One Ltd. Partner, Madun Gujadhur Chambers INED - Absa Bank (Mauritius) Ltd & The United Basalt Products Ltd
Sunil Benimadhu *MBA Finance and Investment* *MSc Macroeconomics*	Chief Executive, The Stock Exchange of Mauritius Ltd
Rahul Desai *Bachelor of Engineering*	Chief Executive Officer, Redwood Finance Ltd
Lalldeo Iysurey *Fellow of the Association of Chartered Certified Accountants* *MBA Finance* *LLB (Hons)*	Chairperson, Institute of Internal Auditors, Mauritius
Tommy Lo Seen Chong *BSc (Hons.) Economics* *Fellow of the Institute of Chartered Accountants in England & Wales*	Director, Intercontinental Trust Ltd Director, The Stock Exchange of Mauritius Ltd Director, Capital Market Brokers Ltd
Ashwin Moheeput *BSc (First Class Hons) Economics* *MSc Economics* *PhD Economics* *CFA*	Assistant Director - Research, Economic Analysis, Modelling and Forecasting Division - Bank of Mauritius
Vipin Y.S. Mahabirsingh *B.Tech (First Class, Hons) Electronic Engineering* *M.Phil Microelectronic Engineering* *MBA (with distinction)* *F.MIoD*	Managing Director, CDS Member, Rating Committee of CARE Ratings Africa Independent Director, ABC Motors Co. Ltd Independent Director, SBI (Mauritius) Ltd

DIRECTORS	KEY POSITION AND MAIN DIRECTORSHIPS
Vimal Ori *Fellow of the Association of Chartered Certified Accountants* *Cert. Applied Data Science* *F.MIoD*	Chief Operating Officer, MCB Capital Markets Ltd Director, MCB Registry & Securities Ltd Director of a number of subsidiaries of MCB Group Member, Financial Services Consultative Council
Shivraj Rangasami *Fellow of the Association of Chartered Certified Accountants* *MBA*	Managing Director, MCB Securities Ltd Chairman, The Stock Exchange of Mauritius Ltd
Jaiyansing Soobah *Fellow of the Association of Chartered Certified Accountants* *MBA* *Associate of The Chartered Governance Institute*	Senior Manager – Risk, Compliance and Internal Audit, Swan Group Director, The Stock Exchange of Mauritius Ltd Director of a number of companies of Swan Group

5.0 DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

Directors of the CDS are aware of their legal duties. A Code of Corporate Behaviour that sets out the standards of behaviour that all directors and employees of CDS are expected to uphold in conducting the Company's business, is in place at CDS. As per its Terms of Reference, the Corporate Governance Committee is responsible for reviewing any statements on ethical standards or requirements for the Company and assisting in developing such standards and requirements and for the identification of any violations of ethical conduct. The Code of Corporate Behaviour contains procedures for reporting breaches of the Code and complaints regarding behaviour of directors or employees to the Corporate Governance Committee. The Board also monitors and evaluates compliance with the Code of Corporate Behaviour and no breach was observed during the year under review.

The conflicts of interest policy of the Company is incorporated in the Board Charter, Code of Corporate Behaviour and Terms of Reference of the Corporate Governance and Audit Committees. As per its Terms of Reference, the Corporate Governance Committee can give recommendations on any potential conflict of interest and the Audit Committee has the responsibility of directing and supervising investigations into matters relating to conflicts of interest. The letter of appointment for non-executive directors also contains a specific clause to draw the attention of new directors on the disclosure of conflicts of interest. The Company Secretary maintains an interests register that is available for consultation to shareholders.

An Information Security Policy approved by the Board, has been implemented at CDS. This document defines the responsibilities relating to the management of the Information Technology (IT) systems of the CDS and the procedures to be followed by employees as well as by remote users (investment dealers, custodian banks, Financial Services Commission, Bank of Mauritius and registries) when using the IT systems of the Company. The IT Security Policy is based on the ISO 27001:2022 standard and the document was last reviewed in May 2025. The documents relating to the IT systems of the CDS (including the Disaster Recovery Plan) that should be maintained by the Company are set out in the IT Security Policy.

All significant expenditures on information technology are provided for in the annual budget that has to be approved by the Board before the start of the financial year.

Board meetings are generally held every quarter and are convened by formal notice. A detailed agenda together with a comprehensive board pack are circulated to directors at least a week before board meetings. Management accounts are circulated to directors by email on a monthly basis and directors can request information regarding the affairs of the Company, from the management at any time.

As per section 3(7) of the Securities (Central Depository, Clearing and Settlement) Act 1996, all the directors and employees of the CDS have taken an oath of confidentiality.

A directors' and officers' liability insurance policy has been subscribed to by the Company. This policy provides cover for the risks arising out of acts or omissions of the directors and officers of the Company but excludes claims for any deliberately fraudulent act or omission or any wilful violation of any statute or regulation.

Related Party Transaction

CDS has a contract with its holding Company (SEM) for the technical management of the Automated Trading System and for other IT services. The fees for the IT outsourcing services provided to the SEM for the year ended 30th June 2025 amounted to Rs 2,179,000 plus VAT.

Performance

In accordance with section 3.5 of the CDS Board Charter, an online survey was carried out among directors of CDS in September 2024 to evaluate the overall performance of the Board. The questionnaire covered the following main areas:

A Board Meetings
B Board Structure And Composition
C Leadership Of The Board
D Board Functions
E Board Committees
F Planning And Objectives
G Risk Assessment
H Human Resources And Succession Planning
I Financial And Operational Reporting
J Compliance And Ethical Framework

6 out of 9 directors responded to the questionnaire and the response to all 25 questions was either "meets objectives" or "exceeds objectives" for a majority of the 6 directors who responded.

The Board Self-Evaluation exercise is conducted once every two years as per section 3.5 of the CDS Board Charter. The next evaluation will be done in September-October 2026.

Remuneration

The Remuneration Committee makes recommendations to the Board regarding the remuneration of the Managing Director and Non-Executive Directors. A fixed monthly fee as well as an attendance fee is paid to directors of the Company. An additional fee is paid to directors who are members of Board Committees for each meeting of the respective Board committee that they attend. The Managing Director is not remunerated for attending Board and Committee meetings. The remuneration received by each director during the year under review are provided in the table below:

Name	Remuneration Received (Rs)
Ms Aruna Radhakeesoon	298,683
Mr Sunil Benimadhu	107,415 (as from 19/07/2024)
Mr Dipak Chummun	29,337 (up to 21/11/2024)
Mr Rahul Desai	30,723 (as from 25/04/2025)
Mr Lalldeo Iysurey	107,646 (as from 12/10/2024)
Mr Vinaye Jaggessur	39,732 (up to 11/10/2024)
Mr Tommy Lo Seen Chong	122,892
Mr Vipin Y.S Mahabirsingh	7,358,239*
Dr Ashwin Moheeput	170,247
Mr Vimal Ori	174,405
Mr Shivraj Rangasami	91,938
Mr Jaiyansing Soobah	224,532

** For the Managing Director, the total remuneration consists of Short Term Benefits of Rs 6,514,965 and Post-Employment Benefits of Rs 843,274.*

Dealing in Shares by the Directors

There was no dealing in the shares of the Company by the directors for the year under review.

Common directors and percentage shareholding of the shareholders they represent

The table below gives the names of the common Directors of CDS and its holding Company (SEM), together with the shareholding percentages of the shareholders they represent:

NAME OF DIRECTORS	SHAREHOLDERS' NAMES	% Holding in CDS	% Holding in SEM
Mr Shivraj Rangasami	MCB Securities Ltd	-	5.44%
Mr Jaiyansing Soobah	Swan General Ltd	3.33%	7.5%
Mr Sunil Benimadhu	Stock Exchange of Mauritius Ltd	51%	N/A
Mr Tommy Lo Seen Chong	Azelbourne Financial Services Ltd	-	4.95%
Mr Rahul Desai	Mirabel Investments Ltd	-	6.89%

6.0 RISK GOVERNANCE AND INTERNAL CONTROL

The Board is responsible for the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its objectives. Given the specific nature of the activities of the CDS and the requirements of Section 20(4) of the Securities Act 2005, the risk management and internal control framework of the Company is set out in the Risk Management Report that forms part of the Annual Report.

7.0 REPORTING WITH INTEGRITY

Company law requires directors to prepare financial statements for each financial year which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and errors, as well as an effective risk management system.

The five latest annual reports of the CDS are published on the website of the Company.

7.1 CORPORATE SOCIAL RESPONSIBILITY

CDS donated 25% of its CSR Fund for 2024-2025 (Rs 185,000) to the Rotary Club of Port Louis for part funding of the Rotary ZEP (Zones d›Education Prioritaires / Priority Education Zones) Breakfast Project which consist of providing breakfast to around 1,600 pupils from underprivileged background in eight ZEP schools located mainly in the suburbs of Port Louis. Many beneficiaries of the project are also on the Social Register of Mauritius (SRM) and the Rotary Club of Port Louis has noted that the number of pupils on SRM at the various schools has increased.

A new ZEP school (Guy Rozement Government School) was included in the project during 2024-2025. Candos School, one of the beneficiary schools of the project, has ranked first amongst all ZEP schools. Results have also improved in all the other seven schools. Serge Coutet School achieved a 45% pass rate for the first time and a student even got admitted to a star school. The Rotary Club of Port Louis is now planning to tackle the absenteeism problem by finding a person in the community to go and visit children who are absent from school.

The CSR Fund of CDS for the financial year 2024-2025 amounted to Rs 739,000 and as per section 50L of the Income Tax Act, 25% was donated to a non-governmental organisation implementing a CSR Programme.

7.2 PROTECTION OF THE ENVIRONMENT

The Company has implemented the following actions to contribute to the protection of the environment:

i. Sending statements of accounts by electronic mail rather than by post to account holders who choose this option (28,144 statements were sent by e-mail for the month of June 2025);

ii. Sending Board and Committee papers by electronic mail to directors and members of Business Conduct Committee;

iii. Sensitising employees to use consumables efficiently and print mails and documents only when necessary. The Company is gradually moving towards paperless operations;

iv. All reports that are provided to participants, registries and settlement banks are sent by email in pdf format. No hard copies are provided;

v. Reduce energy consumption by using energy efficient lights and devices.

Section 15.2 of the CDS Procedures was amended in 2023 to allow CDS to send statements of accounts to holders of inactive accounts by post on an annual basis instead of once every six months. This amendment to the CDS Procedures has allowed the Company to avoid printing and sending by post more than 24,000 statements annually.

7.3 POLITICAL DONATIONS

No political donation was made by the Company for the year under review.

7.4 HUMAN CAPITAL

Labour cost represented around 69% of the Company's total operating expenses for 2024 -2025. The Company recognizes the importance of its human capital in sustaining its smooth operations and growth. The Company's remuneration philosophy is to pitch its pay policy at the market average. The Company has a stable workforce with very low turnover.

