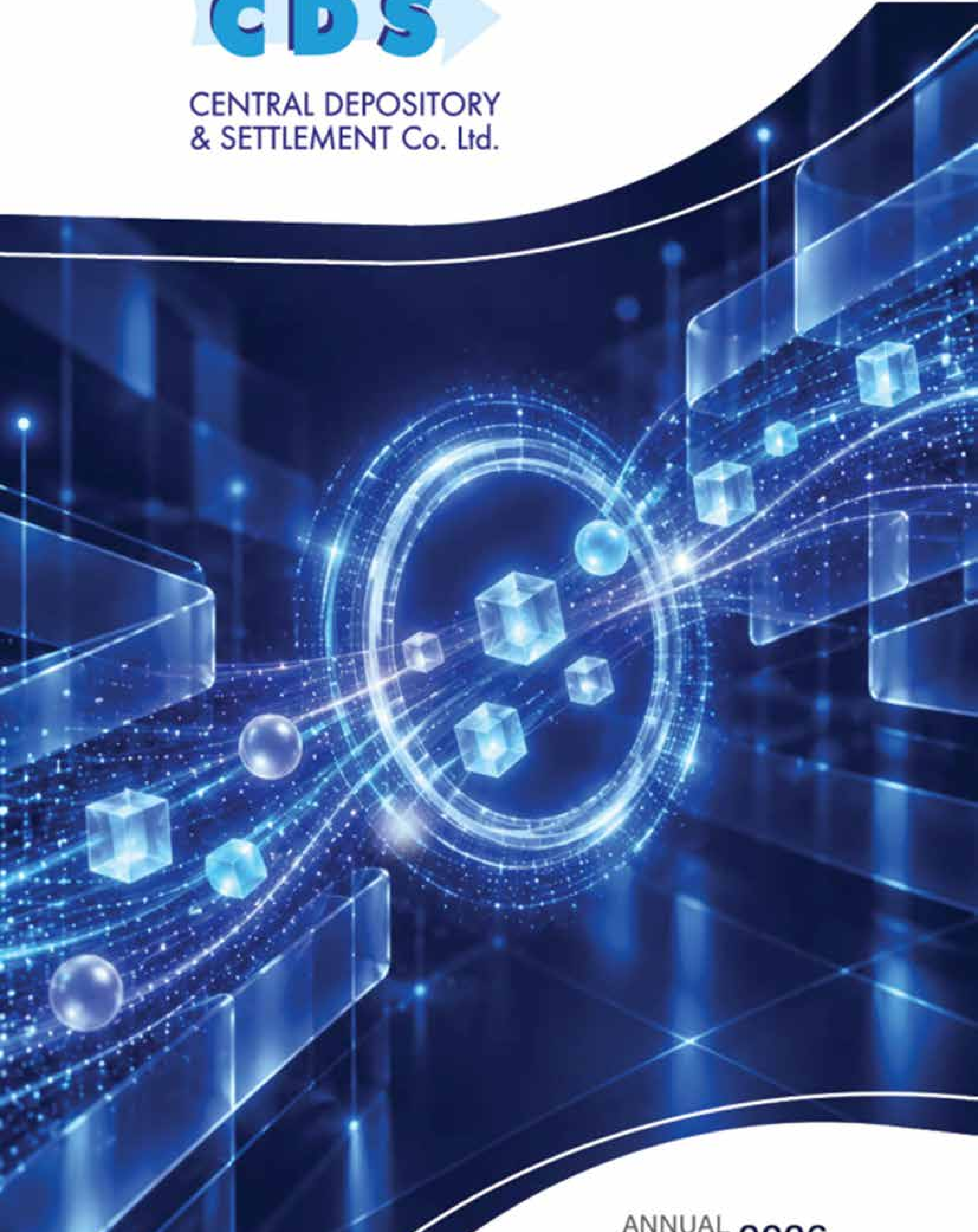
CENTRAL DEPOSITORY & SETTLEMENT Co. Ltd.



ANNUAL REPORT 2026

CENTRAL DEPOSITORY & SETTLEMENT CO. LTD

ANNUAL REPORT 2026

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 2026. The report was approved by the board of directors of CDS on 28th August 2026.

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 extends its sincere appreciation to the management team and all employees for their unwavering dedication, professionalism, teamwork, and commitment throughout the financial year.

Jaiyansing Soobah
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 the following services: consultancy to African exchanges and depositories; IT outsourcing and registry software as a service; allocation of International Securities Identification Numbers (ISIN) to financial instruments issued by issuers that are registered in Mauritius; and management of the ISIN database for Mauritius.

Board of Directors

Mr Jaiyansing Soobah	Chairperson
Mr Vimal Ori	Vice-Chairperson
Mr Sunil Benimadhu	
Mrs Sandra Fayolle	
Mr Tommy Lo Seen Chong	
Dr Ashwin Moheeput	
Mr Vipin Y.S. Mahabirsingh	Managing Director
Mrs Dovinassy Pillay	
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

The main achievements of the CDS during 2025-2026 were on the operational and market development fronts. We have collaborated with The Stock Exchange of Mauritius Ltd (SEM) to extend trading hours in April 2026 and we have also announced the planned shortening of the settlement cycle to T+2 within one year, to align with global market trends.

The extension of trading hours will enable investors in different time zones globally to have extended real-time access to our platform, improve trading opportunities and as part of a broader effort, potentially enhance liquidity. This initiative also constitutes an important step towards nurturing the conducive environment in future for longer trading hours to match global trends, driven by mobile trading, fostering retail investor participation, and demand for time-zone flexibility. As from April 2026, the continuous trading session at SEM has therefore been extended by one hour, starting at 9:30 Hrs and closing at 15:00 Hrs instead of starting at 10:00 Hrs and closing at 14:30 Hrs as previous practice. The extension of trading hours required changes to the Trading Procedures and the CDS Procedures as well as to the trading and CDS systems. Contract notes were previously generated from the CDS system at end-of-day but we have now made changes to our system to allow investment dealers to generate a contract note immediately after a trade is executed on the ATS.

At global level, the main reasons to shorten the settlement cycle are as follows:

1. Reduce counterparty risk and margin requirements
2. Improve cash and securities liquidity
3. Reduce the period in which securities are blocked from trading and until settlement (asset commitment period)

At the CDS, counterparty risk is well managed with measures such as settlement limits, the Guarantee Fund and capital adequacy requirements. There has never been any failed trade since the start of operations. Margin requirements are relatively low with the Guarantee Fund mechanism and the fact that capital surpluses of investment dealers significantly contribute to increase their settlement limits.

Another advantage of a shorter settlement cycle is that securities purchased can be sold sooner. The CDS has already addressed this issue with the implementation of turnaround trading (the ability of an investor to sell shares purchased earlier during a trading session). Moreover, an investor who sells securities during a trading session can immediately buy securities without making any payment to his broker on T. On settlement date, the broker will net-off the trades of the investor, and make or receive payment for the difference. Similarly, an investor who sells securities on T can buy securities on T+1 without waiting for T+3 as he will receive the proceeds of the sale before making payment for the purchase on T+4.

An informal survey that we did some time ago with some global custodians revealed that they prefer that we stay at T+3 because of the risks of late confirmation of trades and settlement failures. They were of the view that our current processes are working well and shortening the settlement cycle may cause unnecessary disruptions.

The main advantage of moving to T+2 is that a seller who does not want to re-invest on the SEM immediately, will receive his funds one day earlier and can use it for other purposes. Although at the level of SEM and CDS, the benefits of moving from T+3 to T+2 are not clear cut, it is important to align with the global trend of shortening the settlement cycle in order not to be perceived as laggards.

It is critical to highlight that with the shortening of the settlement cycle, the risk of having failed trades will be higher, especially those allocated to clients of global custodians. With a T+3 settlement cycle, custodians have to confirm trades allocated to their clients by 12:30 Hrs on T+2. With the implementation of T+2, custodians will have to confirm trades allocated to their clients by 14:00 Hrs on T+1. This will require careful coordination among investors, investment dealers (local and foreign), global custodians and local custodian banks, to avoid potential trade failures. Local brokers and custodians will have to review their trade reporting and confirmation processes with their foreign clients and global custodians to ensure that trades are confirmed by 14:00 Hrs on T+1.

The CDS will need the collaboration of all parties (investors, investment dealers, custodian banks, global custodians, settlement banks and Bank of Mauritius) to maintain the clean record of zero failed trades in the Mauritian market. Investors will be required to make payment to their investment dealers in a prompt and efficient manner to ensure that funds are available in the latter's account by 10:30 Hrs on T+2 at latest. To mitigate the risk of having failed trades, we will allow local custodians to re-accept trades up to 10:00 Hrs on T+2 if they receive the confirmation from the global custodian.

