SBM INDIA FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2023

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		Date of Appointment
DIRECTORS	Mr Muhammad Assad Yussuf Abdullatiff	05 February 2013
	Mr Shaan Kundomaal	27 July 2015
	Mr.Shailendrasingh Sreekeessoon	06 November 2020
	Mr Arpun Amal Autar	24 February 2022

MANAGER
SBM Mauritius Asset Managers Ltd
Level 3, Lot15A3,
Hyvec Business Park, Wall Street,
Ebene Cybercity 72201
Mauritius

ADMINISTRATOR
SBM Fund Services Ltd
Level 3, Lot15A3,
Hyvec Business Park, Wall Street,
Ebene Cybercity 72201
Mauritius

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

BANKER (FOREIGN)
SBM Bank (India) Ltd
101, 1st Floor Raheja Center
Free Press Journal Marg
Nariman Point Mumbai - 21
India

CUSTODIAN
IL&FS Securities Services Limited
IL&FS House, Plot No.14, Raheja Vihar
Chandivili, Andheri (East), Mumbai India

REGISTERED OFFICE
C/o Rogers Capital Fund Services Ltd
Rogers House
5, President John Kennedy Street
Port Louis, Mauritius

AUDITOR
Deloitte
7th-8th Floor, Standard Chartered Tower
19-21 Bank street Cybercity
Ebene
Mauritius

Investment Manager's Statement

Dear Unitholder,

Following a robust 7.2% economic growth registered in the fiscal year ended 31 March 2023 (FY22-23), economic momentum remained strong in the first half of 2023. The health of the Indian manufacturing sector improved during the financial ended 30 June 2023 (FY23) as demand resilience, product launches, successful marketing and favourable market conditions contributed to an upturn in new orders and production.

Indian equity market rallied during FY23, supported by a better-than-expected GDP growth rate of 6.1% in Q4:FY22-23, along with a pause in the central bank's interest rate hike in light of moderating inflationary pressures. Robust foreign inflows and upbeat earnings by major banks and financial institutions further enhanced investor sentiment.

According to RBI's latest monetary policy statement, headline inflation is expected to decline to 5.1% in FY23-24, reflecting the combined impact of monetary tightening and easing supply chain pressures. While crude oil prices have shown signs of moderation, the overall outlook remains uncertain. The trajectory of headline inflation will be influenced by food prices, with wheat prices expected to cool on account of improved supply conditions. Preliminary results from RBI's surveys indicate that manufacturing, services, and infrastructure firms anticipate increasing input costs and output prices. Consequently, the RBI foresees inflation to stay above the 4% medium-term target, with risks evenly balanced.

The global economy is estimated to grow by 3.0% in 2023, according to the July 2023 World Economic Outlook (WEO), a 0.2 percentage point upward revision compared to the previous WEO published in April 2023. This upward revision mainly reflects easing inflationary pressures, moderating supply chain bottlenecks, re-opening the Chinese economy and robust labour markets. According to the IMF, India is expected to be among the main drivers of global growth in 2023. We remain focused on the fund's long-term objectives and we believe that the fund is positioned to benefit from India's long-term growth and structurally positive domestic consumption trends.

We would like to thank the management team and all the stakeholders for their contribution towards enhancing the value of our funds, as well as the unitholders for their confidence in us.

SBM Mauritius Asset Managers Ltd
September 2023

Investment Manager's Report

Performance commentary

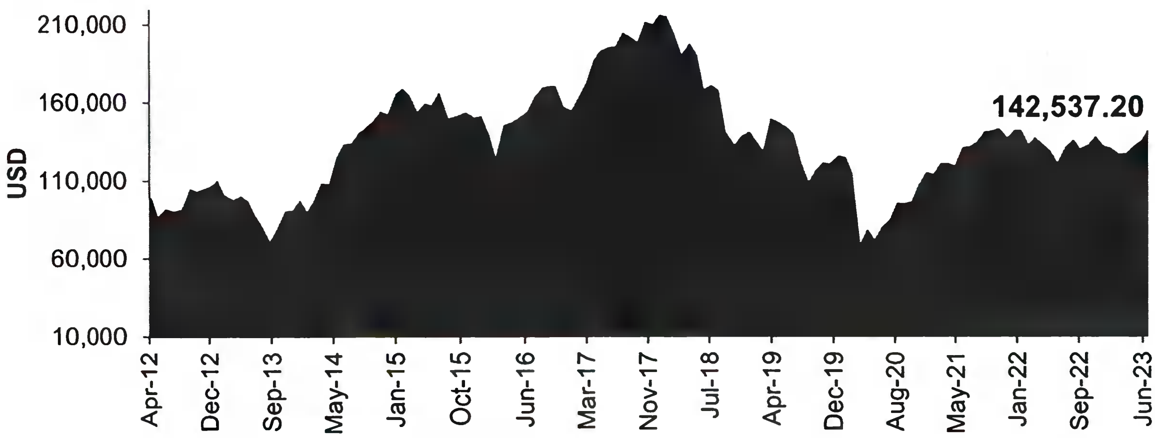
The net assets of SBM India Fund (the "Fund") rose from USD 5.4M to USD 6.4M over the financial year 2023, with Net Asset Value (NAV) per share increasing from USD 121.03 to USD 142.54. The Fund registered a return of 17.8% for the financial year 2023 compared to 17.7% for its reference index (S&P BSE 500 Index).

ANNUALISED RETURN

	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPTION
SBM India Fund (%)	17.8%	21.1%	-3.3%	+3.2
Benchmark (%)	17.7%	21.3%	8.5%	+8.1
	FY 23	**FY 22**	**FY 21**	**FY 20**
SBM India Fund (%)	+17.8	-8.0	+63.8	-42.4
Benchmark (%)	+17.7	-6.5	+62.3	-19.7

The benchmark is 100% S&P BSE500 Index. The index is a free-float weighted index that represents nearly 93% of the total market capitalization on the BSE India exchange. Computation of benchmark return is based on the observations as at month-end.