The Company has also implemented a number of measures to promote the welfare of its staff. These include car grant scheme, car loan scheme and soft loans to cater for specific needs. Training courses are provided to employees on a regular basis to enhance their skills. Financial assistance is also given to staff taking professional or tertiary courses. Managers and executives are given the opportunity to attend international conferences and training programmes.

The Company complies with the provisions of the Occupational Safety and Health Act 2005 regarding the safety and health of its employees. There was no complaint on this matter for the year under review.

7.5 EQUAL OPPORTUNITY POLICY

In line with section 9 of the Equal Opportunities Act 2008 and the Guidelines issued by the Equal Opportunities Commission pursuant to Section 27(3)(f) of the Act, CDS has adopted an Equal Opportunity Policy with a view to minimizing the risks of discrimination and to promoting recruitment, training, selection and employment on the basis of merit. There was no complaint on these matters for the year under review.

8.0 AUDIT

Matters relating to internal and external audit are dealt with in the Risk Management Report and the Directors' Report that form part of the Annual Report.

9.0 RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The shareholders of CDS as at 30th June 2025 are listed in the table below.

SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE HOLDING
The Stock Exchange of Mauritius Ltd	76,500	51.00%
The Mauritius Commercial Bank Ltd	25,000	16.67%
Rogers and Company Ltd	20,000	13.33%
Promotion and Development Ltd	10,000	6.67%
SBM Capital Markets Ltd	5,000	3.33%
Swan General Ltd	5,000	3.33%
United Docks Ltd	2,500	1.67%
Harel Mallac & Co. Ltd	2,500	1.67%
Capital Asset Management Ltd	2,000	1.33%
Automatic Systems Ltd	1,000	0.67%
Harel Mallac Technologies Ltd	500	0.33%
	150,000	100%

Any change in the ownership of shares of the Company is subject to restrictions and limitations set out in the Constitution of the Company.

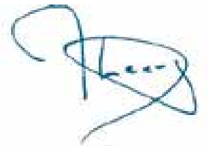
Annual meetings are held within 4 months from the end of the financial year and the notice of the annual meeting is sent to shareholders at least 21 days before the meeting in accordance with the Companies Act 2001.

The key stakeholders of the Company are as follows: Ministry of Financial Services and Economic Planning; Financial Services Commission; Stock Exchange of Mauritius Ltd; Bank of Mauritius; Investment Dealers; Custodian Banks; and Company Registries. Regular meetings are held with stakeholders to discuss matters of common interest. Investment Dealers, Custodian Banks, Company Registries and SEM are consulted prior to amendments to Rules and Procedures. Such consultations take place by email as well as at the level of the Consultative and Informative Committee and the Clearing and Settlement Advisory Committee. Regular meetings are also held with the Financial Services Commission to discuss market development initiatives.

10.0 DIVIDENDS

The dividend policy of the CDS is to distribute around 60% of its Profit after Tax as dividend.

The Board maintained the above dividend policy and declared a dividend equal to Rs 20.55 M (Rs 137 per share) for the year ended 30th June 2025.



Chaitanand Jheengun (FCG)
Company Secretary

RISK MANAGEMENT REPORT

RISK MANAGEMENT FRAMEWORK

The ability to identify, monitor, measure and manage risks on an ongoing basis is crucial for a central depository, clearing and settlement organisation. Over the years, the Central Depository & Settlement Co. Ltd (CDS) has developed a comprehensive risk management framework to manage the different types of risks that arise in or are borne by a central depository, clearing and settlement organisation, namely: legal risk; credit (counterparty) risk; liquidity risk; systemic risk; general business risk; investment risk; and operational risk. The Board of the CDS is responsible for the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. This report describes the risk management and internal control policies, procedures and systems that are in place at the CDS and their application during 2024-2025, and complies with the requirements of Section 20(4) of the Securities Act 2005.

The main pillars of the risk management framework implemented by the CDS are as follows:

- Clear, transparent and enforceable rules and procedures that are consistent with the Securities (Central Depository, Clearing and Settlement) Act 1996, the Securities Act 2005 and the Financial Services Act 2007
- The Business Conduct Committee
- Capital Adequacy Requirements for Participants
- Settlement on a strict delivery versus payment basis
- Prevention of Settlement Failures and Guarantee Fund Mechanism
- Securities Lending and Borrowing
- System of Internal Controls
- External Audit of the System of Internal Controls on Operations
- Internal Audit of Operations and Systems Departments
- Disaster Recovery Plan
- IT Security Audit
- Financial Controls
- Investment Committee
- Strong and liquid balance sheet

ELIGIBLE SECURITIES DEPOSITORY UNDER US INVESTMENT COMPANY ACT

The CDS qualifies as an Eligible Securities Depository under the US Investment Company Act Rule 17f-7. This rule requires US registered investment companies to hold their securities only in Eligible Securities Depositories to reduce risks associated with offshore investments. Rule 17f-7 of the US Investment Company Act sets forth the following six criteria for the determination that a depository is “eligible” to hold assets of a U.S. or Canadian domiciled investment company:

1. Acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated, or a transnational system for the central handling of securities or equivalent book-entries;

2. Is regulated by a foreign financial regulatory authority;

3. Holds assets for the custodian that participates in the system on behalf of the fund under safekeeping conditions no less favourable than the conditions that apply to other participants;

4. Maintains records that identify the assets of each participant, and segregates the system's own assets from the assets of participants;

5. Provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account; and

6. Is subject to periodic examination by regulatory authorities or independent accountants.

The CDS meets the above six criteria.

THE BUSINESS CONDUCT COMMITTEE

Since its inception in 1997 and in accordance with section 1.4 of the CDS Rules, the CDS has set up a Business Conduct Committee (BCC) with the following mandate:

1. Recommend the adoption of a risk management policy to the Board of Directors
2. Monitor the operations relating to risk management issues
   - 2.1 Ensure enforcement of the risk management policy adopted
   - 2.2 Ensure compliance with the requirements of Rule 3.8.7 with regard to the review of internal control
3. Monitor the operations relating to the Guarantee Fund
4. Hear complaints from aggrieved Participants who claim to be adversely affected by any decision of CDS with respect to CDS operations in accordance with Rule 2.4
5. Make recommendations to the Board of Directors of CDS with respect to Participation Applications in accordance with Rule 2.2.4 and to Termination in accordance with Rule 2.3.3.

As per section 1.4.2 of the CDS Rules, the Business Conduct Committee is composed of a majority of members who are not members of the Board of CDS, nor Participants or related to Participants, and not employed by a Participant. The quorum for meetings of the Business Conduct Committee is three with at least two independent members. The composition of the Business Conduct Committee as at 30th June 2025 was as follows:

Chairperson:	Mr Tega Appavou (Independent)
Members:	Mr Jean Michel Chung Chun Lam (Independent)
	Mr Ashish Jagarnath (Independent)
	Mr James Leung Yin Kow (Independent)
	Mr Vikash Tulsidas (Independent)

The Finance & Administration Manager of CDS is the Secretary of the Business Conduct Committee which generally meets on a monthly basis to review and discuss the following issues:

- Financial Resource Requirements returns submitted by Participants
- Statement of assets and liabilities of the Guarantee Fund
- Settlement Limits of Participants
- Internal audit report
- Audited and unaudited accounts of Participants
- Statistics on operations

The attendance of members at the meetings of the BCC held during the year under review was as follows:

Name	No. of meetings attended
Mr Tega Appavou	10/11
Mr Jean Michel Chung Chun Lam	11/11
Mr Ashish Jagarnath	10/11
Mr James Leung Yin Kow	10/11
Mr Vikash Tulsidas	11/11

CHANGE IN PARTICIPANTS

During the year under review, Standard Bank (Mauritius) Ltd ceased to be Participant of CDS after giving thirty days' notice to CDS in accordance with section 2.3.5 of the CDS Rules.

CAPITAL ADEQUACY REQUIREMENTS FOR INVESTMENT DEALERS

The CDS has set up capital adequacy requirements for Investment Dealers as a first line of defence against risk. An assessment of the stability and financial health of Investment Dealers in the clearing and settlement services provides an important indication of potential trouble. The CDS has implemented a set of rules on conditions for participation called Financial Resource Requirements. These rules require each Investment Dealer to have sufficient adjusted liquid capital to cover its fixed expenditure base requirements and risk (position, counter party and foreign exchange) requirements. Investment Dealers are required to submit monthly returns so that CDS can monitor compliance with the Financial Resource Requirements (FRR). These returns are analysed by the BCC at its monthly meetings. Copies of the FRR returns are also filed with the Financial Services Commission.

All the FRR returns submitted by Investment Dealers during the year 2024 – 2025 showed Capital Surpluses.

DELIVERY VERSUS PAYMENT

The CDS has eliminated principal risk with respect to transactions effected on the Stock Exchange of Mauritius, by performing the settlement of transactions on a strict delivery versus payment basis. There is no risk that a CDS Participant delivers securities but does not receive payment or vice-versa. Trades executed on the Automated Trading System (SEMATS) are automatically fed into the CDS system and the relevant securities accounts are updated on a real-time basis. On trade day, the seller's securities account shows a Sale-in-Suspense and the traded securities are blocked in this account. The buyer's securities account shows a Purchase-in-Suspense but the securities are not transferred to this account. On settlement date, funds transfer between the seller's and buyer's Participants takes place at a cut-off time on a net basis through the Participants' settlement banks and the Bank of Mauritius. When funds settlement is completed by final and irrevocable transfer in the books of the Bank of Mauritius, the latter sends a confirmation message to CDS which then immediately transfers the securities by debiting the seller's securities account and crediting the buyer's securities account. The securities are delivered to the buyer if and only if the CDS receives confirmation of settlement of the cash leg from the central bank. Conversely, if the buyer makes payment, the delivery of the securities is guaranteed since the securities have already been blocked in the securities account of the seller.

GUARANTEE FUND

In accordance with Section 3(8)(a) of the Securities (Central Depository, Clearing and Settlement) Act 1996, the CDS has set up a Guarantee Fund for the purpose of providing an indemnity against any default in respect of payments for or delivery of securities and of obligations of Participants towards CDS. The Guarantee Fund is used to guarantee the settlement of transactions in the event of a default by a Participant. In such a situation, the Guarantee Fund steps into the net settlement mechanism and makes good the obligation of the defaulting Participant. The Guarantee Fund will seize the unpaid securities and sell these back on the market in order to replenish itself. The Guarantee Fund acts as a shock absorber in the event of a settlement failure and thus prevents the market from collapsing through systemic effect. The Guarantee Fund contributes to maintain confidence in the stock market.

It is important to note that to date there has never been any failed trade in the CDS.