In line with the objective of CDS to automate the different tasks performed by investment dealers and custodian banks (CDS Participants) to the maximum extent possible with the current system, and following requests from the latter, we made changes to the CDS Procedures and system so that dealings in the Securities Account of a minor is automatically suspended when the latter reaches the age of eighteen to allow the Participant to request Customer Due Diligence documents from the client in order to open a new Securities Account in the name of the client and to transfer all securities to this new Securities Account. This has facilitated AML/CFT operations and controls at the level of CDS Participants.

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). 83,439 trades with a total value of MUR 16.1 Billion were cleared and settled by CDS during 2025-2026 without any failure. Our risk management framework operated effectively and there were no defaults, operational issues nor systems downtime.

Market turnover declined by 10.7% year-on-year amid a challenging macroeconomic environment characterized by heightened geopolitical tensions and the continued depreciation of the Mauritian rupee. Despite these adverse conditions, the CDS achieved a Profit after Tax of Rs 38.649 M in 2025-2026, representing an increase of 4.5% compared to last year. An actuarial loss on the Defined Benefit Pension Scheme of the company decreased the Total Comprehensive Income for the year to Rs 37.356 M, which represents a decrease of 2.5% compared to last year (there was an actuarial gain last year). The actuarial loss occurred due to a change in demographic assumptions to take into consideration the longer modern life expectancy, which caused the present value of future obligations to increase significantly. The increase in the liability due to the change in the demographic assumptions was dampened by gains in asset experience and liability experience.

The Company earned an amount of Rs 24.518 M, which represents around 28.9% 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; fees on issue of International Securities Identification Numbers / ISIN service fee to FSC; and provision of registry software as a service.

On the international front, the Managing Director of CDS participated in a panel discussion on Pan-African Connectivity at The Network Forum (TNF) Africa Meeting held on 21-22 April 2026 in London. The panel explored how linking payment systems, CSDs and exchanges across borders can unlock liquidity and efficiency. 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. Speaking on the panel, the Managing Director of CDS expressed the view that the African Exchanges Linkage Project (AELP) that was officially launched by the African Stock Exchanges Association (ASEA) in November 2022, has not made any significant difference in terms of improving liquidity and efficiency at the participating exchanges. The Managing Director of CDS played a key role in this project as an active member of the AELP Procurement

Task Force and the Implementation Task Force. The AELP integrates African exchanges via a cloud-based smart order routing system that allows brokers located in the participating African markets to receive real-time market data and trade in the other markets using sponsoring brokers located in these markets. Brokers are connected to the smart order router either through a browser-based trading terminal or their own Order Management System. The Managing Director pointed out that during surveys conducted in the past regarding the main limiting factors to cross-border trades, investors and market players did not highlight market infrastructure issues. Instead they identified lack of diversification and attractiveness of products, as well as exchange controls. At the TNF conference, forex convertibility and repatriation certainty was highlighted as another major barrier to cross-border investment in African markets. The Pan-African Payment and Settlement System (PAPSS) launched by Afrexim Bank is expected to address the issue by allowing direct instant payments between African countries without any intermediate conversation to USD or Euro.

Despite the fact that AELP has not improved cross-border trades among African exchanges, a new project to cross-link the trading systems of SADC exchanges with the implementation a second smart order router has been initiated by the Committee of SADC Stock Exchanges. SEM and CDS have expressed the view that it would be more cost-effective for all SADC exchanges to be part of the AELP. Setting up a separate smart order router for SADC exchanges would not only be a waste of resources but will also make integration with other African markets more difficult. In addition to the smart order router, CoSSE is planning to set-up and connect a new infrastructure (SOR-C) to the SADC Payment System to implement cross-border delivery versus payment (DvP) among SADC exchanges. The CDS has informed CoSSE that the proposed model is unnecessary as it does not bring any benefit to CoSSE members and SADC market players. The CoSSE members that have implemented a central securities depository (CSD) are already doing settlement on a DvP basis. In the case of cross-border trades, the transfer of funds will be effected through the SADC RTGS but there is no need to create a new infrastructure (SOR-C) to link the CSDs. This will only increase transaction costs as there will be an additional service provider in the settlement process without any tangible benefit as settlement at the level of each CSD is already being effected on a DvP basis. Currently when a SADC investor buys securities on another SADC market, the securities are delivered to its securities account with the CSD in the market where the trade is executed once the investor makes payment through its broker in that market. This means that DvP is already being achieved without the need of a new service provider. The SADC RTGS will make the transfer of funds between the banks in SADC become more cost-effective. However, the SOR-C will not add any value to the cross-border settlement process. On the contrary it will add unnecessary complexity and new risks because of the dependencies created among the different CSDs in SADC (a technical problem at one CSD or at the SOR-C could cause delays or other issues at other SADC CSDs). In light of the above, SEM and CDS have informed CoSSE that they will not participate in the SADC interconnectivity project at this stage.

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 main priorities of the PAC for 2026 were as follows:

- Support regulatory clarity and market best practice
  Promote consistent and transparent use of standardised identifiers across regulatory and industry frameworks

- Maintain scalable, resilient and sustainable infrastructure
  Ensure the DTI framework remains operationally robust, proportionate and financially sustainable in line with ISO mandate

- Foster interoperability and international coordination
  Advance alignment and compatibility with complementary standards and international initiatives

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.

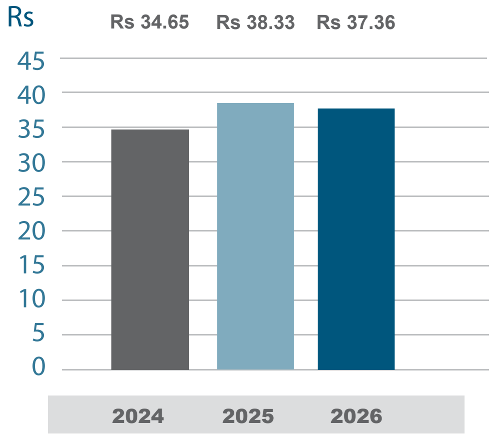
The Board of CDS has played a key role in the above achievements by providing guidance, support and strategic direction. We wish to thank all directors for the insights that they have offered at Board meetings and for their contribution to the development of the Company. We also wish to thank our employees for their loyalty and commitment, and for consistently delivering a high quality of service to our stakeholders.

Jaiyansing Soobah
Chairperson

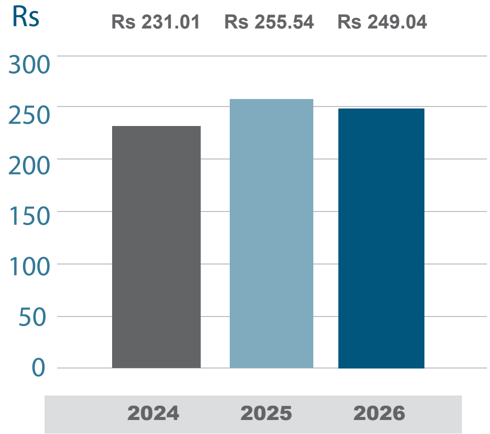
Vipin Mahabirsingh
Managing Director

FINANCIAL HIGHLIGHTS

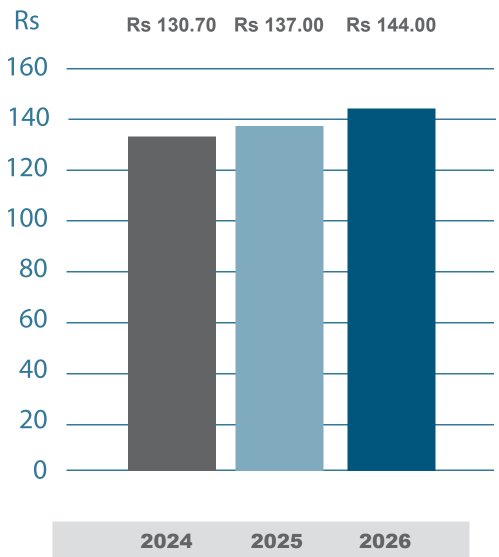
TOTAL COMPREHENSIVE INCOME (IN MILLION MUR)