VALUE OF USD 100,000 INVESTED SINCE INCEPTION



Past performance is not a reliable indicator of future performance and unit prices may fluctuate with prevailing market conditions and current performance may be higher or lower than the performance cited. For more information on the fund's objectives, risks, and strategy, please consult its Prospectus. Latest unit prices are available on the website: https://nbfc.sbmgroup.mu/mam/financial-products/funds-performance

The graph illustrates the performance of USD 100,000 invested in the Fund at inception. The growth of investment amount assumes that dividends, if any, are re-invested and does not include sales charge but takes into account the running expenses of the Fund as well as taxes and other deductions.

Positioning and strategy

The Fund has an equity-focused strategy in Indian equities. It adopts a value-oriented approach following a contrarian style, investing across sectors and market capitalisation.

The allocation to large-caps decreased from 73.6% to 68.8% during FY23, while the exposure to mid-caps rose from 9.6% in June 22 to 20.7% in June 23. The Fund accumulated bottom-up names in mid- and small-caps amid expectations that interest rates have peaked and would eventually decline.

The Fund continued to maintain a pro-cyclical bias – Financials, Consumer Discretionary and Industrials made up 53.2% of the portfolio versus 49.9% for the benchmark. Exposure to consumer discretionary was raised in FY23, given receding inflation. The allocation to IT sector companies was increased, turning the Fund materially overweight in this space as it is likely to provide a strong contrarian investment opportunity after its sharp underperformance in CY 2022. With the interest rate cycle around its peak and eventually expected to trend downward, strong cash-generating businesses like IT may witness P/E rerating in such an environment.

The market correction in March 2023 offered the Fund the opportunity to look at some derated growth companies with better return ratios like Bajaj Finance, Central Depository Services Limited (CDSL), Voltas, Divis Labs, Eicher Motors, Mphasis, LTI Mindtree, etc; many of these companies started contributing to the alpha of the strategy.

ASSET ALLOCATION (% net assets)

	30/06/2022	30/06/2023
Indian equities....................	93.0	96.4
Cash & cash equivalent........	7.0	3.6

GEOGRAPHICAL ALLOCATION (% net assets)

	Fund	Index
India..................................	100.0	100.0

MARKET CAP ALLOCATION (% net assets)

	30/06/2022	30/06/2023
Large	73.6	68.8
Mid	9.6	20.7
Small	9.7	7.0

SECTOR ALLOCATION (% net assets)

	Fund	Index
Financials...........................	26.2	31.2
Information Technology...........	15.5	10.3
Consumer Discretionary..........	13.6	10.0
Industrials............................	13.4	8.7
Consumer Staples..................	7.9	9.2
Health Care..........................	7.0	5.3
Energy................................	3.8	8.7
Utilities................................	3.3	3.3
Basic Materials......................	2.3	9.8
Communications....................	1.8	2.7
Real Estate..........................	1.5	0.9

TOP 10 HOLDINGS (% net assets)

	30/06/2022	30/06/2023
HDFC Bank Ltd.................	7.0	9.0
Infosys Technologies Ltd......	5.6	7.1
ICICI Bank Ltd..................	8.1	5.3
Reliance Industries Ltd.........	4.2	3.8
Larsen & Toubro Ltd............	2.5	3.2
ITC Ltd..............................	1.5	3.0
NTPC Ltd...........................	1.6	2.8
State Bank Of India............	4.1	2.6
Hindustan Unilever Ltd.........	2.4	2.5
Axis Bank Ltd....................	2.2	2.4
TOTAL	**39.2**	**41.7**

Economic Review

Economy

According to the latest release of the National Statistical Office (NSO), India's real GDP is estimated to have moderated to 7.2% in FY22-23 compared to a growth of 9.1% in FY21-22. Growth was mainly pulled down by the manufacturing sector, which slowed by 9.8 percentage points to 1.3%. Growth in the construction sector also remained subdued, registering 4.6% in FY22-23 against an expansion of 7.1% in the preceding year.

The health of the Indian manufacturing sector improved, with the S&P Global India Purchasing Managers' Index (PMI) increasing from 53.9 in June 2022 to 57.8 in June 2023 – remaining above its long-term average. Demand resilience, product launches, successful marketing and favourable market conditions contributed to an upturn in new orders and production. Input inventories expanded on account of smooth supply chains and higher production requirements. On the downside, manufacturers continued to face elevated labour and input costs amid strong demand dynamics.

Inflation maintained a downward trajectory over the year, sharply easing by 2.2 percentage points YoY to 4.81% in June 2023, reflecting a steep moderation in food prices, mainly vegetables, cereals, eggs, meat and milk. Easing light and fuel prices and improved supply chains further aided in pulling back the inflation figures. The reading came below the upper tolerance limit of the Reserve Bank of India's (RBI) medium-term inflation target of 4+/-2% for the fourth consecutive month in June.

The INR depreciated by 3.9% to stand at 82.04/USD in June 2023 compared to a reading of 78.98/USD in June 2022. The rupee continued to slide during the year in the face of the hawkish stance of the US Federal Reserve. Elevated crude oil prices also exerted downward pressure on the INR. India's current account deficit sharply narrowed to USD 1.3B (0.2% of GDP) in Q4:FY22-23 from USD 13.4B (1.6% of GDP) in Q4:FY21-22. The decline mainly reflected a narrowing merchandise trade deficit from USD 54.5B to USD 52.6B and higher services exports.