The Fund is constituted of cash contributions by investment dealers and CDS, as well as Letters of Credit/ Deposits provided by investment dealers. The CDS contributed an amount of Rs 23,007 to the Fund in 2024–2025 (Rs 21,238 in 2023-2024). The assets of the Fund are segregated from those of the CDS (separate bank accounts) and are available only for the purpose of the Fund as required by law. The Fund is independently managed by the Business Conduct Committee. The assets of the Fund are only invested in low-risk liquid instruments. The size of the Fund as at 30th June 2025 was as follows:

Cash contributions: Rs 38,403,382 (Rs 37,253,657 as at 30th June 2024).
Letters of Credit/Deposits submitted by investment dealers: Rs 13,461,000 (Rs 24,461,000 as at 30th June 2024)

The Fund can also have recourse to a standby line of credit of Rs 50 M from its banker.

RISK CONTROLS TO ADDRESS FUNDS SETTLEMENT FAILURES

Each investment dealer has a settlement limit that is based on the amount of collateral (cash and letters of credit) submitted to CDS. The minimum amount of the collateral required for an investment dealer is based on the moving average of its cumulative liability over the past 12 months. CDS monitors the settlement obligation of each investment dealer on a daily basis. If at the close of trading, the net cumulative liability (total amount of unsettled obligations over a period of three days) of an investment dealer exceeds its settlement limit, the investment dealer is required to submit additional collateral before being allowed to buy more securities during the next trading session.

During the year 2024–2025, there were 11 cases where the settlement limit of an investment dealers was exceeded (1 case in 2023-2024). The investment dealer submitted the required collateral on the next business day after the limit was exceeded.

If an investment dealer fails to meet its settlement obligations, the CDS will have recourse to its Letter of Credit and to the Guarantee Fund to meet the investment dealer's obligations and complete the settlement of transactions. The Stock Exchange of Mauritius (SEM) and the Financial Services Commission will be immediately notified of the funds settlement failure.

There was no funds settlement failure during the year under review.

RISK CONTROLS TO ADDRESS SECURITIES DELIVERY FAILURES

When an investment dealer places a sell order for a client on the automated trading system (ATS), the system verifies that the client has previously deposited or purchased the securities that it wishes to sell, before accepting the sell order in the order book. However, the ATS allows an investment dealer to place a bulk order without indicating the clients' accounts. After the execution of the bulk order, the investment dealer will then allocate the trades to its clients. The CDS system automatically checks the securities balance each time a trade is allocated to a client's account. In case of insufficient balance in the client's account, the system will not allow the investment dealer to allocate the sale to that client. In such a situation, the trade is automatically posted to the account of the investment dealer that must now deliver the securities. If the investment dealer does not hold the securities, its proprietary account will show a negative balance.

When an investment dealer buys or sells securities for the client of a custodian bank, the transaction is subject to the confirmation of the latter. A situation that may lead to a negative balance in an investment dealer's account is when a custodian bank does not accept a sale that has been allocated to its client's account by the investment dealer. In such a case, the sale is allocated to the proprietary account of the investment dealer and this account will show a negative balance if the investment dealer does not hold the securities that must be delivered.

CDS monitors whether there are any negative balances in the proprietary accounts of investment dealers on a daily basis. Any negative balance in the securities account of an investment dealer must be rectified before 9:00 a.m on T+3 by re-allocating the trade to another client or by borrowing the securities through the securities loan service of CDS.

If the investment dealer still does not have securities in the account at 9:00 a.m on T+3, the trade is temporarily suspended and a buy-in procedure is initiated. The SEM and FSC are immediately notified. The investment dealer is required to make a cash deposit of 50% to CDS and pay a daily fine of 0.20% of the value of the securities (marked to market daily) until the buy-in is completed or the situation is corrected. CDS may abort the buy-in procedure in the following circumstances:

1. The Custodian Bank confirms the trade after T+3, 9:00 a.m and such confirmation is submitted to CDS before T+5, 9:00 a.m.
2. The defaulting investment dealer reports to CDS a loan transaction to settle the trade and the duly completed CDS Loan Forms reach CDS by T+5, 9:00 a.m.

When buy-in is aborted, the original failed trade together with all turnaround trades (see next section) linked to it will be reinstated and will be settled on the next Business Day. In such a situation, CDS will return the cash deposit to the defaulting investment dealer.

When buy-in is completed, notwithstanding whether it is successful or not, the CDS will use the cash deposit to compensate all the buyers involved in each turnaround trade linked to the failed trade, except the buyers involved in the last transaction in each chain of turnaround trades, by paying them an amount equal to 50% of the difference between the price at which they bought the securities and the price at which they subsequently sold the securities.

If after 5 trading sessions the buy-in is unsuccessful, CDS will use the cash deposit to also compensate the buyers in the last transaction in each chain of turnaround trades linked to the failed trade, by paying them an amount equal to 15% of the value of the securities that remain undelivered after the buy-in and CDS will request the SEM to cancel the failed trade together with all turnaround trades linked to it.

There was no securities delivery failure during the year under review.

TURNAROUND TRADING

Turnaround trading involves the selling of securities that have been purchased earlier during a trading session or during previous trading sessions before the settlement date of the initial purchase (i.e. between T and T+2 inclusive, where T is the date of the first trade), to take advantage of an upward movement in prices. Similarly an investor may purchase securities that have been sold earlier during a trading session or during previous trading sessions before the settlement date of the initial sale, to take advantage of a downward movement in price, provided that the investor had the securities in its account prior to the initial sale. The transaction fees applicable to turnaround trades are lower than those applicable to normal transactions. 2,877 turnaround trades for a total amount of Rs 350.28 M were cleared and settled in 2024-2025 compared to 1,365 turnaround trades for a total amount of Rs 156.25 M in 2023-2024.

SECURITIES LENDING AND BORROWING

The securities loan service implemented by CDS allows an investment dealer that faces a potential securities delivery failure consequential to the refusal of a sale by a custodian bank, to borrow the securities from a lender (which can be another Participant or its client) and deliver the securities to the buyer/s. The failure of the trade together with any turnaround trades linked to it would thus be avoided with the execution of the loan transaction.

Even with the implementation of the securities loan service, a securities delivery failure may occur if the investment dealer that faces the failure cannot find a willing lender for the securities. In such situations, the CDS Procedures regarding buy-in and compensation described above are applied.

It should again be noted that there was no securities delivery failure during the year under review.

INTERNAL CONTROL

The CDS has implemented a system of internal controls pertaining to:

1. The recording of transactions in securities accounts;
2. The processing of transactions, including clearing and settlement, in accordance with CDS Rules and Procedures; and
3. The integrity and reliability of its data processing facilities.

The system of internal controls is implemented in the Rules and Procedures that govern the day-to-day activities of the CDS and is also integrated in the design of the computer system of CDS. Additional measures have been implemented to ensure the integrity of data and the effectiveness of the internal control system. These measures include the following:

a) Before any entry is made in the system, strict verifications are carried out against source documents and instructions.

b) The list of the authorised personnel of registries and CDS participants together with their specimen signatures and the respective powers conferred to them by their company, are kept up-to-date and are referred to when processing transactions relating to the registries and participants.

c) After posting into the system, verifications are carried out to ensure that balances are correctly updated by new validations or transactions posted. The balances of securities recorded in the system of CDS are reconciled with the figures (balances of securities held in the name of CDS) provided by registries, after the processing of each deposit and withdrawal.

d) All operations like deposits, withdrawals, transfers, pledges and trade amendments involve at least two CDS staff for control purposes. One person executes the function while the other verifies whether the function has been correctly executed.

e) A concurrent audit is carried out to ensure that all transactions are backed up by relevant instructions and source documents.

f) A series of automated tests are performed by the Systems Department to verify the integrity of the database on a daily basis.

ANTI-MONEY LAUNDERING (AML) AND COMBATING THE FINANCING OF TERRORISM (CFT) MEASURES

To ensure strict compliance with the Financial Intelligence and Anti-Money Laundering Act 2002 and the Financial Intelligence and Ant-Money Laundering Regulations 2018, the CDS conducted a Business Risk Assessment (BRA) to identify and assess the Money Laundering and Terrorism Financing risks faced by the Company. The BRA document was approved by the Board of CDS on 28th October 2022 and amended in May 2025 to take into consideration the findings of the Second Money Laundering and Terrorist Financing National Risk Assessment Report published in May 2025. A customer risk assessment for the bucket of participants of CDS that are all licensees of the Financial Services Commission (investment dealers and custodian banks) and are located in Mauritius, was carried out in May 2023. No changes were required to the customer risk assessment following the publication of the Second Money Laundering and Terrorist Financing National Risk Assessment Report in May 2025. The existing AML-CFT Policies, Procedures and Controls were also compiled into a single manual and are based on the assessment of the Money Laundering and Terrorism Financing risks faced by the CDS as set out in the BRA document. The AML-CFT manual was approved by the Board of CDS on 28th October 2022, and was amended in: May 2023; June 2023; and January 2025. The Compliance Officer submits an AML-CFT Compliance Report to the Audit Committee and the Board on an annual basis.

EXTERNAL AUDIT OF THE SYSTEM OF INTERNAL CONTROLS ON OPERATIONS

The suitability and effectiveness of the system of internal controls are reviewed by external independent auditors on an annual basis. The external auditors conduct an operations audit at the same time. The scope of the operations audit has been extended to include the review and verification of the adequacy and effectiveness of the AML-CFT measures taken by CDS in accordance with the Financial Intelligence and Anti-Money Laundering Act and the Financial Intelligence and Anti-Money Laundering Regulations. For the year ended 30th June 2025, the auditors, on the basis of the audit tests carried out, concluded that the system of internal controls of the CDS operated effectively and responded properly to the current environment. No exceptions were found by the auditors during the audit of the system of internal controls on operations. The certificate of the auditors is included in the Annual Report.

INTERNAL AUDIT OF OPERATIONS AND SYSTEMS DEPARTMENTS

The Secretary of the Business Conduct Committee conducts monthly internal audits of the functions performed by the Operations and Systems Departments of the CDS. The objective of these internal audits is to verify whether adequate control procedures are in place and also whether the CDS Rules and Procedures are complied with when performing the different functions. The results of these internal audits are reviewed by the Business Conduct Committee. No material exceptions were found by the internal auditor during the year under review.

IT SECURITY POLICY

The CDS ensures that its IT systems are secure (that is, has access controls; is equipped with adequate safeguards to prevent external intrusion; and provides audit trails), reliable and have sufficient capacity to handle expected volume growth. The CDS has implemented an IT Security Policy that defines the responsibilities relating to the management of the IT systems of the CDS and the procedures to be followed by employees of the Company as well as by remote users (investment dealers, custodian banks, Financial Services Commission, Bank of Mauritius and registries) when using the IT systems of the Company. The IT Security Policy is regularly updated to keep pace with latest developments regarding information security.

The CDS system has industry-standard security features like:

- User and Role Based Access Control (users have access to the different functions available in the system based on their respective roles)
- Password controls
- Auditing features at application, operating system and database levels

At the application level, the system maintains the history of all transactions carried out. Every event that changes a balance in a securities account is recorded as a ledger entry. These ledger entries are visible in the client balance inquiry screen giving a complete transaction history. In addition any changes made to investor, security and participant details are logged and are viewable in the form of an audit trail.