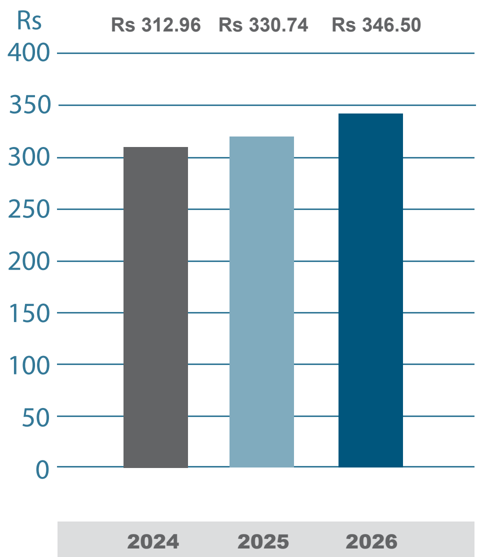
EARNINGS PER SHARE (MUR)



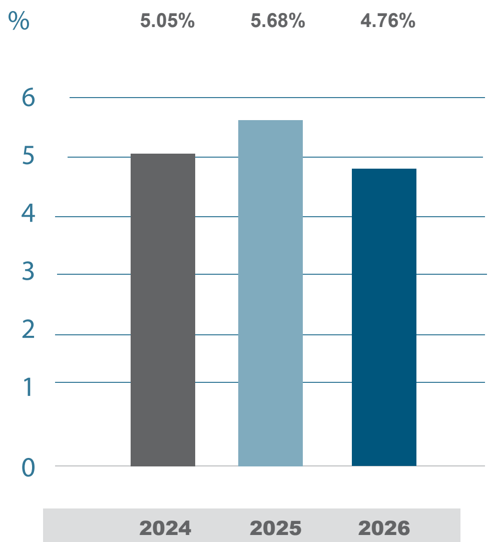
DIVIDENDS PER SHARE (MUR)



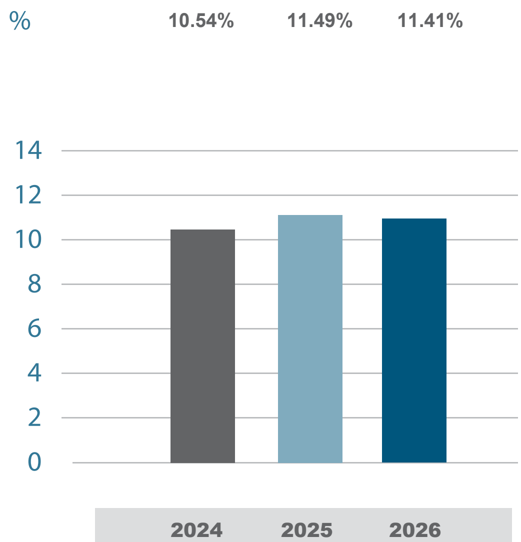
NET ASSET VALUE (IN MILLION MUR)



GROWTH IN NET ASSET VALUE



RETURN ON EQUITY

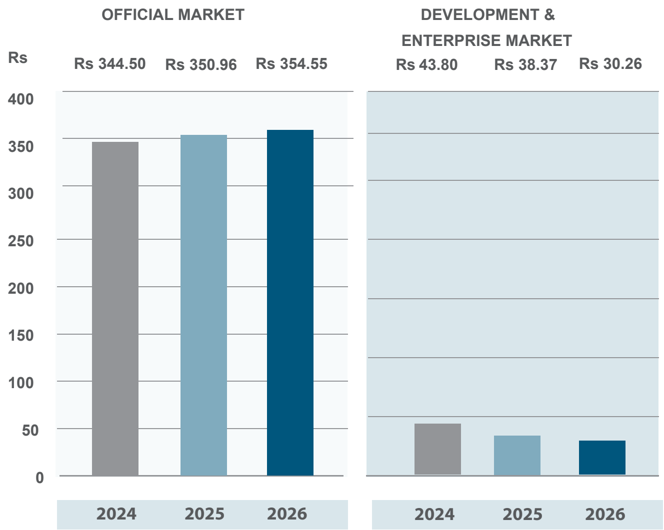


VALUE ADDED STATEMENT

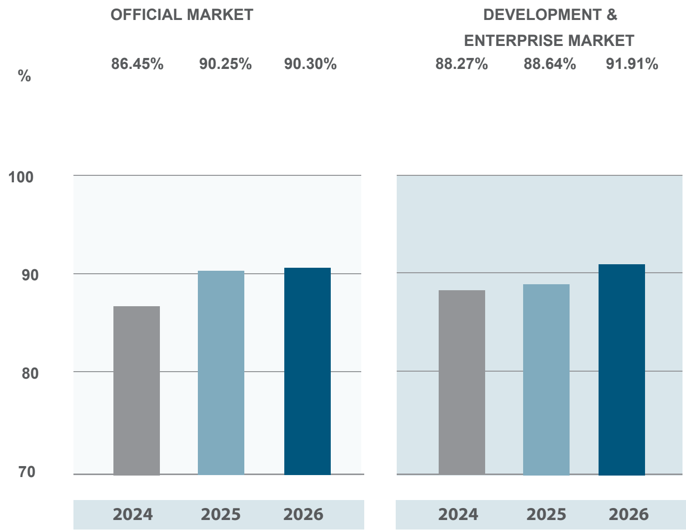
	As at 30th June 2026		As at 30th June 2025	
	Rs ' 000	%	Rs ' 000	%
Turnover	60,288		61,774	
Other Income	24,518		20,851	
Administrative Expenses	(9,733)		(11,639)	
Total Wealth Created	75,073	100	70,986	100
Distributed as follows				
Members of Staff Salaries and other Benefits	26,309	35	22,682	32
CDS Guarantee Fund Contributions made by the Company	22	1	23	1
Providers of Capital Dividends to Ordinary Shareholders	21,600	28	20,550	28
	47,931	64	43,255	61
Government - Taxation	5,980	8	7,060	10
Corporate Climate Responsibility	756	1	873	1
Corporate Social Responsibility	873	1	690	1
Fair Share Contribution	1,890	2	-	-
Wealth reinvested in the Company				
Profit Retained	15,756	21	17,781	25
Depreciation	1,887	3	1,278	2
	17,643	24	19,059	27
Total Wealth Distributed and Retained	75,073	100	70,986	100

STATISTICS ON OPERATIONS

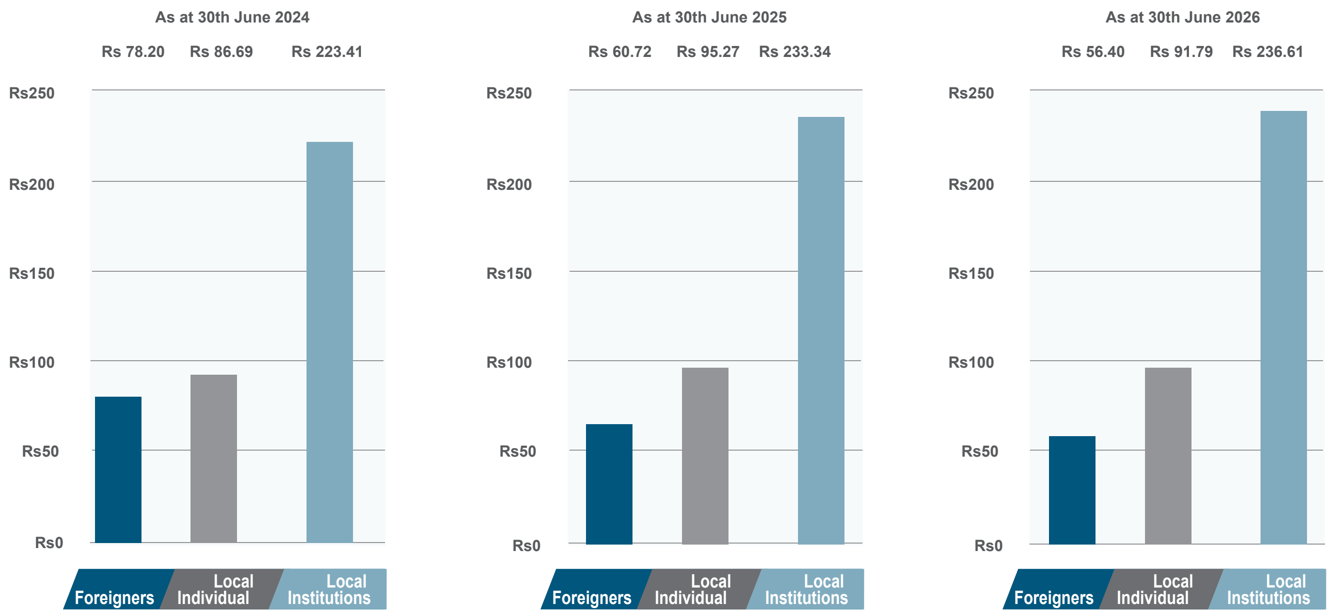
AGGREGATEVALUE OF SECURITIES HELD IN CDS (in Billion MUR)