ECONOMIC PROJECTIONS (OECD estimates, % YoY)

	FY22-23	FY23-24	FY24-25
Real GDP Growth	7.2	5.7	6.9
CPI Inflation	6.7	4.8	4.4
Current Account (% of GDP)	-2.6	-1.8	-1.3

Financial markets review

Equity markets

For the financial year ended June 2023, the BSE Sensex and BSE 500 indices registered INR performances of +22.1% and +22.3%, respectively. The top sector laggards within the BSE 500 index were Financials, Industrials and Consumer Discretionary. A better-than-expected GDP growth rate of 6.1% in Q4:FY22-23 and the pause in the central bank's interest rate hike in light of moderating inflationary pressures supported the equity market. Robust foreign inflows and upbeat earnings by major banks and financial institutions further improved investor sentiment.

MAIN EQUITY INDICES (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y
S&P BSE Sensex	+3.3	+9.7	+6.4	+6.4	+22.1	+85.4	+82.7
S&P BSE 500..................	+4.1	+12.6	+6.0	+6.0	+22.3	+94.1	+79.5
S&P BSE Large Cap.........	+3.4	+10.6	+3.9	+3.9	+19.5	+83.3	+75.1
S&P BSE Midcap.............	+6.2	+19.6	+13.7	+13.7	+32.5	+120.4	+86.2
S&P BSE Small Cap.........	+6.8	+20.9	+12.7	+12.7	+31.5	+163.3	+103.4
S&P BSE 200..................	+3.8	+12.0	+5.4	+5.4	+21.5	+89.9	+79.5

TOP INDEX LEADERS & LAGGARDS (% local currency)

Leaders	1Y	Laggards	1Y
ITC Ltd................................	+71.3	Adani Transmission Ltd...........	-69.0
HDFC Bank Ltd......................	+27.8	Adani Total Gas......................	-72.7
ICICI Bank Ltd.......................	+33.0	Adani Green Energy Ltd...........	-51.0
Larsen & Toubro Ltd................	+60.9	Infosys Ltd............................	-6.4
Hindustan Unilever Ltd............	+21.9	Gland Pharma Ltd..................	-60.7

Bond markets

In the debt market, the 10Y Government of India bond yield declined from 7.52% to 7.17% over the year amidst easing commodities prices and lower inflation rates, raising market expectations that the RBI is nearing the end of its rate hiking cycle.

The RBI increased the repo rate under the liquidity adjustment facility (LAF) four times in FY23, raising the rate by 50 bps in August, 50 bps in September, 35 bps in December and 25 bps to 6.50% in February. Consequently, the marginal standing facility (MSF) rate and the Bank Rate were adjusted to 6.75%. The cash reserve ratio (CRR) of net demand and time liabilities (NDTL) stood at 4.50%. At its latest MPC meeting held on the 6th to 8th of June 2023, the RBI left the repo rate under the LAF unchanged at 6.50% against the backdrop that the full effects of the 250 bps hike since May 2022 is yet to fully come into effect.

MARKET YIELDS (% local currency)

Tenor	91D	182D	364D	3Y	5Y	10Y	15Y	20Y
30/06/2023	6.94	6.94	6.94	7.04	7.08	7.17	7.23	7.28
30/06/2022	6.26	6.27	6.45	6.98	7.24	7.52	7.63	7.67

Market Outlook

According to the latest July 2023 WEO report issued by the International Monetary Fund (IMF), India's real GDP growth forecast for FY23-24 has been revised upward by 0.2 percentage point to 6.1%, reflecting more robust domestic investment and improved global economic outlook. The World Bank trimmed the country's growth estimate for FY23-24 to 6.3% against its previous projection of 6.6%, mainly on account of high inflationary pressures, rising borrowing costs and fiscal consolidation. The government's emphasis on capital expenditure, coupled with subdued commodity prices and strong credit growth, are expected to bolster economic activity. However, the economic outlook faces potential risks, such as weak external demand and prolonged geopolitical tensions.

The Indian manufacturing sector has emerged as a standout performer globally, displaying resilience and strength amid challenging global economic conditions. The S&P Global India Manufacturing PMI posted a solid reading of 57.7 in July, indicating a substantial improvement in the sector's health for the 25th consecutive month. Manufacturing firms expect demand to remain strong over the coming year, supporting projections for output growth. The services sector registered a robust performance in July, with demand conditions witnessing a substantial improvement, leading to the strongest surge in new business and output in over 13 years. The seasonally adjusted S&P Global India Services PMI rose from 58.5 in June to 62.3 in July, indicating the sharpest increase in output since June 2010. Service providers remain optimistic mainly on account of strong demand and marketing initiatives.

According to RBI's latest monetary policy statement, headline inflation is expected to decline to 5.1% in FY23-24, reflecting the combined impact of monetary tightening and easing supply chain pressures. While crude oil prices have shown signs of moderation, the overall outlook remains uncertain. The trajectory of headline inflation will be influenced by food prices, with wheat prices expected to cool on account of improved supply conditions. However, milk prices will likely remain under pressure due to supply shortfalls and high fodder costs. Preliminary results from RBI's surveys indicate that manufacturing, services, and infrastructure firms anticipate increasing input costs and output prices. Consequently, the RBI foresees inflation to stay above the 4% medium-term target, with risks evenly balanced.

In the external sector, the current account deficit is projected to narrow to 1.5% of GDP in FY23-24 from 2.0% of GDP in FY22-23. The trade balance is expected to improve primarily on account of moderating global commodities prices, tumbling imports and a surge in services exports and remittances. India's foreign exchange reserves surged to a 15-month high of USD 603.9 billion in July 2023 as the US Dollar weakened and US Treasury yields declined. The INR is expected to appreciate against the USD as the current account balance improves and the Fed nears the end of its interest rate hiking cycle. The RBI is likely to draw down its foreign exchange reserves to curb volatility in the exchange rate.

The directors present their report and the audited financial statements of **SBM India Fund** (the "Fund") for the year ended 30 June 2023.

Principal activities

The principal activity of the Fund is to hold investments in equity and equity related instruments in India.

Results

The results of the Fund for the year are shown on page 7.

Dividend

The directors do not recommend the payment of dividend for the year under review (2022: USD Nil).