The system maintains log files that contain an audit trail of all activities and functions performed on the system as well as transactions processed. These log files are verified on a daily basis.

The Stock Exchange of Mauritius Ltd (SEM) has outsourced its IT function to CDS since January 2001. This includes the technical management of the Automated Trading System (ATS). SEM and CDS have renewed the IT Outsourcing Agreement where the service provided by CDS is clearly defined, for a further period of three years. The objective of the outsourcing is to achieve costs savings and synergies for both companies.

Investment Dealers, custodian banks, the Financial Services Commission, the Bank of Mauritius and registries use the same network and telecommunications lines to access the ATS and CDS systems. Both systems run on separate servers on the same network.

Software enhancements, modifications and additions are thoroughly tested before implementation in the live environment. A formal Change Management Procedure is in place at CDS.

No breach of the IT Security Policy was observed during the year under review and the Change Management Procedure was followed for all changes that were made to the systems during 2024-2025.

IT SECURITY AUDIT

Independent external auditors with specific expertise in IT security perform a security audit of the IT systems of the CDS and SEM, once every two years. The scope of the security audit is as follows:

- Review of Security Policy
- Review of the network architecture
- Security audit of the network components like routers, firewall, switches, etc.
- Security audit of the Solaris and Windows servers and Oracle databases
- Internal vulnerability assessment
- Verifying the VPN and Wireless connections
- Non-intrusive external penetration testing
- Verification of mySEM web application and mobile app
- Review of Disaster Recovery Planning
- Verifications of PCs on our LAN

The last IT security audit was conducted in April-June 2025. In their report, the auditors have stated that the IT environment of SEM and CDS is well secured from both internal and external threats. Several security controls ranging from information security policies regulating end user actions to technological solution such as firewalls have been put in place to safeguard the SEM and CDS IT ecosystem. The auditors performed internal vulnerability assessment and external penetration testing but were not able to penetrate inside SEM / CDS network. Furthermore, they noted that recommendations made during past assessments have been effectively implemented to further enhance the security posture of the SEM / CDS IT environment. As part of their review, the auditors also performed configuration review of operating systems, databases, network devices and Microsoft 365, and noted that these have been appropriately configured in line with leading practices. They also reviewed SEM / CDS existing Work From Home (WFH) environment and did not find any issues of concern. The disaster recovery procedures are tested regularly to ensure a timely resumption of services following a major incident or disaster. Their vulnerability assessment and penetration testing did not reveal weaknesses which may lead to the direct compromise of the SEM/CDS IT infrastructure. The auditors have made recommendations regarding improvement opportunities which can be incorporated in the current IT environment. These recommendations will be implemented within the next two financial years depending on criticality.

DISASTER RECOVERY PLAN

The CDS has in place a Disaster Recovery Plan (DRP) to cater for various scenarios. The DRP covers both preventive and corrective measures that will enable CDS to deal with various types of disasters that can disrupt normal systems operation. The physical environment includes UPS, backup generator, automatic fire extinguishing system and access control to the computer room. A back-up server maintains a mirror image of the database on the main server. In the event of a problem with the main server, the back-up server takes over within 10 minutes, without physical intervention at Participants' sites. In the event of a major disaster that causes the CDS site to be unavailable, systems and business operations will be restored at the DR site within 2 hours. Prevention of loss of data is achieved through the implementation of redundant and cyclical backup tapes that are stored both on-site and off-site. Backup to tapes is performed four times a day.

During 2024–2025, three simulations of the DRP were successfully performed on the following respective dates: 11th October 2024; 24th January 2025; and 20th June 2025. The simulation performed on 11th October 2024 involved the participation of investment dealers, custodian banks as well as SEM and CDS personnel. During the last simulation, it took 2 hours to restore the ATS and CDS systems at the DR site.

There was no systems downtime during 2024 – 2025.

FINANCIAL CONTROLS

The system of internal controls of the Finance and Administration department is made up of a series of regular reports to the Board as well as authorization controls. They are as follows:

- The management presents a detailed capital and expenditure budget as well as revenue estimates for review and approval by the Audit Committee and the Board of Directors prior to the start of the financial year;
- The management presents monthly management accounts with detailed explanations on variances to budgeted figures to the Board;
- Authorised signatories for payments and bank transactions consist of two mandatory signatures (one from each of the following two groups: Managing Director/Finance Manager; and Directors).

The Board controls financial matters by receiving and reviewing detailed management accounts at regular and short intervals (monthly). Payments, banking and other financial transactions for amounts higher than Rs 100,000 cannot be made without the authorization of one non-executive director.

INVESTMENT COMMITTEE

Investments decisions are made within guidelines determined by the Investment Committee. The Company's funds are generally invested in low-risk fixed income instruments (fixed deposits at banks and other deposit taking institutions; and government securities). The main risks to which such investments are exposed are credit risk (the possibility that the deposit taking institution will default by failing to pay principal and interest in a timely manner) and interest rate risk. The investment guidelines seek to minimize credit risk by limiting the percentage of total funds that can be invested at a specific institution. The investment guidelines provide for investment in other instruments subject to the approval of the Investment Committee.

REVIEW OF FINANCIAL CONTROLS

Given the financial control measures that have been implemented and considering the small size of the Company, the Board has decided in the past that it is not deemed necessary to implement an internal financial audit function at the CDS. At the request of the Audit Committee, as from 2013 the external auditors carry out an annual review of the financial controls of the Company and submit a report on their findings. In their report for the year under review, the auditors have stated that they are of the opinion that the financial control processes of the Company that were reviewed are adequate and that they have not observed any issues of concern.

SUSTAINABILITY-RELATED RISKS

In general, central depositories are exposed to the following sustainability-related risks:

1. **Regulatory and Compliance Risks:** Changes in sustainability regulations can impose compliance burdens on central depositories. Failure to comply with environmental, social, and governance (ESG) regulations can result in legal and financial penalties.

2. **Operational Risks:** Climate change and extreme weather events can disrupt operations, especially if the physical infrastructure of a central depository is affected. This can result in operational downtime and financial losses.

3. **Reputation Risks:** Failure to address ESG issues or being associated with companies involved in controversial practices can harm the reputation of a central depository. This can lead to a loss of trust and business.

4. **Cybersecurity Risks:** As central depositories rely heavily on technology, they are vulnerable to cyberattacks. A cyberattack on a central depository can result in financial losses and loss of trust, impacting sustainability performance.

5. **Market Risks:** ESG considerations are increasingly influencing investment decisions. Failure to adapt to changing market trends may affect the market share and revenue of a central depository.

Operational and cybersecurity risks are catered for in the existing risk management framework of CDS. Other ESG measures taken by CDS (protection of the environment, labour practices, community engagement, governance, transparency and ethical conduct etc.) are set out in the Corporate Governance Report.

DIRECTORS' REPORT

FINANCIAL STATEMENTS, INTERNAL CONTROL AND RISK MANAGEMENT

Company law requires directors to prepare financial statements for each financial year which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and errors, as well as an effective risk management system.

The Audit Committee has discussed the accounting principles and policies with the auditors at is meeting held on 20th June 2025.

AUDITORS' REMUNERATION

The fees (exclusive of VAT) payable to PKF (Mauritius) for the year ended 30th June 2025 are as follows:

Financial audit	- Rs 262,000
Operations audit	- Rs 88,000
Audit of Risk Management Report	- Rs 37,000
Annual income tax	- Rs 26,000
Financial control review	- Rs 56,000
Corporate Governance review	- Rs 24,000
AML-CFT Policies & Procedures	- Rs 30,000
Total	Rs 523,000

APPOINTMENT OF AUDITORS

The auditors, PKF (Mauritius), have expressed their willingness to continue in office. In accordance with Section 195 of the Companies Act 2001, a resolution for their re-appointment as auditors of the Company will be proposed at the annual meeting. There was a rotation of audit partner in 2024.

APPROVAL OF AUDITED FINANCIAL STATEMENTS

The audited financial statements of CDS which are set out from pages 44 to 76 of the Annual Report were approved by the board of directors on 29th August 2025

Aruna Radhakeesoon	Vipin Mahabirsingh
Chairperson	Managing Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements set out on pages 44 to 76 which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of, in all material respects, the financial position of the Company as at 30 June 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

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

Other information

The directors are responsible for the other information. The other information comprises the Corporate Information, the Chairperson's and Managing Director's Report, the Financial Highlights, the Statistics on Operations, the Corporate Governance Report, the Risk Management Report, the Directors' Report, the Company Secretary's Certificate and the Profile of Management Team. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, 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 Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is 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 management 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Conclude on the appropriateness of management'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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

Report on Other Legal and Regulatory Requirements

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

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors and tax advisors;
- 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 it appears from our examination of those records.

Securities Act 2005

In accordance with Section 20(4) of the Securities Act 2005, we have reviewed the Risk Management Report of the Company and in our opinion, it gives a true and fair view of the risk management procedures and their application for the year ended 30 June 2025.

Financial Reporting Act 2004

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

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

PKF (MAURITIUS)
PUBLIC ACCOUNTANTS
Port Louis
MAURITIUS
Date 29th August 2025

MICHAEL V K LO TIAP KWONG, FCCA
(Licensed by FRC)

STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

ASSETS	NOTES	2025 Rs'000	2024 Rs'000
Non-current assets			
Property, plant and equipment	(5)	19,197	14,734
Investments	(6)	281,128	249,388
Intangible assets	(7)	74	93
Trade and other receivables	(8)	18,735	11,530
Retirement benefit asset	(10)	2,094	61
		321,228	275,806
Current assets			
Inventories		193	234
Trade and other receivables	(8)	10,774	12,305
Deposits and cash balances		41,256	65,191
		52,223	77,730
TOTAL ASSETS		373,451	353,536
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	(9)	15,000	15,000
Retained earnings		315,739	297,958
Total equity		330,739	312,958
Non-current liabilities			
Retirement benefit obligations	(10)	1,027	1,171
Deferred tax liabilities	(11)	1,868	1,089
		2,895	2,260
Current liabilities			
Trade and other payables	(12)	17,730	18,139
Current tax liabilities	(11)	1,537	574
Dividend payable	(15)	20,550	19,605
		39,817	38,318
TOTAL LIABILITIES		42,712	40,578
TOTAL EQUITY AND LIABILITIES		373,451	353,536

These financial statements were approved by the Board of Directors & authorised for issue on 29th August 2025 and signed on its behalf by:

ARUNA RADHAKEESOON
CHAIRPERSON

VIPIN Y.S. MAHABIRSINGH
MANAGING DIRECTOR

The notes on pages 48 to 76 form an integral part of these financial statements.
Auditors' Report on pages 40 to 43.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	NOTES		2025 Rs'000	2024 Rs'000
Revenue	(3(b))		61,774	51,880
Other income	(13(a))		20,851	20,277
			82,625	72,157
Administrative expenses			(36,838)	(32,837)
Operating profit			45,787	39,320
Contribution to guarantee fund			(23)	(21)
Finance costs	(14)		(111)	(95)
PROFIT BEFORE TAXATION			45,653	39,204
Taxation	(11)		(7,060)	(5,572)
Corporate climate responsibility			(873)	(739)
Corporate social responsibility			(739)	(690)
PROFIT FOR THE YEAR			36,981	32,203
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain on Retirement benefit obligations	(10)		1,627	2,951
Deferred tax on net actuarial gain	(11)		(277)	(502)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			38,331	34,652
Dividends	(15)		(20,550)	(19,605)
RETAINED COMPREHENSIVE INCOME FOR THE YEAR			17,781	15,047
EARNINGS PER SHARE	(16)	Rs.	255.54	231.01

The notes on pages 48 to 76 form an integral part of these financial statements.
Auditors' Report on pages 40 to 43.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	STATED CAPITAL Rs'000	RETAINED EARNINGS Rs'000	TOTAL EQUITY Rs'000
BALANCE AT 1ST JULY 2023	15,000	282,911	297,911
Total comprehensive income for the year	-	34,652	34,652
Dividends	-	(19,605)	(19,605)
BALANCE AT 30TH JUNE 2024	15,000	297,958	312,958
BALANCE AT 1ST JULY 2024	15,000	297,958	312,958
Total comprehensive income for the year	-	38,331	38,331
Dividends	-	(20,550)	(20,550)
BALANCE AT 30TH JUNE 2025	15,000	315,739	330,739

The notes on pages 48 to 76 form an integral part of these financial statements.