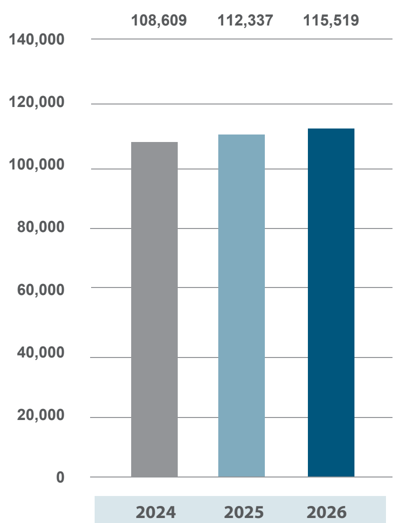
PERCENTAGE OF TOTAL NUMBER OF SECURITIES ISSUED HELD IN CDS



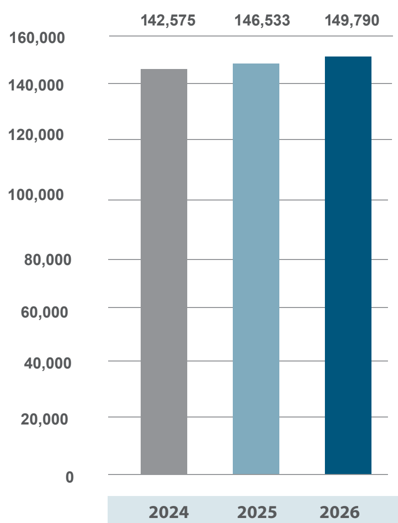
BREAKDOWN OF AGGREGATE VALUE HELD IN CDS (in Billion MUR)



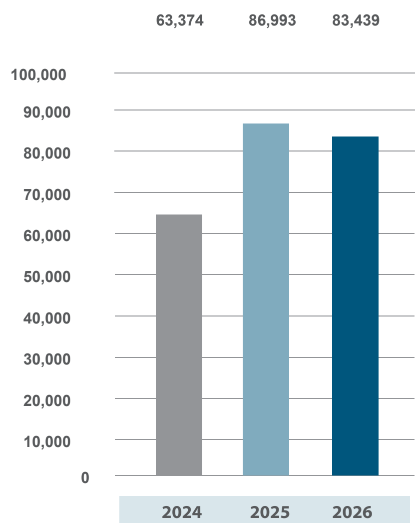
NUMBER OF INVESTORS REGISTERED WITH CDS



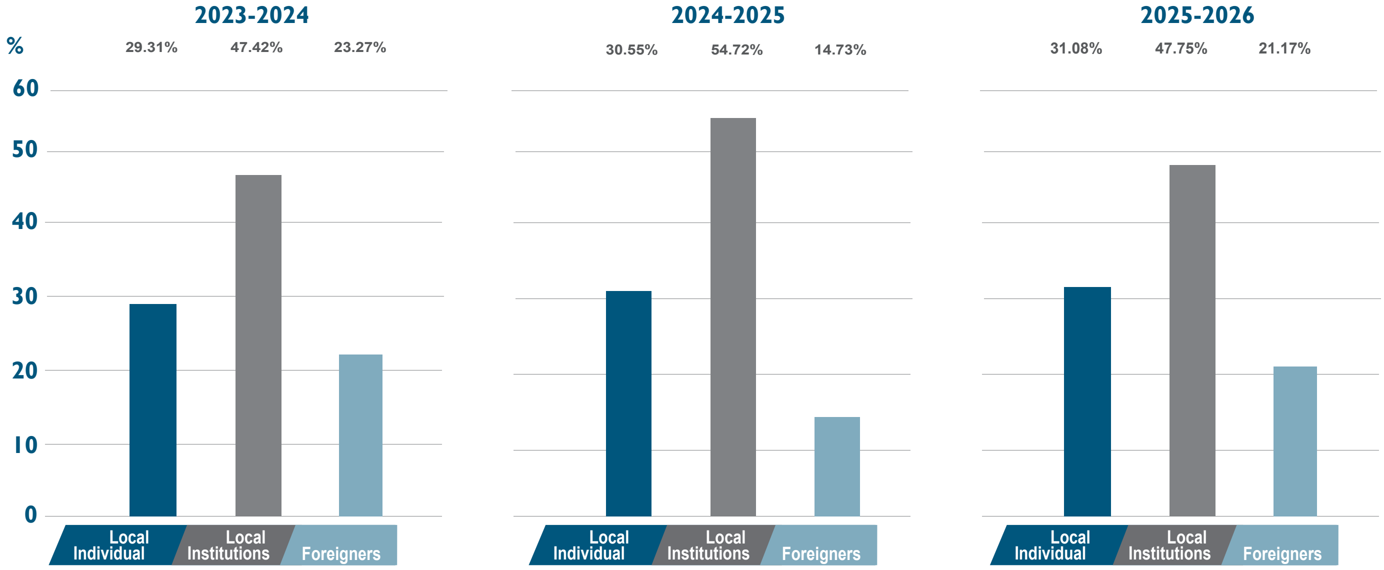
NUMBER OF CLIENTS ACCOUNTS IN CDS



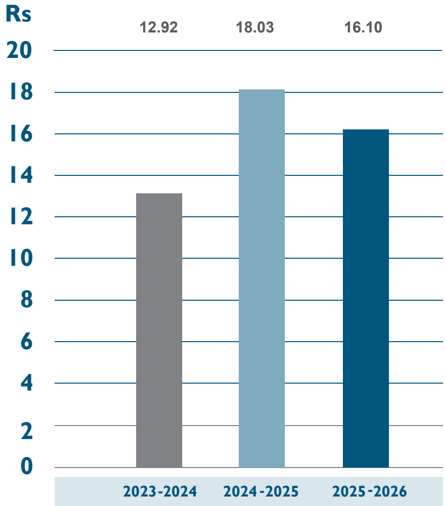
NUMBER OF TRADES CLEARED AND SETTLED



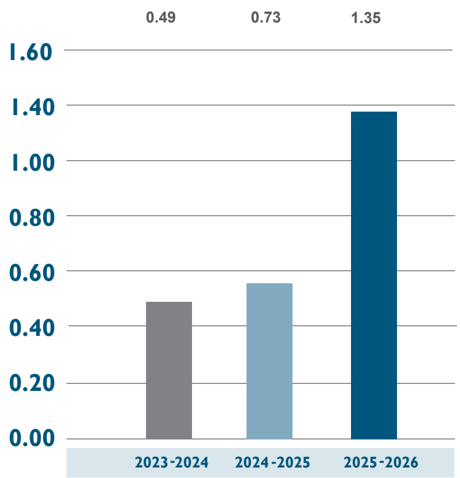
BREAKDOWN OF VALUE OF TRADES CLEARED AND SETTLED



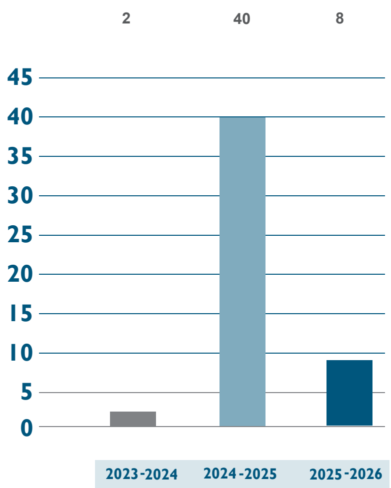
VALUE OF TRADES CLEARED AND SETTLED (in Billion MUR)



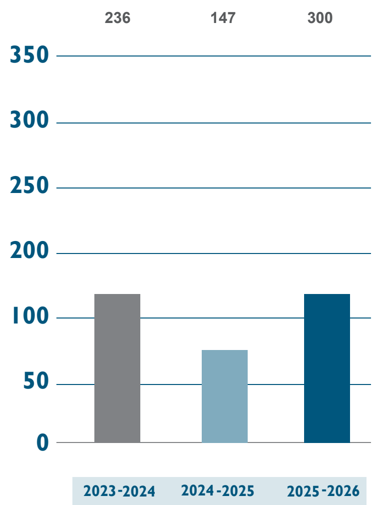
VOLUME OF SECURITIES CLEARED AND SETTLED (in Billion)