Statement of directors' responsibilities in respect of financial statements

Fund law requires the directors to prepare financial statements for each financial period which present fairly the financial position, financial performance and cash flows of the Fund. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001 and International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Deloitte, has expressed their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting of the shareholders.

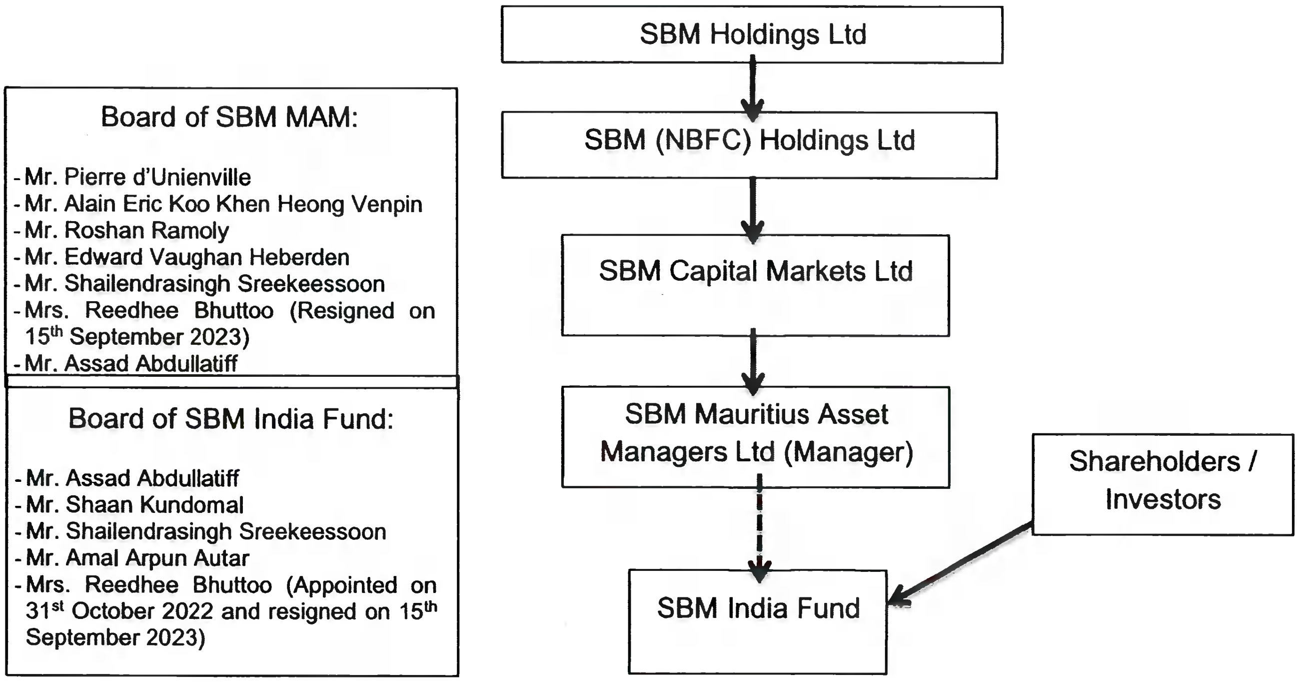
The Board of Directors of SBM India Fund (the "Fund") is pleased to submit the Corporate Governance Report for the financial year ended 30 June 2023, inclusive of other Statutory Disclosures.

INTRODUCTION

The SBM India Fund is an open-ended collective investment scheme which was incorporated as a public company limited by shares pursuant to the Companies Act 2001 and is licensed by the Financial Services Commission.

The Fund was launched with the objective to generate capital appreciation through investment in equity and equity related instruments in India. The Fund seeks to generate capital appreciation through of contrarian investment strategy.

The legal structure of the Fund is as follows:



The Fund's corporate governance framework includes its Directors, Manager, Shareholders and other stakeholders.

The Board of Directors and managers of SBM India Fund are fully committed to achieving and sustaining the highest standards of corporate governance with the aim of maximising long-term value creation for the shareholders of SBM India Fund and all the stakeholders at large. Much emphasis is on the conduct of business practices that display characteristics of good corporate governance namely discipline, integrity, transparency, independence, accountability, fairness, professionalism and social responsibility.

In addition, the Board of Directors of SBM India Fund continuously reviews the implications of corporate governance principles and practices in light of its experience, regulatory requirements and investor

expectations. Appropriate Board Committees are set up at the level of the Manager, to assist the Board in the effective performance of its duties. It hereby confirms that the Fund, as set out in this report, has strived to comply in all material aspects with the following legal and regulatory framework:

- The Constitution;
- The Prospectus;
- The National Code of Corporate Governance for Mauritius 2016 (the "Code");
- The Companies Act 2001;
- The Securities Act 2005;
- The Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008

INTRODUCTION (CONTINUED)

The Board of the Fund is composed of skilled, knowledgeable and experienced professionals, carefully selected to be highly effective in the governance of the organisation. They assume full responsibility for leading and controlling the organisation and for meeting all legal and regulatory obligations.

The Constitution of SBM India Fund complies with the provisions of the Mauritius Companies Act 2001. A copy is available upon written request to the Company Secretary at the Registered Office of the Company, C/o Rogers Capital Fund Services Ltd, Rogers House, 5, President John Kennedy Street, Port Louis, Mauritius.

Its salient features are:

Article 8.4: SBM India Fund may issue fractional shares

Article 42: The Board may authorise a distribution by the company if it is satisfied on reasonable grounds that the company will satisfy the solvency test immediately after the distribution.