Auditors' Report on pages 40 to 43.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	NOTES	2025 Rs'000	2024 Rs'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		45,653	39,204
Adjustments for:			
Corporate social responsibility		(739)	(690)
Corporate climate responsibility		(873)	(739)
Actuarial gain on defined benefit pension plan and gratuities		1,627	2,951
Depreciation	(5)	1,259	1,589
Amortisation	(7)	19	7
Profit on disposal		(1,584)	-
Decrease/(Increase) in fair value of investments		1,349	(1,982)
Interest income		(12,346)	(11,603)
Investment income		(1,266)	(1,181)
Retirement benefit obligations		(2,177)	(2,831)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		30,922	24,725
Decrease in inventories		41	151
(Increase)/decrease in trade and other receivables		(4,975)	917
(Decrease)/increase in trade and other payables		(409)	3,403
CASH GENERATED FROM OPERATING ACTIVITIES		25,579	29,196
Tax paid		(5,594)	(5,046)
NET CASH GENERATED FROM OPERATING ACTIVITIES		19,985	24,150
CASH FLOWS FROM INVESTING ACTIVITIES			
Net movement in investment in financial assets		(33,089)	(22,116)
Purchase of property, plant and equipment	(5)	(5,724)	(1,232)
Purchase of intangible assets	(7)	-	(94)
Proceeds from disposal		1,586	-
Interest received		11,646	8,522
Dividend received		1,266	1,181
NET CASH USED IN INVESTING ACTIVITIES		(24,315)	(13,739)
CASH FLOWS FROM FINANCING ACTIVITY			
Dividend paid		(19,605)	(15,675)
NET CASH USED IN FINANCING ACTIVITY		(19,605)	(15,675)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(23,935)	(5,264)
Cash and cash equivalents at beginning of year		65,191	70,455
Cash and cash equivalents at end of year		41,256	65,191
ANALYSIS OF CASH AND CASH EQUIVALENTS:			
Deposits and cash balances		41,256	65,191

The notes on pages 48 to 76 form an integral part of these financial statements.

Auditors' Report on pages 40 to 43.

1. GENERAL INFORMATION

Central Depository & Settlement Co. Ltd is a private company incorporated in Mauritius. Its registered office is situated at 4th floor, One Cathedral Square building, 16 Jules Koenig Street, Port Louis.

The main activities of the company are to provide depository, clearing and settlement services in order to facilitate dealings in securities.

2. ADOPTION OF NEW AND REVISED STANDARDS

(i) New and amended standards and interpretations adopted during the year

The accounting policies adopted are consistent with those of the previous financial year except that the Company has adopted the following Standards (amendments) as of 01 July 2024:

- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments

The effects of these standards (amendments) have been described below:

Non-current Liabilities with Covenants (Amendments to IAS 1)

The amendments states that an entity does not have the right to defer settlement of a liability and thus classifies the liability as current when the entity would not have complied with covenants based on its circumstances at the reporting date, even if compliance with such covenants were tested only within twelve months after that date.

The amendments issued clarify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases

The amendments confirm the following.

On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.

After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

2. ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments

The amendments introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk.

These amendments did not impact on the Company's financial position or performance.

(ii) New standards, amendments and interpretations issued but not yet effective

Standards, amendments and interpretations issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards, amendments and interpretations issued, which the Company reasonably expects to be applicable at a future date.

	Effective for accounting period beginning on or after
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
Financial Instruments: Disclosures - Amendments regarding the classification and measurement of financial instruments (Amendments to IFRS 7 and IFRS 9)	1 January 2026
Presentation and Disclosures in Financial Statements - Original issue (IFRS 18)	1 January 2027
Subsidiaries without Public Accountability: Disclosures – Original issue (IFRS 19)	1 January 2027

The directors anticipate that the adoption of these standards, amendments and interpretations in future years will have no material impact on the financial statements of the Company.

Lack of Exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Financial Instruments: Disclosures - Amendments regarding the classification and measurement of financial instruments (Amendments to IFRS 7 and IFRS 9)

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.

Presentation and Disclosures in Financial Statements - Original issue (IFRS 18)

IFRS 18 sets out overall requirements for the presentation and disclosure in financial statements. It requires an entity to present a complete set of financial statements at least annually, with comparative amounts for the preceding year (including comparative amounts in the notes). It replaces IAS 1 Presentation of Financial Statements. The IASB did not reconsider all aspects of IAS 1 when developing IFRS 18, but instead focused on the statement of profit or loss.

Subsidiaries without Public Accountability: Disclosures – Original issue (IFRS 19)

An entity electing to apply IFRS 19 applies the requirements in other IFRS Accounting Standards, except for the disclosure requirements. Instead of the disclosure requirements, the entity applies the requirements in IFRS 19.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements have been consistently applied to all years presented, unless otherwise stated and are set out below:

(a) Basis of preparation

The financial statements comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). Where necessary, comparative figures have been amended to conform with change in presentation and disclosure in the current year. The financial statements are prepared on a going concern basis, under the historical cost convention unless otherwise stated.

(b) Revenue Recognition

Revenue from contracts with customers

The Company recognises revenue from contracts with customers based on a five-step model as set out in 'IFRS 15 – Revenue from Contracts with Customers' as follows:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and set out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(b) Revenue Recognition (Cont'd)

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes all of the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where any of the above conditions are not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

The revenue of the Company for the year has been recognised at a point in time upon performance of services, net of Value Added Tax.

Other income earned by the company is recognised on the following basis:

(i) Interest Income - using the effective interest method.
(ii) Dividend Income - when the shareholder's right to receive payment is established.
(iii) IT Facilities Management fees - as it accrues.
(iv) Registry Software fees - as it accrues.
(v) ISIN Service fees - as it accrues.

(c) Property, Plant and Equipment

Property, Plant and Equipment is stated at historical cost less accumulated depreciation.

Depreciation is calculated so as to write off the cost of assets by equal instalments to their expected residual values over their estimated useful lives as follows:

Office Premises	50 years
Office furniture & Equipment	5 years
Computer Equipment	5 years
Motor Vehicles	5 years

The assets' estimated residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

When the carrying amount of an asset is greater than that its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of Property, Plant and Equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(d) Intangible Assets

Computer software

Intangible assets (Application Software) were capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised at the rate of 7.69% per annum for a period of 13 years.

Development Costs

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the Company and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs.

Other computer software recognised as assets are amortised over their estimated useful lives (5 years).

(e) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

Inventories representing stationery and CDS Forms are stated at cost. Cost is determined on the first-in first-out (FIFO) method.

(f) Taxation

Income taxation for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Corporate Social Responsibility (CSR)

The Corporate Social Responsibility (CSR) is calculated at 2% of its previous year's chargeable income.

Corporate Climate Responsibility (CRR)

The Corporate Climate Responsibility (CCR) levy is applied at 2% on chargeable income for the year.

Deferred Tax

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

(g) Employee Benefits

Defined benefit pension plan

The company contributes to a pension scheme which is a 'Defined Benefit' plan.

The present value of funded obligations is recognised in the statement of financial position as a non-current liability after adjusting for the fair value of plan assets, any recognised actuarial gains and losses and any unrecognised past service cost. The valuation of these obligations is carried out annually by a firm of consulting actuaries.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(g) Employee Benefits (Cont'd)

Defined benefit pension plan (Cont'd)

Remeasurement for the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The current service cost and any recognised past service cost are included as an expense together with the associated interest cost, net of expected return on plan assets.

Residual Retirement Gratuities

For employees who are insufficiently covered by the above pension plan, the net present value of gratuity on retirement payable under the Workers Rights Act (WRA) 2019 is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

(h) Provisions

Provisions are recognised when the company has a present or constructive obligation as a result of past events and it is probable that it will result in an outflow of economic benefits that can be reasonably estimated to settle the obligation.

(i) Stated capital

Ordinary shares are classified as equity.

(j) Foreign Currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates ("functional currency").

The financial statements are presented in Mauritian rupees, which is the company's functional and presentation currency.

(ii) Transactions and balances

Transactions denominated in foreign currencies are translated in Mauritian rupees at the rates ruling at the transactions dates. Monetary assets and liabilities which are expressed in foreign currencies are translated into Mauritian rupees at the rates ruling at reporting date. Resulting gains or losses are transferred to the statement of profit or loss and other comprehensive income.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(k) Related Parties

For the purpose of these financial statements, parties are considered to be related to the company if they have the ability, directly or indirectly, to control the company or exercise significant influence over the company in making financial and operating decisions, or vice versa, or where the company is subject to common control or common significant influence. Related parties may be individuals or other entities.

(l) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

(m) Financial instruments

Classification of financial assets

Initial recognition

On initial recognition, a financial asset is classified as measured at (i) amortised cost, (ii) Fair Value through Other Comprehensive Income (FVOCI) or (iii) Fair Value through Profit or Loss (FVTPL).

(i) Financial assets measured at amortised cost:

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL;

- It is held within a business model whose objective is to hold the financial assets to collect contractual cash flows; and

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(m) Financial instruments (Cont'd)

Classification of financial assets (Cont'd)

(i) Financial assets measured at amortised cost (Cont'd):

For the year ended 30 June 2025, the Company held financial assets listed below at amortised cost:

(a) Investments in fixed deposits

Investments are financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity. They are measured at amortised cost, less any impairment loss. The interest accrued is recorded as interest income in the statement of profit or loss and other comprehensive income.

(b) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. The amount of impairment loss is recognised in the statement of profit or loss and other comprehensive income.