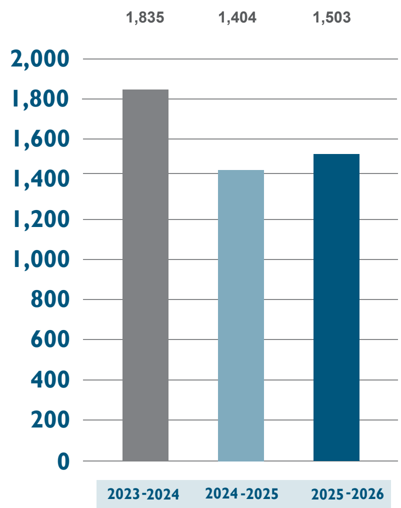
NUMBER OF WITHDRAWALS PROCESSED



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 2025-2026 and complies with the requirements of Section 20(1)(a) of the Securities Act 2005. Throughout the year ended 30th June 2026, 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
Mr Jaiyansing Soobah	Chairperson, Non-Executive (appointed by SEM)	4/4
Mr Vimal Ori	Vice-Chairperson, Non-Executive (appointed at annual meeting)	4/4
Mr Sunil Benimadhu	Non-Executive (appointed by SEM)	3/4
Mr Rahul Desai	Non-Executive (appointed by SEM)	2/2 (up to 23/01/2026)
Mrs Sandra Fayolle	Non-Executive (appointed at annual meeting)	3/3 (as from 07/11/2025)
Mr Lalldeo Iysurey	Independent (appointed by Minister of Financial Services and Economic Planning)	1/1 (up to 10/10/2025)
Mr Tommy Lo Seen Chong	Non-Executive (appointed by SEM)	4/4
Mr Vipin Y.S Mahabirsingh	Executive	4/4
Dr Ashwin Moheeput	Independent (appointed by Bank of Mauritius)	4/4
Mrs Dovinassy Pillay	Independent (appointed by Minister of Financial Services and Economic Planning)	2/3 (as from 22/10/2025)
Ms Aruna Radhakeesoon	Non-Executive (appointed at annual meeting)	1/1 (up to 10/10/2025)
Mr Shivraj Rangasami	Non-Executive (appointed by SEM)	4/4

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 2026 was as follows:

Chairperson:	Mr Vimal Ori
Members:	Mrs Sandra Fayolle
	Dr Ashwin Moheeput
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 2026 was as follows:

Chairperson:	Dr Ashwin Moheeput
Members:	Mr Tommy Lo Seen Chong
	Mr Jaiyansing Soobah
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 2026 was as follows

Chairperson: Mr Jaiyansing Soobah
Members: Mr Vimal Ori
Mr Shivraj Rangasami

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 Committee also discusses succession planning for senior management positions.

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 2026 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 2026 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
Mr Jaiyansing Soobah	1/1 (up to 27/11/2025	0/0 (as from 27/11/2025)	1/1
Mrs Sandra Fayolle	2/2 (as from 27/11/2025)		
Mr Tommy Lo Seen Chong		1/1	
Dr Ashwin Moheeputh	3/3	1/1	
Ms Aruna Radhakeesoon		0/1 (up to 10/10/2025)	0/0 (up to 10/10/2025)
Mr Shivraj Rangasami			1/1 (as from 27/11/2025)
Mr Vimal Ori	3/3		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
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
Sunil Benimadhu *MBA Finance and Investment* *MSc Macroeconomics*	Chief Executive, The Stock Exchange of Mauritius Ltd
Sandra Fayolle *Master's Degree Finance and Accounting* *Fellow of the Institute of Chartered Accountants of England & Wales*	Head of Strategy & Investor Relations at ER Group
Tommy Lo Seen Chong *BSc (Hons.) Economics* *Fellow of the Institute of Chartered Accountants in England & Wales*	Director, Intercontinental Trust Ltd Chairman, 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 Chairman, Kudos Pensions Ltd Director, MCB Registry & Securities Ltd Director of a number of subsidiaries of MCB Group Past Member, Financial Services Consultative Council
Dovinassy Pillay *Master Droit des Affaires* *Licence Droit*	Acting Director, Financial Services Unit, Ministry of Financial Services and Economic Planning Director, Financial Services Institute Ltd Director, Financial Services Fund
Shivraj Rangasami *Fellow of the Association of Chartered Certified Accountants* *MBA*	Managing Director, MCB Securities Ltd Chairman, The Stock Exchange of Mauritius Ltd

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 2026 amounted to Rs 2,244,000 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)
Mr Jaiyansing Soobah	244,755
Mr Sunil Benimadhu	122,892
Mr Rahul Desai	61,446 (up to 23/01/2026)
Mrs Sandra Fayolle	104,286 (as from 7/11/2025)
Mr Lalldeo Iysurey	30,723 (up to 10/10/2025)
Mr Tommy Lo Seen Chong	131,082
Mr Vipin Y.S Mahabirsingh	8,147,654*
Dr Ashwin Moheeput	160,881
Mr Vimal Ori	218,064
Mrs Dovinassy Pillay	71,610 (as from 22/10/2025)
Ms Aruna Radhakeesoon	80,262 (up to 10/10/2025)
Mr Shivraj Rangasami	131,901

** For the Managing Director, the total remuneration consists of Short-Term Benefits of Rs 7,197,556 and Post-Employment Benefits of Rs 950,098.*

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%

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 IFRS Accounting 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 2025-2026 (Rs 219,000) 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.

The project started with 1 school, 30 children in 2005, and they have now onboarded 9 schools (Pointe Aux Sables, Marcel Cabon, Residence Vallijee, Serge Coutet, Candos, Elsie Prele, La Briquetterie, Guy Rozemont and Emmanuel Anquetil Government schools) with 1,600 beneficiaries. They have given more than 3 million breakfasts during these 20 years. They have just started the 9th school, Emmanuel Anquetil Government school. They have equipped a room that has been converted into a kitchen and have also refurbished the covered section of the school yard and the benches. Volunteers have been following food handling courses and breakfast distribution will start soon.

The observed benefits of the project include the following: children are healthy; lateness and absences decrease; better results in studies and sports; collaboration between school and pupils' parents; and collaboration between members of the community.

The CSR Fund of CDS for the financial year 2025-2026 (set up on 1 July 2025) amounted to Rs 873,000 and as per section 50L of the Income Tax Act, 25% was donated to a non-governmental organisation (NGO) 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 (29,875 statements were sent by e-mail for the month of June 2026);

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 2025 -2026. 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 2026 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%
ER Group	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.

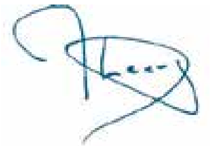
Annual meetings are held within 4 months from the end of the financial year and the notice of the annual meeting is sent to shareholders at least 21 days before the meeting in accordance with the Companies Act 2001.

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 21.6 M (Rs 144 per share) for the year ended 30th June 2026.



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 2025-2026, 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 2026 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	11/11
Mr Jean Michel Chung Chun Lam	11/11
Mr Ashish Jagarnath	10/11
Mr James Leung Yin Kow	11/11
Mr Vikash Tulsidas	11/11

CHANGE IN PARTICIPANTS

There was no change in participants during the year under review.

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 2025 – 2026 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 22,180 to the Fund in 2025–2026 (Rs 23,007 in 2024-2025). 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 2026 was as follows:

Cash contributions: Rs 39,532,745 (Rs 38,403,382 as at 30th June 2025).
Letters of Credit/Deposits submitted by investment dealers: Rs 14,343,000 (Rs 13,461,000 as at 30th June 2025)

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 2025–2026, there were 10 cases where the settlement limit of investment dealers was exceeded (11 cases in 2024-2025). 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. 2,246 turnaround trades for a total amount of Rs 313.9 M were cleared and settled in 2025-2026 compared to 2,877 turnaround trades for a total amount of Rs 350.28 M in 2024-2025.

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. The Business Risk Assessment, Customer Risk Assessment and AML-CFT Policies, Procedures and Controls Manual were reviewed in January 2026 and it was found that no changes are required to these documents.

As per the amendments brought to section 2 of the Financial Intelligence and Anti Money Laundering Act (FIAMLA) by sections 10(a) and 10(p) of The Anti-Money Laundering, Combatting the Financing of Terrorism and Countering Proliferation Financing (Miscellaneous Provisions) Act 2026 in April 2026, SEM and CDS no longer fall under the definition of "financial institution" and consequently under that of "reporting person" under the FIAMLA.