PRINCIPLE ONE: GOVERNANCE STRUCTURE

The Fund is headed by a Board of Directors (the "Board"). The Board of the Fund comprises independent and executive Directors. Directors are elected (or re-elected, as the case may be) every year at the annual meeting of the Company. The Board of Directors is the link between the Fund and its stakeholders, collectively they are responsible to lead and control the Fund to enable it to attain its strategic objectives, in line with the legislative and regulatory framework. In discharging its duties, the Board of Directors shall promote the best interests of the Fund and all of its stakeholders. The Board is ultimately accountable to the shareholders of the Fund. Some of their key roles include:

- Implementing a system of corporate governance to assist in safeguarding policies and procedures across the Fund and making changes as needed;
- Delegating authority to and empower the intermediaries of the Fund to implement strategies, policies and plans approved by the Board;
- Reviewing and, where appropriate, approving risk policy, interim and audited financial statements, annual budgets, business plans and Committee's reports;
- Ensuring effective communication with shareholders and relevant stakeholders;
- Reviewing the performance of the Investment Manager and Administrator. The Investment Manager and Administrator will provide such information as may from time to time be reasonably required by the Directors to facilitate such review.

Under the regulatory supervision of the Financial Services Commission, all officers and agents of the Fund are expected to maintain a high level of ethics in their behavior and business transactions. The transactions of the Fund are carried out as per its Manager's and Fund Administrator's Code of Business Conduct and Ethics, applicable to all direct and indirect employees who deal with the matters of the Fund. The Board regularly monitors and evaluates compliance with its Code of Business Conduct and Ethics.

The Fund is involved in the provision of services and its operations do not materially impact on the environment.

THE MANAGER

Corporate Profile of the Manager – SBM MAM

SBM Mauritius Asset Managers Ltd ("SBM MAM") is licensed and regulated by the Financial Services Commission of Mauritius and holds a CIS Manager license. It is 100% owned by SBM Capital Markets Ltd. SBM MAM offers investment management services across a number of asset classes including equities, fixed income, private and alternative investments.

The Manager is appointed by the Board and manages the Fund in accordance with its Constitution and Prospectus.

PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONTINUED)

THE INVESTMENT COMMITTEE

The Manager has set up an Investment Committee composed of at least 3 persons and not more than 6 persons. The main purpose of the Committee is to issue guidelines and advise the Manager on investments.

Currently, the Committee is composed of 3 members and meets on a quarterly basis. It reviews the performance of the Fund, ensures that the investment strategy complies with the provisions of its Constitution and Prospectus.

PRINCIPLE TWO: THE STRUCTURE OF THE BOARD

The Board has attempted to create the right balance and composition to better meet the objectives of the organisation. The Board is a unitary Board and comprises two Independent Non-Executive Directors, a Non-Executive Director and an Executive Director. The Independent Directors do not have any relationship with the majority shareholders. The Board is led by Mr. Assad Abdullatiff. All Board members currently reside in Mauritius. The profile of the current Board members is as follows:

- **Mr. Assad Yussuf Abdullatiff** is one of the founding partners and the Managing Director of AXIS Fiduciary Ltd, a leading Mauritius-based independent trust company providing a full spectrum of fiduciary and corporate services to an international client base. He read for Bachelor of Law with Honors and a Master of Laws in the United Kingdom specializing in Business Law. Upon his return to Mauritius, he successfully sat for the Bar Vocational Course and was admitted to the Bar of Mauritius. He started his career in the financial services sector within a global fiduciary firm and counts several years of solid experience within the corporate and trust industry.

  Immediately prior to joining AXIS Fiduciary Ltd, Mr. Abdullatiff was an Assistant Director at the Board of Investment of Mauritius, where he was the Head of the Financial Services Cluster and responsible for the promotion of Mauritius as an International Financial Centre. His areas of expertise spans the following areas: corporate law & governance, tax planning and structuring, fund formation & administration, company secretarial, trusts and estate planning. He has a keen interest in Estate

  Planning and is a full member of the Society of Trusts & Estate Practitioners (STEP) where he is very involved both at the domestic and international level. He is a past Chairman of the Mauritius branch of STEP and currently serves on the Council and Board of STEP worldwide.

  Mr. Abdullatiff has been and continues to be heavily involved in the promotion and development of the international financial services industry of Mauritius through his contribution in various sectorial and industry associations.

  He was appointed to the Board on 05 February 2013 and is a non-executive director and chairperson of the Board.

- **Mr. Shaan Kundomal** is an experienced executive who has since 2010 setup and invested in the following sectors: Renewable Energy, Real Estate, Financial Services, Technology and Agriculture. He is a shareholder and holds executive positions in a number of successful ventures including Capital Horizons Group (a financial conglomerate present in Mauritius, South Africa and the UAE) and Igknight (a technology company involved in cyber security and public safety) representing NEC in Mauritius. His newest venture will encompass AI with Agriculture in an age where food security is becoming ever more challenging.

  Mr. Kundomal sits on the Board of Directors of several well-known entities, such as, OLA Energy Holdings Ltd, a multibillion Euro turnover pan African Oil and Gas multinational. In his capacity of CEO of Capital Horizons, he also regularly advises Ultra High Net Worth Individual, multinationals and Governments (including sovereign funds).

  Mr. Kundomal holds a LL.M. in International Business Law from Paris II (Pantheon-Assas) where he graduated with high honors.

  He was appointed to the Board on 27 July 2015 and is an independent non-executive director.

PRINCIPLE TWO: THE STRUCTURE OF THE BOARD (CONTINUED)

- **Mr. Shailendrasingh Sreekeessoon** is currently the Chief Executive Officer of SBM (NBFC) Holdings Ltd. He has over 20 years of experience in the business and financial sectors in Mauritius across several fields including marketing and economic research, strategy, strategic communications, programme management, M&A and SME financing. He joined the non-banking cluster of the SBM Group in July 2019 and was appointed CEO of the cluster in July 2020.

  Mr. Sreekeessoon holds a BSc in Economics, with first class honours, and an MSc in Finance and Economics from the London School of Economics and Political Science. He is also a Fellow of the Association of Chartered Certified Accountants (FCCA).

  He is a Member of the Board of Directors of several entities across the non-banking cluster of the SBM Group.