(c) Cash and cash equivalents

Cash includes balances with banks. Cash equivalents are short-term, highly liquid assets which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

(ii) Financial assets measured at FVOCI:

- Debt Instruments: Debt Instruments may be classified as at FVOCI, where the contractual cash flows are solely for payments of principal and interest on the outstanding principal, and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling the underlying financial assets.

- Equity Instruments: In case of equity instruments which are not held for trading or designated at FVTPL, the Company may irrevocably elect to recognise subsequent changes in other comprehensive income. This election is made on an investment-by-investment basis.

For the year ended 30 June 2025, the Company did not hold financial assets which are classified as measured at FVOCI.

(iii) Financial assets measured at FVTPL:

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial assets are classified as measured at FVTPL.

For the year ended 30 June 2025, the Company held investment in financial assets which are classified as measured at FVTPL.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(m) Financial instruments (Cont'd)

(iii) Financial assets measured at FVTPL: (Cont'd)

Investment in financial assets

The investment in funds and their performance are evaluated on a fair value basis measured at FVTPL because they are neither held to collect contractual cash flows, nor held both to collect contractual cash flows and to sell financial assets. The only cash flows to be received are dividend payments which are not contractual and are dependent upon the performance of the funds.

Business model assessment

The Company makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the frequency, volume and timing of trades of financial assets in prior periods, the reasons for such trades and its expectations about the future trading activity. However, information about trading activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized;
- how the performance of the portfolio is evaluated and reported to the management; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows, nor held both to collect contractual cash flows and to sell financial assets.

Assessments whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the outstanding principal.

In assessing whether the contractual cash flows are solely payments of principal and interest on the outstanding principal, the Company considers the contractual terms of the instruments. This includes assessing whether the financial asset contains contractual terms that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing such financial assets.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(m) Financial instruments (Cont'd)

Business model assessment (Cont'd)

Derecognition of financial assets

Any cumulative gain/loss recognised in the statement of other comprehensive income in respect of an equity instrument designated as FVOCI is reclassified to retained earnings upon derecognition.

Impairment of financial assets

IFRS 9 replaced the 'incurred loss' model followed under IAS 39 with the forward-looking 'expected credit losses' ('ECL') model. Assessing how changes in economic factors affect ECL requires considerable judgement. ECL are determined on a probability-weighted basis.

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

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

For amounts due from related parties, the Company applies general approach in calculating ECLs. The Company applies loss allowance at a rate equal to 12-months ECL since the credit risk on amounts due from related parties has not increased significantly since initial recognition. 12-months 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.

In certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Classification of financial liabilities

Initial recognition

Financial liabilities are classified, at initial recognition (i) at amortised cost or (ii) at FVTPL, or (iii) as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, wherever applicable.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(m) Financial instruments (Cont'd)

Classification of financial liabilities (Cont'd)

Financial liabilities at FVTPL:

Financial liabilities at FVTPL including financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL, shall be measured at fair value. For the year ended on 30 June 2025, the Company has not designated any financial liability as FVTPL.

Other financial liabilities

After initial recognition, these are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisitions and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

The Company has no derivatives designated as hedging instruments as at 30 June 2025. Hence, all other financial liabilities are classified at amortised cost.

Trade and other payables

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

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

Offsetting of financial instruments

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

(n) Comparatives

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material ajustment to the carrying amounts of assets and liabilities within the next financial year and areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements are listed below.

Property, plant and equipment and Intangible assets

The cost of the property, plant and equipment and intangible assets are depreciated and amortised over the estimated useful life of the asset. The estimated useful life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors. Management has not considered any residual value as it is deemed immaterial.

Retirement benefit obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using various assumptions that may differ from actual developments in future. The assumptions used include the discount rate, future salary increases, mortality rates and future pension increases. Changes in these assumptions will impact the carrying amount of the pension obligation.

The company determines the appropriate discount rate at each reporting date after discussions with the actuaries. In determining the appropriate discount rate, management considers the yield curve for government bonds traded on secondary market that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the expected term of the related pension obligation.

Income tax expense

Income tax expense comprises current tax and deferred tax. Current tax is expected tax payable on the taxable income for the year using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous year. Deferred tax is provided using the liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except differences relating to the initial recognition of assets or liabilities which affect neither accounting nor taxable profit.

Deferred tax is calculated on the basis of the tax rates currently enacted.

A deferred tax asset is based upon whether it is probable that future taxable profits will be available against which the asset can be utilised. Recognition, therefore, involves judgement regarding the future financial performance of the Company.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Calculation of loss allowance

When measuring expected credit loss the company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring expected credit loss. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

5. PROPERTY, PLANT AND EQUIPMENT

	OFFICE PREMISES	OFFICE FURNITURE & EQUIPMENT	COMPUTER EQUIPMENT	MOTOR VEHICLES	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At 1st July 2023	16,744	6,045	15,848	4,359	42,996
Additions	-	19	1,213	-	1,232
At 30th June 2024	16,744	6,064	17,061	4,359	44,228
Additions	-	74	39	5,611	5,724
Disposal	-	-	-	(4,358)	(4,358)
At 30th June 2025	16,744	6,138	17,100	5,612	45,594
DEPRECIATION					
At 1st July 2023	4,256	5,870	14,259	3,520	27,905
Charge for the year	335	85	332	837	1,589
At 30th June 2024	4,591	5,955	14,591	4,357	29,494
Charge for the year	335	62	404	458	1,259
Disposal adjustment	-	-	-	(4,356)	(4,356)
At 30th June 2025	4,926	6,017	14,995	459	26,397
NET BOOK VALUES					
At 30th June 2025	11,818	121	2,105	5,153	19,197
At 30th June 2024	12,153	109	2,470	2	14,734

6. INVESTMENTS

	2025 Rs'000	2024 Rs'000
At amortised cost:		
Maturity falling:		
- Between two to five years	237,433	204,345
- After five years	-	-
	237,433	204,345
At FVTPL:		
Investment in funds:		
Opening balance	45,043	43,061
(Decrease)/increase in fair value	(1,348)	1,982
Closing balance	43,695	45,043
Total Investments	281,128	249,388

The investments at amortised cost bear interest at rates ranging from 2.70% to 6.60% p.a. (2024: 2.50% to 6.60% p.a.)
These investments will mature in the financial years 2027 to 2030.

The investment in funds are valued on a fair value basis using the Net Asset Value method. Dividend payments may be received depending upon the performance of the funds.

7. INTANGIBLE ASSETS

	APPLICATION SOFTWARE Rs'000	DEVELOPMENT COSTS Rs'000	TOTAL Rs'000
COST			
At 1st July 2023	6,996	250	7,246
Additions	94	-	94
At 30th June 2024	7,090	250	7,340
Additions	-	-	-
At 30th June 2025	7,090	250	7,340
AMORTISATION			
At 1st July 2023	6,990	250	7,240
Charge for the year	7	-	7
At 30th June 2024	6,997	250	7,247
Charge for the year	19	-	19
At 30th June 2025	7,016	250	7,266
NET BOOK VALUES			
At 30th June 2025	74	-	74
At 30th June 2024	93	-	93

8. TRADE AND OTHER RECEIVABLES

	Current		Non-current	
	2025	2024	2025	2024
	Rs'000	Rs'000	Rs'000	Rs'000
Trade receivables	6,202	1,381	-	-
Prepayments	1,902	1,502	-	-
Amount due from holding company	132	548	-	-
Interest receivable	1,892	8,521	17,228	9,901
Other receivables	646	353	1,507	1,629
	10,774	12,305	18,735	11,530

The average credit period on sales of services is 1 month. No interest was charged on the trade receivables. The company does not hold any collateral as security.

Before accepting any new customer, the Company assesses the potential customer's credit quality.

The directors believe that no provision for impairment is required as at 30th June 2025 because most of the trade receivables have been recovered after year end.

The amount due from holding company is unsecured, interest free and receivable on demand.

	2025	2024
Ageing of past due but not impaired	Rs'000	Rs'000
Less than 1 month	5,255	1,350
More than 1 month	947	31
	6,202	1,381

9. STATED CAPITAL

	ISSUED & FULLY PAID	
	2025	2024
	Rs'000	Rs'000
150,000 Ordinary Shares of Rs 100 each	15,000	15,000

The holding of an ordinary share in the company shall confer on the holder:

(a) the right to vote at meetings of shareholders and on a poll to cast one vote for each share held;
(b) the right to an equal share in dividends and other distributions made by the company; and
(c) the right to an equal share in the distribution of the surplus assets of the company on its liquidation.

10. RETIREMENT BENEFIT (ASSETS)/ OBLIGATIONS

The benefits of employees fall under 2 different types of arrangements:

(i) A defined benefit scheme which is funded. The plan assets are held independently by a pension fund.
(ii) A residual gratuity for employees in line with the requirements of the Workers Rights Act (WRA) 2019.

	2025	2024
	Rs'000	Rs'000
Pension Scheme asset	(2,094)	(61)
Residual Retirement Gratuties obligations	1,027	1,171
Retirement benefit (asset)/obligations	(1,067)	1,110
Actuarial gain on defined benefit pension plan	1,364	4,060
Actuarial gain/(loss) on Residual Retirement Gratuities	263	(1,109)
Total actuarial gain recognised in other comprehensive income	1,627	2,951

Pension Scheme

The amounts recognised in the statement of financial position are determined as follows:

	2025	2024
	Rs'000	Rs'000
Present value of defined benefit obligation	57,049	54,890
Fair value of plan assets	(59,143)	(54,951)
Asset in the statement of financial position	(2,094)	(61)

The amounts recognised in the Statement of profit or loss and other comprehensive income are as follows:

	2025	2024
	Rs'000	Rs'000
Current service cost	1,943	1,941
Net Interest expense	(75)	166
Fund expenses	-	554
P&L Charge	1,868	2,661
Liability gain	(2,309)	(1,880)
Assets loss/(gain)	944	(2,180)
Total comprehensive income/ (loss) relating to retirement benefit Assets.	503	(1,399)

Movements in the (asset)/liability recognised in the Statement of financial position:

	2025	2024
	Rs'000	Rs'000
Opening balance	(61)	3,941
Amount recognised in P&L	1,868	2,661
Contributions paid by employer	(2,537)	(2,603)
Amount recognised in OCI	(1,364)	(4,060)
Closing balance	(2,094)	(61)

10. RETIREMENT BENEFIT (ASSETS)/ OBLIGATIONS (CONT'D)

The principal actuarial assumptions used were as follows:	2025	2024
Discount rate	6.10%	5.70%
Future salary increases	3.50%	3.50%
Future pension increases	1.90%	1.90%

Sensitivity

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the period, while holding all other assumptions constant.