This means that SEM and CDS no longer have to fulfill the obligations of a reporting person under FIAMLA and the FIAML Regulations as from 18 April 2026 (date as from which The Anti-Money Laundering, Combatting the Financing of Terrorism and Countering Proliferation Financing (Miscellaneous Provisions) Act 2026 has come into force),

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 2026, 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 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 in July 2025. 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 2025-2026.

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. Most of these recommendations have already been implemented.

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 2025–2026, three simulations of the DRP were successfully performed on the following respective dates: 10th October 2025; 6th February 2026; and 5th June 2026. The simulation performed on 10th October 2025 involved the participation of investment dealers, custodian banks as well as SEM and CDS personnel. During the last simulation, it took 1 hour 55 minutes to restore the ATS and CDS systems at the DR site.

There was no systems downtime during 2025 – 2026.

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 IFRS Accounting 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 19th June 2026.

AUDITORS' REMUNERATION

The fees (exclusive of VAT) payable to PKF (Mauritius) for the year ended 30th June 2026 are as follows:

Financial audit	- Rs 288,000
Operations audit	- Rs 91,000
Audit of Risk Management Report	- Rs 39,000
Annual income tax	- Rs 28,000
Financial control review	- Rs 59,000
Corporate Governance review	- Rs 25,000
AML-CFT Policies & Procedures	- Rs 32,000
Total	Rs 562,000

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 46 to 78 of the Annual Report were approved by the board of directors on 28th August 2026

Jaiyansing Soobah	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 46 to 78 which comprise the statement of financial position as at 30 June 2026, 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 2026, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards 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 IFRS Accounting 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 2026.

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)

PKF (MAURITIUS)
PUBLIC ACCOUNTANTS
Port Louis
MAURITIUS
Date 28th August 2026

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

STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

ASSETS	NOTES	2026 Rs'000	2025 Rs'000
Non-current assets			
Property, plant and equipment	(5)	17,868	19,197
Investments	(6)	254,520	281,128
Intangible assets	(7)	55	74
Trade and other receivables	(8)	24,105	18,735
Retirement benefit asset	(10)	2,072	2,094
		298,620	321,228
Current assets			
Inventories		162	193
Trade and other receivables	(8)	15,999	10,774
Deposits and cash balances		75,743	41,256
		91,904	52,223
TOTAL ASSETS		390,524	373,451
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	(9)	15,000	15,000
Retained earnings		331,495	315,739
Total equity		346,495	330,739
Non-current liabilities			
Retirement benefit obligations	(10)	1,282	1,027
Deferred tax liabilities	(11)	1,913	1,868
		3,195	2,895
Current liabilities			
Trade and other payables	(12)	18,962	17,730
Current tax liabilities	(11)	272	1,537
Dividend payable	(15)	21,600	20,550
		40,834	39,817
TOTAL LIABILITIES		44,029	42,712
TOTAL EQUITY AND LIABILITIES		390,524	373,451

These financial statements were approved by the Board of Directors & authorised for issue on 28th August 2026 and signed on its behalf by:

JAIYANSING SOOBAH
CHAIRPERSON

VIPIN Y.S. MAHABIRSINGH
MANAGING DIRECTOR

The notes on pages 50 to 78 form an integral part of these financial statements.

Auditors' Report on pages 42 to 45.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

	NOTES		2026 Rs'000	2025 Rs'000
Revenue	(3(c))		60,288	61,774
Other income	(13(a))		24,518	20,851
			84,806	82,625
Administrative expenses			(36,531)	(36,838)
Operating profit			48,275	45,787
Contribution to guarantee fund			(22)	(23)
Finance costs	(14)		(105)	(111)
PROFIT BEFORE TAXATION			48,148	45,653
Taxation	(11)		(5,980)	(7,060)
Corporate climate responsibility			(756)	(873)
Corporate social responsibility			(873)	(739)
Fair share contribution			(1,890)	-
PROFIT FOR THE YEAR			38,649	36,981
OTHER COMPREHENSIVE (LOSS)/ INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Actuarial (loss)/ gain on Retirement benefit obligations	(10)		(1,558)	1,627
Deferred tax on net actuarial loss/ (gain)	(11)		265	(277)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			37,356	38,331
Dividends	(15)		(21,600)	(20,550)
RETAINED COMPREHENSIVE INCOME FOR THE YEAR			15,756	17,781
EARNINGS PER SHARE	(16)	Rs.	249.04	255.54

The notes on pages 50 to 78 form an integral part of these financial statements.

Auditors' Report on pages 42 to 45.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	STATED CAPITAL Rs'000	RETAINED EARNINGS Rs'000	TOTAL EQUITY Rs'000
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
BALANCE AT 1ST JULY 2025	15,000	315,739	330,739
Total comprehensive income for the year	-	37,356	37,356
Dividends	-	(21,600)	(21,600)
BALANCE AT 30TH JUNE 2026	15,000	331,495	346,495

The notes on pages 50 to 78 form an integral part of these financial statements.

Auditors' Report on pages 42 to 45.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2026

	NOTES	2026 Rs'000	2025 Rs'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		48,148	45,653
Adjustments for:			
Corporate social responsibility		(873)	(739)
Corporate climate responsibility		(756)	(873)
Fair share contribution		(1,890)	-
Actuarial (loss)/gain on defined benefit pension plan and gratuities		(1,558)	1,627
Depreciation	(5)	1,868	1,259
Amortisation	(7)	19	19
Profit on disposal		-	(1,584)
(Increase)/decrease in fair value of investments		(1,625)	1,349
Interest income		(14,950)	(12,346)
Investment income		(1,287)	(1,266)
Retirement benefit obligations		277	(2,177)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		27,373	30,922
Decrease in inventories		31	41
Increase in trade and other receivables		(472)	(4,975)
Increase/ (Decrease) in trade and other payables		1,232	(409)
CASH GENERATED FROM OPERATING ACTIVITIES		28,164	25,579
Tax paid		(6,935)	(5,594)
NET CASH GENERATED FROM OPERATING ACTIVITIES		21,229	19,985
CASH FLOWS FROM INVESTING ACTIVITIES			
Net movement in investment in financial assets		28,233	(33,089)
Purchase of property, plant and equipment	(5)	(539)	(5,724)
Proceeds from disposal		-	1,586
Interest received		4,827	11,646
Dividend received		2,337	1,266
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		34,858	(24,315)
CASH FLOWS FROM FINANCING ACTIVITY			
Dividend paid		(21,600)	(19,605)
NET CASH USED IN FINANCING ACTIVITY		(21,600)	(19,605)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		34,487	(23,935)
Cash and cash equivalents at beginning of year		41,256	65,191
Cash and cash equivalents at end of year		75,743	41,256
ANALYSIS OF CASH AND CASH EQUIVALENTS:			
Deposits and cash balances		75,743	41,256

The notes on pages 50 to 78 form an integral part of these financial statements.

Auditors' Report on pages 42 to 45.

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 2025:

- Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments
- Annual Improvements to IFRS Accounting Standards — Volume 11
- Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements

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

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

The amendments refine the classification, measurement, and disclosure of financial instruments. IFRS 9 now allows earlier derecognition of liabilities settled via electronic transfers and provides enhanced guidance on non-recourse features and contractually linked instruments. IFRS 7 expands disclosure requirements, requiring entities to explain contractual terms that can alter cash flows (such as ESG-linked features), provide more detail on equity instruments designated at FVOCI, and disclose derecognition practices under the new rules.

Annual Improvements to IFRS Accounting Standards — Volume 11

The annual improvements introduced a series of minor amendments across several standards to enhance consistency and clarity. These improvements include updates to IFRS 1 on hedge accounting for first-time adopters, corrections to derecognition and credit risk disclosure references in IFRS 7, clarifications in IFRS 9 regarding derecognition of lease liabilities and alignment of transaction price wording with IFRS 15, refinements in IFRS 10 on identifying a "de facto agent," and minor clarifications in IAS 7 on the cost method.

Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements

The amendments make it easier to account for power purchase arrangements (PPAs), especially those linked to renewable energy like wind or solar. Under IFRS 9, contracts for variable electricity volumes can now qualify for the "own-use" exception, meaning they are treated as normal purchase contracts rather than derivatives. The amendments also allow hedge accounting for variable electricity volumes, so companies can better reflect how they manage risks from fluctuating supply. IFRS 7 requires clearer disclosures, including the nature of PPAs, how weather-related variability affects cash flows and profit, and what hedging strategies are used. Overall, the changes improve transparency and align accounting with the economic reality of renewable energy contracts.