  Mr. Sreekeessoon was appointed to the Board on 06 November 2020 and is an executive director.

- **Mr. Amal Arpun Autar** is currently the Managing Director of Convina Fiduciary Services Ltd licensed as a Management Company by the Financial Services Commission in Mauritius and which forms part of the Cantilever Group.

  With 25 years' expertise gained across the Global Business and Trust industry, including over 10 years at a senior leadership level, Mr. Autar has vast experience in advising corporates and high net worth clients in their international structuring as well as trust and estate planning.

  Mr. Autar is a graduate from the University of Witwatersrand South Africa. He is also an associate member of the UK Institute of Chartered Secretaries and Administrators and of the Society of Trust and Estate Practitioners (STEP). He has been instrumental in the setting up of Cantilever Family International in Mauritius (part of the Cantilever Group) and continues to serve as Director.

  Prior to joining the Cantilever Group in 2020, Mr. Autar has held the position of Executive Director of Mauritius International Trust Co. Ltd (part of Ciel Group) from 1 January 2007 to 31 December 2019. He is currently a Board member of STEP (Mauritius) Limited (the Mauritius branch of the Society of Trust and Estate Practitioners Worldwide) of which he was the Chairman from 2015 to 2017.

  He was appointed to the Board on 24 February 2022 and is an independent non-executive director.

  The Board is of the view that the spirit of the Code is met through the attendance and participation of the Executive Director and members of Senior Management in relevant Committees and Board deliberations as and when required.

Board meetings and attendance

The Board of Directors meets at least once quarterly. The following table shows the list of Board members and the number of Board meetings held during the year and the attendance of individual directors.

		Board Meeting	**Annual Meeting 2022**
No. of meetings held		4	1
Directors	***Note:***		
Mr. M Assad Y Abdullatiff	c	3	1
Mr. S Kundomal	a	4	-
Mr. S Sreekeessoon	b	4	1
Mr. A Autar	a	3	-
Mrs. Reedhee Bhuttoo[1]	b	3	1

Note:
'a' – Independent Director
'b' – Executive Director
'c' – Non-Executive Director
[1] - Appointed on 31 October 2022 and resigned on 15th September 2023

PRINCIPLE TWO: THE STRUCTURE OF THE BOARD (CONTINUED)

Company Secretary

The Company Secretary is appointed by the Board in accordance with its Constitution. Rogers Capital Fund Services Ltd a licensed Company, is a subsidiary of Rogers Capital, which is part of the Rogers Group.

Its responsive service model combines exceptional teams, proven processes and industry-leading technology to deliver a world-class fund administration services.

Its Fund Administration services include:
- Fund incorporation
- Fund accounting
- Fund valuation
- Investor services
- Administration services
- Dealing and trading services
- Secretarial services
- Compliance services
- Tax services

PRINCIPLE THREE: DIRECTORS APPOINTMENT PROCEDURES

There exists a transparent procedure in place regarding the appointment of prospective Directors which is made in accordance with the skills, knowledge and expertise required on the Board.

The re-election of Directors is made on an annual basis at the Annual Meeting of the Company.

New Board members are provided with an Induction Pack to provide them with sufficient knowledge and understanding of the Fund's business comprising of the following:

- Legal Roles and responsibilities of Directors
- Group Structure
- Constitutive documents
- Profile of the Board members
- Minutes of past Board meetings
- Latest Audited Financial Statements
- Directors and Officers Liability Insurance
- Code of Corporate Governance of Mauritius

PRINCIPLE FOUR: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

All Board members are fully apprised of their fiduciary duties as laid out in the Companies Act 2001.

Remuneration philosophy and remuneration of Directors

The independent and non-executive directors are remunerated for their knowledge, experience and insight provided to the Board as well as contribution to helping and assisting the intermediaries of the Fund in the performance of their duties. No fees are paid by the Fund to the executive director. Fees paid to the Directors amounted to **USD 14,012.00** for the year ended 30 June 2023 (2022: USD 10,602), as follows:

Name of Director	Year ended 30 June 2023	Year ended 30 June 2022
Mr. Assad Abdullatiff	7,784	8,080
Mr. Shaan Kundomal	3,114	3,232
Mr. Amal Arpun Autar	3,114	-

PRINCIPLE FOUR: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

Annual evaluation of the Board

Good governance encourages the Board to undertake a formal, regular and rigorous evaluation of its own performance and produce a development plan on an annual basis.

However, due to the COVID-19 pandemic and changes in the Board composition, this exercise was not undertaken for the financial year.

An evaluation of the Board for the year under review will be conducted by the Company Secretary in the course of the year 2023.

Managing Conflict of Interest and Related Party Transactions

The Fund makes every effort to ensure that Directors declare any interest and/or report any related party transactions to the Chairman and the Company Secretary. A register of interests is kept by the Company Secretary and updated on a regular basis. The register is made available to the shareholder upon request to the Company Secretary.

The Company adheres to the Group Conflict of Interest and Related Party Transactions policy to assist the Board in identifying and disclosing actual and potential conflicts and help ensure the avoidance of conflicts of interest, where necessary.

For the related party transaction, please refer to Note 9 to the Financial Statements.

Information, information technology and information security policy

The Board confirms that information, information technology and information security policy exists within the Group. Significant expenditures on information technology are approved and monitored at the level of NBFC Cluster.

PRINCIPLE FIVE: RISK GOVERNANCE AND INTERNAL CONTROL

The Board acknowledges its responsibility for internal control and works closely together with the Fund Administrator to put in place a system of internal control which is designed to provide the Fund with reasonable assurance that the assets are safeguarded; that operations are carried out effectively and efficiently; that the financial controls are reliable and in compliance with applicable laws and regulations and that material frauds and other irregularities are either prevented or detected within a reasonable time.