	2025	2024
	Rs'000	Rs'000
Effect on present value of defined benefit obligation		
Decrease due to 1% increase in discount rate	7,900	8,300
Increase due to 1% decrease in discount rate	9,800	10,400
Increase due to 1% increase in salary increase rate	3,600	4,000
Decrease due to 1% decrease in salary increase rate	3,200	3,600

	2025	2024
	Rs'000	Rs'000
Reconciliation of the present value of defined benefit obligation		
Present value of obligation at start of year	54,890	52,593
Current service cost	1,943	1,941
Interest cost	3,113	2,977
Benefits paid	(588)	(741)
Liability (gain)/loss due to change in financial assumptions	(3,671)	1,064
Liability experience loss/(gain) during the period	1,362	(2,944)
Present value of obligation at end of year	57,049	54,890
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of year	54,951	48,652
Interest income	3,187	2,810
Employer contributions	2,537	2,603
Benefits paid	(588)	(1,294)
Return on plan assets excluding interest income	(944)	2,180
Fair value of plan assets at end of year	59,143	54,951
Actual return on plan assets	2,243	4,990
Weighted average duration of the defined benefit obligation (years)	16	17

Distribution of plan assets at end of year

The assets of the scheme are invested in local and overseas equity (quoted), and local and overseas debt (quoted and unquoted).

10. RETIREMENT BENEFIT (ASSETS)/ OBLIGATIONS (CONT'D)

History of obligations, assets and experience adjustments

	2025 Rs'000	2024 Rs'000
Fair value of plan assets	59,143	54,951
Present value of defined benefit obligation	(57,049)	(54,890)
Asset	2,094	61
Asset experience (loss)/gain during the year	(944)	2,180
Liability experience gain during the year	2,309	1,880

Residual Retirement Gratuities

	2025 Rs'000	2024 Rs'000
Amounts recognised in SOFP at end of year:		
Defined benefit obligation	1,027	1,171
Fair value of plan assets	-	-
Liability recognised in SOFP at end of year	1,027	1,171
Amounts recognised in SOCI:		
Service cost:		
Current service cost	53	62
Net Interest expense/ (income)	66	-
P&L Charge	119	62
Remeasurement		
Liability (gain)/ loss	(263)	1,109
Assets (gain)/loss	-	-
Total Other Comprehensive Income (OCI) recognised	(263)	1,109
Total	1,027	1,171
Movements in liability recognised in SOFP:		
At start of year	1,171	-
Amount recognised in P&L	119	62
Amount recognised in OCI	(263)	1,109
At end of year	1,027	1,171

The Company's SOFP reflects a net defined liability of Rs 1,027,367 as at 30 June 2025 in respect of any residual retirement gratuities expected to be paid to its employees out of Company cashflow as per the Workers' Rights Act 2019.

10. RETIREMENT BENEFIT (ASSETS)/ OBLIGATIONS (CONT'D)

Reconciliation of the present value of defined benefit obligation

Present value of obligation at start of year	1,171	-
Interest cost	66	-
Current service cost	53	62
Liability loss due to change in financial assumptions	(88)	1,025
Liability experience loss during the year	(175)	84
Present value of obligation at end of year	1,027	1,171
Weighted average duration of the defined benefit obligation (years)	21	21

The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used were as follows:

	2025	2024
Discount rate	6.10%	5.70%
Future salary increases	3.50%	3.50%
Mortality before retirement	Nil	Nil
Post retirement mortality table	PA(90) rated down by 2 years	PA(90) rated down by 2 years
Normal Retirement Age (NRA) (Years)	65	65

Sensitivity

The sensitivity analysis below have been determined based reasonably on possible changes of the assumptions occuring at the end of the reporting year.

	2025	2024
	Rs'000	Rs'000
Increase due to 1% decrease in discount rate	237	274
Decrease due to 1% increase in discount rate	188	217
Increase due to 1% increase in future salary increases	320	348
Decrease due to 1% decrease in future salary increases	244	272

	2025	2024
	Rs'000	Rs'000
Expected employer contributions to post-employment benefit plans	2,863	2,713

Pension amounts and disclosures have been based on the report submitted by SICOM Group.

The plan exposes the Company to normal risks associated with defined benefit pension plans such as investment, interest, longevity and salary risks.

Investment risk (where the plan is funded): The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

10. RETIREMENT BENEFIT (ASSETS)/ OBLIGATIONS (CONT'D)

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity risk (where the plan is funded and an annuity is paid over life expectancy): The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

11. TAXATION

(a) Tax liabilities	2025 Rs'000	2024 Rs'000
Opening balance	574	79
Taxation paid	(5,594)	(5,046)
Provision for the year	6,557	5,541
Closing balance	1,537	574

(b) Tax expense	2025 Rs'000	2024 Rs'000
Current tax on the adjusted profit for the year at 15%	6,557	5,541
Deferred taxation	503	31
Tax charge	7,060	5,572

The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the company as follows:

Profit before tax	45,653	39,204
Tax calculated at a tax rate of 15%	6,848	5,881
Non-deductible expenses for tax purposes	220	419
Non-taxable income for tax purposes	(97)	(475)
Deferred taxation	502	31
Capital allowances effects	(413)	(284)
Additional tax paid	-	-
Contribution in pension liability	-	-
Tax charge	7,060	5,572

11. TAXATION (CONT'D)

(c) Deferred Tax Liabilities

	2025 Rs'000	2024 Rs'000
Opening balance	1,089	556
Charged for the year	502	31
Charged to other comprehensive income	277	502
Closing balance	1,868	1,089

	Capital tax allowances Rs'000	Retirement benefit obligations Rs'000	Total Rs'000
At 1st July 2023	1,227	(671)	556
Charged/(credited) for the year	51	(20)	31
Charged to other comprehensive income	-	502	502
At 30th June 2024	1,278	(189)	1,089
Charged for the year	408	94	502
Charged to other comprehensive income	-	277	277
At 30th June 2025	1,686	182	1,868

12. TRADE AND OTHER PAYABLES

	2025 Rs'000	2024 Rs'000
Service fees received in advance	8,730	8,739
Other payables	9,000	9,400
	17,730	18,139

13. OPERATING PROFIT

(a) Operating profit is arrived at after:

Crediting other income :

	2025 Rs'000	2024 Rs'000
Interest income	12,346	11,603
Dividend received	1,266	1,181
ISIN service fee - FSC	2,387	2,298
Sundry income	130	182
IT facilities management fees	2,179	2,103
Registry software fees	959	928
Profit on disposal	1,584	-
Increase in fair value of investments	-	1,982
	20,851	20,277

13. OPERATING PROFIT (CONT'D)

	2025 Rs'000	2024 Rs'000
(a) Operating profit is arrived at after (Cont'd): and Charging :		
Fees paid to auditors - Audit and other services	601	560
Non-executive directors' emoluments	1,398	1,429
Depreciation	1,259	1,589
Amortisation	19	7
Staff costs (Note 13(b))	24,152	22,745
(b) Staff costs		
Salaries and allowances	20,915	18,913
Pension Contributions	3,237	3,832
	24,152	22,745
(c) Number of employees		
Systems, Operations and Finance/Administration	11	11

14. FINANCE COSTS

	2025 Rs'000	2024 Rs'000
Bank charges	111	95

15. DIVIDENDS

	2025 Rs'000	2024 Rs'000
Declared:		
Dividend of Rs 137 per Ordinary Share (2024: Rs 130.7)	20,550	19,605

16. EARNINGS PER SHARE

		2025	2024
Total Comprehensive Income attributable to shareholders	Rs'000	38,331	34,652
Number of Ordinary Shares in issue		150,000	150,000
Earnings per share	Rs	255.54	231.01

17. RELATED PARTY TRANSACTIONS

	2025 Rs'000	2024 Rs'000
(i) Sales of Services to :		
The Stock Exchange of Mauritius Ltd	2,179	2,103
(ii) Outstanding Balance arising from the sales of services :		
The Stock Exchange of Mauritius Ltd	132	548

The above transactions were carried out on commercial terms and conditions and the payment is over a month upon receipt of invoice.

17. RELATED PARTY TRANSACTIONS (CONT'D)

	2025 Rs'000	2024 Rs'000
(iii) Compensation of key management personnel		
Short term benefits	6,515	6,096
Post employment benefits	843	834
	7,358	6,930
(iv) Remuneration of directors		
- Non executive directors	1,398	1,429
- Executive	7,358	6,930
(v) Dividend payable	20,550	19,605

18. FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks from its use of financial instruments:

(a) Liquidity risk
(b) Market risk
(c) Interest rate risk
(d) Currency risk
(e) Credit risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Investment decisions are made within guidelines determined by the Investment Committee.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to finance its operations and to mitigate the effects of fluctuation in cash flows.

18. FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (Cont'd)

The maturity profile of the financial instruments is summarised as follows:

	2025			
	Less than 1 year	1-5 years	> 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets				
Investments	-	281,128	-	281,128
Deposits and cash balances	41,256	-	-	41,256
Trade and other receivables	8,872	18,735	-	27,607
	50,128	299,863	-	349,991
Financial liabilities				
Trade and other payables	9,000	-	-	9,000
Dividend payable	20,550	-	-	20,550
	29,550	-	-	29,550

	2024			
	Less than 1 year	1-5 years	> 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets				
Investments	-	249,388	-	249,388
Deposits and cash balances	65,191	-	-	65,191
Trade and other receivables	10,803	11,530	-	22,333
	75,994	260,918	-	336,912
Financial liabilities				
Trade and other payables	9,400	-	-	9,400
Dividend payable	19,605	-	-	19,605
	29,005	-	-	29,005

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of its financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

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

Interest rate risk is managed principally through monitoring interest rate gaps.

The interest rate profile of the company's financial assets as at 30th June is as follows:

18. FINANCIAL RISK MANAGEMENT (CONT'D)

Interest rate risk (Cont'd)

	2025	2024
	%	%
Bank balances	0.15 - 2.90	0.15 - 0.55
Deposits	2.70 - 6.60	2.50 - 6.60

Deposits which have fixed interest rates will not be affected by fluctuations in the level of interest rates. The following table details the sensitivity of the company's investments, bank balances and deposits if interest rate had been 50 basis points higher. For a lower interest rate by 50 basis points, there would be an equal and opposite impact on the profit and equity.

	2025	2024
	Rs'000	Rs'000
Increase in profit	784	722
Increase in equity	666	614

Currency risk

Except for the following foreign currency balances, there are no other financial assets and liabilities denominated in foreign currencies.

2025

	Cash and cash equivalents	Investments in fund	Fixed deposits	Total
	Rs'000	Rs'000	Rs'000	Rs'000
USD	206	22,208	9,364	31,778
GBP	109	-	-	109
AUD	3	-	-	3
ZAR	28	-	-	28
EURO	487	-	-	487
	833	22,208	9,364	32,405

2024

	Cash and cash equivalents	Investments in fund	Fixed deposits	Total
	Rs'000	Rs'000	Rs'000	Rs'000
USD	233	23,887	7,753	31,873
GBP	106	-	-	106
AUD	3	-	-	3
ZAR	1	-	-	1
EURO	377	-	-	377
	720	23,887	7,753	32,360

The Company is exposed to currency risk of MUR relative to USD, GBP, AUD, ZAR and EURO. The Company dealings in foreign currency is managed by seeking the best rates available.