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

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

(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
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)

IFRS 19 - Subsidiaries without Public Accountability, provides disclosure relief for subsidiaries that apply full IFRS recognition and measurement but do not have public accountability. The standard allows such subsidiaries to prepare financial statements using all IFRS requirements while following a reduced set of disclosures tailored to their circumstances. To qualify, the parent must prepare consolidated financial statements available for public use under IFRS, and the subsidiary must not issue debt or equity instruments in public markets.

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) Going concern

Based on the financial performance and position of the company and its risk management policies, the directors are of the opinion that the company are well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

(c) 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)

(c) 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.

(d) 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)

(e) 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).

(f) 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.

(g) 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.

Fair Share Contribution

The Fair Share Contribution (FSC) levy is applied at 5% 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.

(h) 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)

(h) 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.

(i) 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.

(j) Stated capital

Ordinary shares are classified as equity.

(k) 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.

The financial statements are presented in thousands of Mauritian rupees (Rs '000).

(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)

(l) 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.

(m) 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.

(n) 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)

(n) 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 2026, 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 2026, 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 2026, the Company held investment in financial assets which are classified as measured at FVTPL.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) 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)

(n) 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)

(n) 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 2026, 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.

(o) 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 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
Additions	-	57	482	-	539
At 30th June 2026	16,744	6,195	17,582	5,612	46,133
DEPRECIATION					
At 1st July 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
Charge for the year	335	73	381	1,079	1,868
At 30th June 2026	5,261	6,090	15,376	1,538	28,265
NET BOOK VALUES					
At 30th June 2026	11,483	105	2,206	4,074	17,868
At 30th June 2025	11,818	121	2,105	5,153	19,197

6. INVESTMENTS

	2026 Rs'000	2025 Rs'000
At amortised cost:		
Maturity falling:		
- Between two to five years	209,200	237,433
- After five years	-	-
	209,200	237,433
At FVTPL:		
Investment in funds:		
Opening balance	43,695	45,043
Increase/(Decrease) in fair value	1,625	(1,348)
Closing balance	45,320	43,695
Total Investments	254,520	281,128

The investments at amortised cost bear interest at rates ranging from 3.0% to 6.85% p.a. (2025: 2.70% to 6.60% p.a.)
These investments will mature in the financial years 2028 to 2031.

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 2024	7,090	250	7,340
Additions	-	-	-
At 30th June 2025	7,090	250	7,340
Additions	-	-	-
At 30th June 2026	7,090	250	7,340
AMORTISATION			
At 1st July 2024	6,997	250	7,247
Charge for the year	19	-	19
At 30th June 2025	7,016	250	7,266
Charge for the year	19	-	19
At 30th June 2026	7,035	250	7,285
NET BOOK VALUES			
At 30th June 2026	55	-	55
At 30th June 2025	74	-	74

8. TRADE AND OTHER RECEIVABLES

	Current		Non-current	
	2026	2025	2026	2025
	Rs'000	Rs'000	Rs'000	Rs'000
Trade receivables	4,905	6,202	-	-
Prepayments	1,315	1,902	-	-
Amount due from holding company	676	132	-	-
Interest receivable	8,621	1,892	20,622	17,228
Other receivables	482	646	3,483	1,507
	15,999	10,774	24,105	18,735

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 2026 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.

	2026	2025
Ageing of past due but not impaired	Rs'000	Rs'000
Less than 1 month	4,099	5,255
More than 1 month	806	947
	4,905	6,202

9. STATED CAPITAL

	ISSUED & FULLY PAID	
	2026	2025
	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.

	2026	2025
	Rs'000	Rs'000
Pension Scheme asset	(2,072)	(2,094)
Residual Retirement Gratuties obligations	1,282	1,027
Retirement benefit asset	(790)	(1,067)
Actuarial (loss)/gain on defined benefit pension plan	(1,436)	1,364
Actuarial (loss)/gain on Residual Retirement Gratuities	(122)	263
Total actuarial (loss)/gain recognised in other comprehensive income	(1,558)	1,627

Pension Scheme

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

	2026	2025
	Rs'000	Rs'000
Present value of defined benefit obligation	64,272	57,049
Fair value of plan assets	(66,344)	(59,143)
Asset in the statement of financial position	(2,072)	(2,094)

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

	2026	2025
	Rs'000	Rs'000
Current service cost	1,905	1,943
Net Interest expense	(222)	(75)
P&L Charge	1,683	1,868
Liability gain	2,453	(2,309)
Assets (gain)/loss	(1,017)	944
Total comprehensive income relating to retirement benefit Assets.	3,119	503

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

	2026	2025
	Rs'000	Rs'000
Opening balance	(2,094)	(61)
Amount recognised in P&L	1,683	1,868
Contributions paid by employer	(3,097)	(2,537)
Amount recognised in OCI	1,436	(1,364)
Closing balance	(2,072)	(2,094)

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

The principal actuarial assumptions used were as follows:	2026	2025
Discount rate	6.10%	6.10%
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.

	2026	2025
	Rs'000	Rs'000
Effect on present value of defined benefit obligation		
Decrease due to 1% increase in discount rate	9,000	7,900
Increase due to 1% decrease in discount rate	11,200	9,800
Increase due to 1% increase in salary increase rate	4,000	3,600
Decrease due to 1% decrease in salary increase rate	3,500	3,200

	2026	2025
	Rs'000	Rs'000
Reconciliation of the present value of defined benefit obligation		
Present value of obligation at start of year	57,049	54,890
Current service cost	1,905	1,943
Interest cost	3,462	3,113
Benefits paid	(598)	(588)
Liability gain due to change in financial assumptions	-	(3,671)
Liability loss due to change in demographic assumptions	5,424	-
Liability experience (gain)/loss during the period	(2,970)	1,362
Present value of obligation at end of year	64,272	57,049

Reconciliation of fair value of plan assets

	2026	2025
Fair value of plan assets at start of year	59,143	54,951
Interest income	3,684	3,187
Employer contributions	3,097	2,537
Benefits paid	(598)	(588)
Return on plan assets excluding interest income	1,017	(944)
Fair value of plan assets at end of year	66,343	59,143
Actual return on plan assets	4,701	2,243
Weighted average duration of the defined benefit obligation (years)	16	16

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

	2026 Rs'000	2025 Rs'000
Fair value of plan assets	66,343	59,143
Present value of defined benefit obligation	(64,272)	(57,049)
Asset	2,071	2,094
Asset experience gain/(loss) during the year	1,017	(944)
Liability gain/(loss) due to change in demographic assumptions	(5,424)	-
Liability experience gain/(loss) during the period	2,970	(1,362)

	2026 Rs'000	2025 Rs'000
Residual Retirement Gratuities		
Amounts recognised in SOFP at end of year:		
Defined benefit obligation	1,282	1,027
Liability recognised in SOFP at end of year	1,282	1,027
Amounts recognised in SOCI:		
Service cost:		
Current service cost	70	53
Net Interest expense	63	66
P&L Charge	133	119
Remeasurement		
Liability loss/(gain)	122	(263)
Total Other Comprehensive Income/(loss) recognised	122	(263)
Total	1,282	1,027
Movements in liability recognised in SOFP:		
At start of year	1,027	1,171
Amount recognised in P&L	133	119
Amount recognised in OCI	122	(263)
At end of year	1,282	1,027

The Company's SOFP reflects a net defined liability of Rs 1,282,080 as at 30 June 2026 (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	1,027	1,171
Interest cost	63	66
Current service cost	70	53
Liability loss due to change in financial assumptions	-	(88)
Liability experience loss/(gain) during the year	122	(175)
Present value of obligation at end of year	1,282	1,027
Weighted average duration of the defined benefit obligation (years)	10	21

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

	2026	2025
Discount rate	6.10%	6.10%
Future salary increases	3.50%	3.50%
Mortality before retirement	Nil	Nil
Post retirement mortality table	PMA92 & PFA92 Tables rated down by 1 year	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.