The Manager and Fund Administrator prepare compliance and risk monitoring reports that are submitted to the Board of the Fund and the Audit and Risk Committees of SBM (NBFC) Holdings Ltd on a quarterly basis for their review, following which recommendations are made to the Manager on an on-going basis. The independent Compliance and Risk Management teams regularly reviews the various processes of the Fund, including, fund administration and registry, and the investment process. Preventive and corrective actions are then duly implemented to address internal control deficiencies and opportunities for improving the systems.

Risk Management

The Board is responsible for the risk management practices and procedures in place within the operating structure of the Fund for risk management. It also defines the overall strategy for risk tolerance and is responsible for the design, implementation and review of a risk management framework, processes and management of risk as performed by the intermediaries and service providers of the Fund.

The Fund's policy on risk management encompasses all business risks including operational, technology, business continuity, financial, compliance and reputational risks which could influence the achievement of the Fund's objectives. In this context, a due diligence exercise is undertaken in collaboration with nominated

intermediaries to ensure that they have the capability to commit on the implementation of appropriate customised procedures and controls for the purpose of the Fund.

PRINCIPLE FIVE: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Risk Management (Continued)

The risk management mechanisms in place include:

- A system for the ongoing identification and assessment of risk;
- Development of strategies in respect of risk and definition of acceptable and non-acceptable levels of risk;
- The communication of risk management policies across the multiple parties and functionaries involved in the processes;
- The implementation of a documented system of processes with appropriate controls and approval mechanism that closely align the control effort to the nature and importance of the risk;
- Processes to reduce or mitigate identified risks and contain them within the levels of tolerance defined and agreed by the Board;
- Compliance reports that are prepared and presented to the Board; and
- Internal audit functions at the level of the Manager and Fund Administrator.

Risk exposure of the Fund falls within the following areas or risk

Operational risks

Operational risk is defined as risk of direct or indirect loss resulting from inadequate or failed internal process, people and systems or from external events. Assets of the Fund are properly safeguarded and reporting infrastructures are adequate and effective for timely and accurate data collection.

Compliance risks

Compliance risk is defined as risk of loss from failure to comply with regulations governing the conduct of an organisation's business. It is a composite risk made up of risk of legal or regulatory sanctions, financial loss, or loss of reputation. The Investment Manager's operations are overseen by compliance and risk management teams to ensure that the Fund's operations are within regulatory frameworks.

Technology risks

Technology risks include hardware and software failures, system development and infrastructure issues. To varying degrees, the Fund is reliant upon certain technologies and systems for the smooth and efficient running of its operations. Disruption to these technologies could adversely affect its efficiency.

Political, economic and financial markets risks

The primary sources of financial risks faced by the Fund are risks inherent to its investment activities. Investment values and returns are dependent on the performance of financial markets and may adversely affect the Fund's financial results. The financial risks faced by the Fund and management of these risks are further discussed in the notes to the financial statements.

Reputational risks

This relates to losses due to unintentional or negligent failure to meet a professional obligation to specific clients or from the nature or design of a product.

Business continuity risks

This relates to losses from failed transaction processing and process management.

These risks are managed and mitigated through the various policies and methods as described in the above section.

PRINCIPLE FIVE: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Risk Management (Continued)

Whistleblowing policy

In order to enhance good governance and transparency, the Group has a Whistleblowing policy. The main aims of the policy are to provide an avenue for raising concerns related to fraud, corruption and any other misconduct. The policy addresses the following:

- Protection of and Remedies for Whistleblowers and Complainants;
- Channels and Procedures;
- Hotline, Email and PO Box facilities.

PRINCIPLE SIX: REPORTING WITH INTEGRITY

The Board is required to ensure that adequate accounting records are maintained so as to disclose at any time, and with reasonable adequacy, the financial position of the Fund. They are also responsible for taking reasonable steps to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities.

They must present financial statements for each financial year, which give a true and fair view of the affairs of the Fund, and the results for that period. In preparing such financial statements, they are required to:

- select suitable accounting policies and apply them on a consistent basis using reasonable and prudent judgement;
- state whether or not the Companies Act 2001 and International Financial Reporting Standards (IFRS) have been adhered to and explain material departures thereto
- use the going concern basis unless it is inappropriate.

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

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

The financial statements have been prepared on a going concern basis and there is no reason to believe that the Fund will not continue as a going concern in the next financial year.

The Directors confirm that in preparing the financial statements, they have:

- selected suitable accounting policies and applied them consistently
- made judgments and estimates that are reasonable and prudent
- followed the International Financial Reporting Standards
- prepared the financial statements on the going concern basis
- adhered to the National Code of Corporate Governance in all material aspects and reasons have been provided for non-compliance.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001, the Securities Act 2005, the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008 and the International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The reporting on Environmental, Health and Safety, Social and Corporate Social Responsibility issues as well as Charitable and Political contributions is made at the level of the ultimate holding company, SBM Holdings Ltd.

PRINCIPLE SIX: REPORTING WITH INTEGRITY (CONTINUED)

The Audit and Risk Committees of the Non-Banking Financial Cluster review the systems of internal controls to ascertain its adequacy and effectiveness and ensure that there is appropriate structure for identifying, monitoring and managing compliance risk as well as reporting system to advise the Committees of non-compliance on a timely basis. The Committees also recommend additional procedures to enhance the system of internal controls, if considered necessary.

The Annual report is published in full on the website of the Manager of the Fund, SBM Mauritius Asset Managers Ltd.

PRINCIPLE SEVEN: AUDIT

Internal Audit

NBFC has its own permanent Internal Audit function reporting to the Audit Committee of the cluster. The internal audit team comprises three fully qualified accountants and the Acting Head of Internal Audit is Mrs. Nalini Dhunookdharee.

Mrs. Dhunookdharee has 16 years of experience in both external and internal auditing. Prior to joining SBM Group, she has worked for KPMG Mauritius where she has performed audits of treasury, operations, credit services, risk management, insurance agency, stockbroking, factoring, funds valuation and administration. She is a Fellow Member of the Association of Chartered Certified Accountants and holds a degree in Accounting and Finance from the University of Mauritius.