18. FINANCIAL RISK MANAGEMENT (CONT'D)

Currency risk (Cont'd)

The following table details the company's sensitivity to a 5% decrease in the exchange rate of the USD, GBP, AUD, ZAR and EURO against the Mauritian Rupee. A positive number below indicates an increase in profit and other equity where the relevant currencies weaken 5% against Mauritian Rupee. For a 5% strengthening of relevant currencies against the Mauritian Rupee, there would be an equal and opposite impact on the profit and the equity.

	2025	2024
	Rs'000	Rs'000
Increase in profit	1,620	1,618
Increase in equity	1,377	1,375

Credit risk

The company's credit risk is primarily attributable to its trade receivables and deposits with banks and other financial institutions. At year end, the company has no significant concentration of credit risk which has not been adequately provided for. Cash and deposits are held in banks and other financial institutions with high credit ratings.

Fair value hierarchy

IFRS 13 requires disclosures relating to fair value measurements using a three level fair value hierarchy. The level within which the fair value management is categorised in its entirety is determined on the basis of the lowest input that is significant to the fair value measurement. The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

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

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs that measurement is a level 3 measurement.

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 relevant market.

The carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

18. FINANCIAL RISK MANAGEMENT (CONT'D)

Fair value hierarchy (Cont'd)

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
2025				
Investment in funds	-	43,695	-	43,695
2024				
Investment in funds	-	45,043	-	45,043

Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns and value for its shareholders.

The capital structure of the company consists of cash and cash equivalents and equity attributable to equity holders of the company, comprising issued share capital and retained earnings.

The Company's overall strategy remains unchanged from 2024.

Categories of financial instruments	2025 Rs'000	2024 Rs'000
Financial assets		
At amortised cost:		
Investments in fixed deposits	237,433	204,345
Trade and other receivables	27,607	22,333
Deposits and cash balances	41,256	65,191
	306,296	291,869
Financial assets		
At FVTPL:		
Investment in funds	43,695	45,043
Financial liabilities		
At amortised cost:		
Trade and other payables	9,000	9,400

19. CONTINGENT LIABILITY

A contingent liability will arise if, in the event of a default by a participant, the amount due by the participant exceeds the total amount of financial resources available to the Guarantee Fund.

20. HOLDING COMPANY

The directors consider The Stock Exchange of Mauritius Ltd, incorporated in the Republic of Mauritius, as the holding company.

21. EVENTS AFTER REPORTING DATE

There have been no other material events after the reporting date which require disclosure or amendment to the financial statements for the year ended 30th June 2025.

22. FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF PROFIT, CAPITAL & RESERVES

	2025 Rs'000	2024 Rs'000	2023 Rs'000	2022 Rs'000	2021 Rs'000
Statement of profit or loss and other Comprehensive income					
Turnover	61,774	51,880	52,802	60,011	50,576
Profit before taxation	45,653	39,204	34,132	40,545	30,642
Taxation	(7,060)	(5,572)	(7,030)	(5,798)	(4,459)
Corporate social responsibility	(739)	(690)	(790)	(638)	(796)
Corporate climate responsibility	(873)	(739)	-	-	-
Profit for the year	36,981	32,203	26,312	34,109	25,207
Other comprehensive income/(loss)	1,350	2,449	908	(593)	14,360
Dividends	(20,550)	(19,605)	(15,675)	(19,950)	(15,825)
Capital & reserves					
Issued & paid up stated capital	15,000	15,000	15,000	15,000	15,000
Revenue reserves	315,739	297,958	282,911	271,366	257,800

23. GUARANTEE FUND

Section 3(8) of the Securities (Central Depository, Clearing and Settlement) Act 1996 requires the Central Depository & Settlement Co. Ltd (CDS) to establish and maintain a Guarantee Fund for the purpose of providing an indemnity against any default in respect of payments for or delivery of securities by any participant and of obligations of investment dealers towards CDS.

The Fund is independently managed by the Business Conduct Committee (BCC) and not by the Board of Directors of the CDS. The BCC consists of a majority of independent members who are not directors of the CDS.

The assets of the Guarantee Fund consist of all money accruing lawfully to that fund and of such contributions as may be specified in the CDS rules. The assets of the Guarantee Fund are as follows:-

Guarantee Fund Assets	2025 Rs'000	2024 Rs'000
MCB Deposit Account	30,800	30,800
MCB Savings Account	6,394	4,866
MCB Current Account	18	30
Contributions due on value of transactions	10	6
Cash deposit from investment dealers	(1,488)	(1,488)
Temporary Cash deposit	(1,700)	-
Interest receivable	4,421	3,093
Income tax payable	(52)	(53)
	38,403	37,254

Contributions made to the Guarantee Fund	2025 Rs'000	2024 Rs'000
BALANCE AT 1ST JULY	37,254	36,832
Contributions	23	21
Refund to participant	-	(831)
Interest	1,325	1,450
Income tax charge	(199)	(218)
BALANCE AT 30TH JUNE	38,403	37,254

Auditors' Report on the System of Internal Controls on Operations to the Board of Directors of the Central Depository & Settlement Co. Ltd

We have conducted a review of the system of internal controls of the Central Depository & Settlement Co. Ltd (CDS) in accordance with Section 3.8.7 of CDS Rules and have performed tests of the effectiveness of the system of internal controls during the period 1st July 2024 to 30th June 2025.

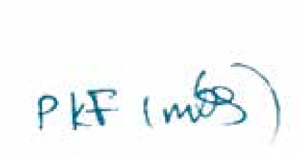
The review covered the suitability of the system of internal controls of the Central Depository & Settlement Co. Ltd pertaining to:-

1. The recording of transactions in Securities Accounts
2. The processing of transactions, including Clearing and Settlement, in accordance with CDS Rules and Procedures
3. The integrity and reliability of the data processing facilities of CDS.

Our review also covered the suitability of the system of internal controls of CDS pertaining to the Automated Trading System that is managed by CDS in accordance with the IT Outsourcing Agreement that has been signed between CDS and the Stock Exchange of Mauritius Ltd.

Our examination was made in accordance with generally accepted auditing standards, and accordingly, included such tests and other procedures as we considered necessary in the circumstances.

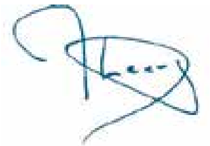
In our opinion the control procedures were suitably designed to provide reasonable assurance that the system of internal controls of the CDS operated effectively.



PKF (Mauritius)
Date: 22 July 2025

Company Secretary's Certificate

This is to certify that, in accordance with Section 166 (d) of the Companies Act 2001, all such returns as are required of the Company under the Companies Act 2001 have been filed with the Registrar of Companies during the financial year ended 30th June 2025.



Chaitanand Jheengun (FCIS)
Company Secretary

Profile of Management Team

MANAGING DIRECTOR Vipin Y.S. Mahabirsingh

Vipin Y.S Mahabirsingh holds a B.Tech (First Class, Hons.) degree in Electronic Engineering from the University of Mauritius, an M.Phil in Microelectronic Engineering and Semiconductor Physics from the University of Cambridge and an MBA (with distinction) from Edinburgh Business School, Heriot Watt University. He joined the Central Depository & Settlement Co. Ltd at its inception in 1996 as Systems Manager and was appointed General Manager in July 1997. He was then appointed as Managing Director in November 2005. In his capacity as Managing Director of CDS, he also provides consultancy services to African stock exchanges and central depositories. He was the systems vendor's Project Director in the implementation of trading and depository systems at the Nairobi Stock Exchange (2004/2006), Bank of Ghana (2004), Dar es Salaam Stock Exchange (2006), Botswana Stock Exchange (2008/2012), Lusaka Stock Exchange (2008) and Bolsa de Valores de Mocambique (2013). He supervised the implementation of an automated trading system at the Zimbabwe Stock Exchange in 2015 and has spearheaded the replacement of the trading and depository systems at the Lusaka Stock Exchange which went live in December 2017. He was also the Project Manager for the replacement of the automated trading system of the Stock Exchange of Mauritius in 2022. He is a member of the Procurement / Implementation Task Force that have been set up by the African Stock Exchanges Association (ASEA) to drive the implementation of the African Exchanges Linkage Project (AELP). Vipin is an Independent Non-Executive Director of ABC Motors Ltd and SBI (Mauritius) Ltd. He is also a member of the Ratings Committee of CARE Ratings Africa. Vipin has been appointed as member of the Product Advisory Committee (PAC) of the Digital Token Identifier Foundation (DTIF). DTIF's mission is to provide the golden source reference data for the unique identification of digital tokens based on ISO's new standard for digital assets, ISO 24165.

SYSTEMS MANAGER Manoven Sadayen

Manoven Sadayen holds a B.Tech (Hons) degree in Computer Science and Engineering from the University of Mauritius. He joined the CDS in December 1998 as IT Officer and was promoted to Assistant Systems Manager in October 2000. He was appointed as Systems Manager in July 2001. He is responsible for the management of the CDS system as well as the automated trading system of the SEM. Manoven is the Money Laundering Reporting Officer and Compliance Officer of CDS. He also assists the Managing Director in overseeing the Operations department and in providing consultancy services to African stock exchanges and depositories. He participated in the implementation of the automated trading system at the Zimbabwe Stock Exchange in 2015 and the replacement of the trading and depository systems at the Lusaka Stock Exchange in 2017. Manoven has been appointed as member of the Advisory Committee of the ANNA Service Bureau (ASB). The ASB was established by the Association of National Numbering Agencies (ANNA) to consolidate ISINs and associated standards as well as related data from ANNA members and partners, with an objective of improving timeliness, accuracy and standardised identification of financial instruments, and serving as the authoritative golden source of this data for financial market participants.

FINANCE AND ADMINISTRATION MANAGER Joëlle L'Eveque-L'Emplatre

Joëlle L'Eveque-L'Emplatre is a Fellow of the Association of Chartered Certified Accountants since 2017 and also holds an MBA (2012) and a BSc (Hons.) Accounting & Finance (2004). She is also a Member of the Mauritius Institute of Professional Accountants. She joined the CDS as trainee in August 2003 and was appointed Accounts Officer in October 2004. She was then promoted to Assistant Finance and Administration Manager in July 2012. She was appointed Finance and Administration Manager as from 1st April 2023 with the approval of the Board of CDS and the Financial Services Commission. In line with the succession planning process, she has been trained to perform the duties of the Finance and Administration Manager of CDS over the past few years. She is responsible for the Finance and Administration functions at CDS and plays a key role in managing the funds of the Company. She is also the Secretary of the Business Conduct Committee which is responsible for risk management.

CENTRAL DEPOSITORY & SETTLEMENT CO. LTD.
4th Floor, One Cathedral Square Building
16, Jules Koenig Street, Port Louis,
Rep. of Mauritius
Tel: (230) 211 3507
Fax: (230) 211 6880
BRN: C07015453
www.stockexchangeofmauritius.com/cds