	2026	2025
	Rs'000	Rs'000
Increase due to 1% decrease in discount rate	289	237
Decrease due to 1% increase in discount rate	231	188
Increase due to 1% increase in future salary increases	354	320
Decrease due to 1% decrease in future salary increases	280	244

	2026	2025
	Rs'000	Rs'000
Expected employer contributions to post-employment benefit plans	3,205	2,863

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

	2026	2025
	Rs'000	Rs'000
Opening balance	1,537	574
Taxation paid	(6,935)	(5,594)
Provision for the year	5,670	6,557
Closing balance	272	1,537

(b) Tax expense

	2026	2025
	Rs'000	Rs'000
Current tax on the adjusted profit for the year at 15%	5,670	6,557
Deferred taxation	310	503
Tax charge	5,980	7,060

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:

	2026	2025
Profit before tax	48,148	45,653
Tax calculated at a tax rate of 15%	7,222	6,848
Non-deductible expenses for tax purposes	410	220
Non-taxable income for tax purposes	(2,442)	(97)
Expenditure in the production of exempt income	844	-
Deferred taxation	310	502
Capital allowances effects	(364)	(413)
Tax charge	5,980	7,060

11. TAXATION (CONT'D)

(c) Deferred Tax Liabilities

	2026 Rs'000	2025 Rs'000
Opening balance	1,868	1,089
Charged for the year	310	502
(Credited)/charged to other comprehensive income	(265)	277
Closing balance	1,913	1,868

	Capital tax allowances Rs'000	Retirement benefit obligations Rs'000	Total Rs'000
At 1st July 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
Charged for the year	92	218	310
Credited to other comprehensive income	-	(265)	(265)
At 30th June 2026	1,778	135	1,913

12. TRADE AND OTHER PAYABLES

	2026 Rs'000	2025 Rs'000
Service fees received in advance	9,070	8,730
Other payables	9,892	9,000
	18,962	17,730

13. OPERATING PROFIT

(a) Operating profit is arrived at after:

Crediting other income :

	2026 Rs'000	2025 Rs'000
Interest income	14,950	12,346
Dividend received	1,287	1,266
ISIN service fee - FSC	2,478	2,387
Sundry income	243	130
IT facilities management fees	2,244	2,179
Registry software fees	1,000	959
Foreign exchange gain	691	-
Profit on disposal	-	1,584
Increase in fair value of investments	1,625	-
	24,518	20,851

13. OPERATING PROFIT (CONT'D)

	2026	2025
	Rs'000	Rs'000
(a) Operating profit is arrived at after (Cont'd): and Charging :		
Fees paid to auditors - Audit and other services	646	601
Non-executive directors' emoluments	1,358	1,398
Depreciation	1,868	1,259
Amortisation	19	19
Staff costs (Note 13(b))	25,149	24,152
(b) Staff costs		
Salaries and allowances	22,470	20,915
Pension Contributions	2,679	3,237
	25,149	24,152
(c) Number of employees		
Systems, Operations and Finance/Administration	10	11

14. FINANCE COSTS

	2026	2025
	Rs'000	Rs'000
Bank charges	105	11

15. DIVIDENDS

	2026	2025
	Rs'000	Rs'000
Declared:		
Dividend of Rs 144 per Ordinary Share (2025: Rs 137)	21,600	20,550

16. EARNINGS PER SHARE

		2026	2025
Total Comprehensive Income attributable to shareholders	Rs'000	37,356	38,331
Number of Ordinary Shares in issue		150,000	150,000
Earnings per share	Rs	249.04	255.54

17. RELATED PARTY TRANSACTIONS

	2026	2025
	Rs'000	Rs'000
(i) Sales of Services to :		
The Stock Exchange of Mauritius Ltd	2,244	2,179
(ii) Outstanding Balance arising from the sales of services :		
The Stock Exchange of Mauritius Ltd	676	132

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)

		2026	2025
		Rs'000	Rs'000
(iii)	*Compensation of key management personnel*		
	Short term benefits	7,198	6,515
	Post employment benefits	950	843
		8,148	7,358
(iv)	*Remuneration of directors*		
	- Non executive directors	1,358	1,398
	- Executive	8,148	7,358
(v)	Dividend payable	21,600	20,550

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:

	2026			
	Less than 1 year	1-5 years	> 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets				
Investments	-	254,520	-	254,520
Deposits and cash balances	75,743	-	-	75,743
Trade and other receivables	14,684	24,105	-	38,789
	90,427	278,625	-	369,052
Financial liabilities				
Trade and other payables	9,892	-	-	9,892
Dividend payable	21,600	-	-	21,600
	31,492	-	-	31,492

	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

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)

	2026	2025
	%	%
Bank balances	0.15 - 3.40	0.15 - 2.90
Deposits	3.00 - 6.85	2.70 - 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.

	2026	2025
	Rs'000	Rs'000
Increase in profit	833	784
Increase in equity	708	666

Currency risk

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

2026

	Cash and cash equivalents	Investments in fund	Fixed deposits	Total
	Rs'000	Rs'000	Rs'000	Rs'000
USD	739	23,203	10,057	33,999
GBP	168	-	-	168
ZAR	1	-	-	1
EURO	250	-	-	250
	1,158	23,203	10,057	34,418

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

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.

	2026	2025
	Rs'000	Rs'000
Increase in profit	1,721	1,620
Increase in equity	1,463	1,377

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
2026				
Investment in funds	-	45,320	-	45,320
2025				
Investment in funds	-	43,695	-	43,695

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 2025.

Categories of financial instruments	2026 Rs'000	2025 Rs'000
Financial assets		
At amortised cost:		
Investments in fixed deposits	209,200	237,433
Trade and other receivables	38,789	27,607
Deposits and cash balances	75,743	41,256
	323,732	306,296
Financial assets		
At FVTPL:		
Investment in funds	45,320	43,695
Financial liabilities		
At amortised cost:		
Trade and other payables	9,892	9,000

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

Impact of Geopolitical Conflicts in the Middle East

As at the date of the approval of these financial statements, the directors are aware of the recent geopolitical tensions and armed conflicts in the Middle East and do not underestimate the seriousness of these events and the impact this will have on the global economy. Currently there is no direct impact on the Company as it does not have any transactions with countries in the affected regions. Accordingly, the directors have determined that the matter does not have a material impact on the financial statements.

Nevertheless, due to the uncertainty surrounding the duration and extent of the conflict and the potential for broader economic impacts, Management will continue to monitor the situation closely.

Except from the above,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 2026.

22. FIVE YEAR FINANCIAL SUMMARY
STATEMENT OF PROFIT, CAPITAL & RESERVES

	2026 Rs'000	2025 Rs'000	2024 Rs'000	2023 Rs'000	2022 Rs'000
Statement of profit or loss and other Comprehensive income					
Turnover	60,288	61,774	51,880	52,802	60,011
Profit before taxation	48,148	45,653	39,204	34,132	40,545
Taxation	(5,980)	(7,060)	(5,572)	(7,030)	(5,798)
Corporate social responsibility	(873)	(739)	(690)	(790)	(638)
Corporate climate responsibility	(756)	(873)	(739)	-	-
Fair Share Contribution	(1,890)	-	-	-	-
Profit for the year	38,649	36,981	32,203	26,312	34,109
Other comprehensive (loss)/income	(1,293)	1,350	2,449	908	(593)
Dividends	(21,600)	(20,550)	(19,605)	(15,675)	(19,950)
Capital & reserves					
Issued & paid up stated capital	15,000	15,000	15,000	15,000	15,000
Revenue reserves	331,495	315,739	297,958	282,911	271,366

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	2026	2025
	Rs'000	Rs'000
MCB Deposit Account	30,000	30,800
MCB Savings Account	10,895	6,394
MCB Current Account	16	18
Contributions due on value of transactions	3	10
Cash deposit from investment dealers	(1,488)	(1,488)
Temporary Cash deposit	(1,631)	(1,700)
Interest receivable	1,783	4,421
Income tax payable	(45)	(52)
	39,533	38,403

Contributions made to the Guarantee Fund	2026	2025
	Rs'000	Rs'000
BALANCE AT 1ST JULY	38,403	37,254
Contributions	22	23
Interest	1,303	1,325
Income tax charge	(195)	(199)
BALANCE AT 30TH JUNE	39,533	38,403

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 2025 to 30th June 2026.

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

(a) The recording of transactions in Securities Accounts

(b) The processing of transactions, including Clearing and Settlement, in accordance with CDS Rules and Procedures

(c) 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)

PKF (Mauritius)
Date: 21 July 2026

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 2026.

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. She holds a BSc (Hons.) in Accounting & Finance from the University of Mauritius and a Global MBA from Oxford Brookes University. 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. Joëlle was appointed as Finance and Administration Manager in April 2023. In her current capacity, she oversees the financial and administrative operations of the CDS, including financial planning, budgeting, accounting, and regulatory compliance. She also serves as Secretary of the Business Conduct Committee which is responsible for risk management. Joëlle is a Member of the Mauritius Institute of Professional Accountants (MIPA) and the ACCA Mauritius Branch.

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