The internal auditors provide assurance about the effectiveness of the risk management and control processes in place and they maintain their independence by reporting to the Risk Committee. The Acting Head of Internal Audit has regular access to the Chairperson of the Board and the Chairperson of the Audit and Risk Committees. There were no restrictions on access by the internal auditors to records or members of the management team. It is to be noted that SBM Fund Services Ltd/Registry was part of the internal audit review for the year 2023 and the Fund's registry has been covered.

The Audit and Risk Committees of NBFC are chaired by a Chartered Accountant and the Committees comprise independent members with more than 30 years' experience in the financial services industry.

The Risk Committee reviews and approves Internal Audit's plan and resources and evaluates the effectiveness of the function. The Risk Committee ensures that a consistent risk-based audit methodology is applied. The audit reports are thereafter tabled at the Committees and the findings and methodologies are reviewed and discussed by the Risk Committee.

The role of internal audit is to provide independent, objective assurance services designed to add value and improve NBFC entities' operations. Audits are carried out to review the adequacy and effectiveness of the Group's system of internal controls, as per the Board approved risk-based audit plan. In conducting reviews, the Internal Auditors are alerted to indicators of fraud and opportunities that could lead to fraud, such as control weaknesses. In doing so, the Internal Auditors obtain reasonable assurance that business objectives for the process under review are being achieved and material control deficiencies are detected. Upon completion of each review, a formal report detailing the audit findings and the appropriate recommendations are issued to the chairperson of the Risk Committee and the Chief Executive Officer. Any deviation in policies and non-performance of internal controls are duly reported and discussed at the Risk Committee. Corrective actions are promptly taken and regular follow ups as well as reporting performed by Internal Audit until complete resolution.

External Audit

Deloitte was re-appointed as statutory auditor of the Company for the financial year ended 30 June 2023. Deloitte was first appointed as external auditor for the year ended 30 June 2020, following a competitive tender exercise. The shareholder appoints/re-appoints the external auditor on an annual basis at the Annual General Meeting of the Company.

The Board assesses and reviews on a regular basis the independence of the external auditor and the Audit Committee at the level of NBFC assesses the effectiveness of the external audit process. The Audit Committee receives feedback from management and assesses the performance of the external auditor, based on its credentials, commitment to timelines, technical competence, continuity of core audit team, adhesion to audit plan and overall quality of the audit delivered.

PRINCIPLE SEVEN: AUDIT (CONTINUED)

External Audit (Continued)

The provision of non-audit services is subject to a tender process so as to ensure that the nature of the non-audit services, if provided by the external auditor, could not be perceived as impairing their independence on the external audit exercise. The Company may engage the firm responsible for its external audit to provide non-audit services. This is done with prior approval of the Audit Committee which ensures that the non-audit work does not entail any conflict with the audit work.

The Audit Committee has discussed the accounting policies for the year under review with the external auditor. The external auditor is also invited to present the audit plan at the start of the audit, as well as the management letter, the report on the conduct of the audit, and any significant matters arising from the audit. No significant issues have been identified in relation to the financial statements for the current and prior years.

The fees to the external auditors for audit services were **USD 2,803.51**, inclusive of VAT for the financial year 2023 (FY 2022: USD 1,781). The external auditors do not provide any non-audit services.

PRINCIPLE EIGHT: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Manager interacts with key stakeholders on a regular basis to discuss the performance of the Fund.

Holding structure – 30 June 2023

As at 30 June 2023, the Fund had issued 35,363.84 Class A shares and 8,356.13 Class B shares for a total fund size of USD 6,395,974.99. The NAV per share of the Fund for Class A and Class B as at 30 June 2023 was USD 147.18 and USD 142.54 respectively.

The NAV per share for the past five years for both share classes are as follows:

Year	NAV per share Class A	NAV per share Class B
June 2018	173.00	168.20
June 2019	144.61	139.41
June 2020	83.00	80.35
June 2021	135.95	131.62
June 2022	135.95	131.62
June 2023	147.18	142.54

Analysis of ownership

The Fund had 90 shareholders which include 6 clients of Class A and 89 clients of Class B as at 30 June 2023. A breakdown of the category of holders of participating shares and the share ownership as at 30 June 2023 are set out below:

SBM India Fund Class A Breakdown

Market Value	No of Clients	No of Units	% Holding
0-59,999	0	-	0.00%
60,000 - 99,999	0	-	0.00%
100,000 - 124,999	1	803.36	2.27%
125,000 - 199,999	0	-	0.00%
200,000 - 499,999	1	1,477.34	4.18%
500,000 - 999,999	2	10,501.01	29.69%
1M - 1,499,999	1	8,636.81	24.42%
1.5M - 1,999,999	0	-	0.00%
Above 2M	1	13,945.33	39.43%
TOTAL	**6**	**35,363.84**	**100%**

SBM India Fund Class B Breakdown

Market Value	No of Clients	No of Units	% Holding
0-59,999	80	5,550.14	66.42%
60,000 - 99,999	2	1,042.71	12.48%
100,000 - 124,999	0	-	0.00%
125,000 - 199,999	0	-	0.00%
Above 200,000	1	1,763.29	21.10%
TOTAL	**83**	**8,356.13**	**100%**

Shareholders' agreement

To the best knowledge of the Fund, there has been no such agreement with any of its shareholders for the year under review.

Shareholders' relations and communication

Shareholders are strongly encouraged to visit the website of the Manager (https://nbfc.sbmgroup.mu/asset-management) to remain updated on the Fund's initiatives/projects and goals.

Shareholders' calendar

The Fund has planned the following forthcoming events:

Reporting date	30 June
Publication of year end results	Within 90 days from end of 30 June 2023

Dividend Policy

No dividend policy is currently envisaged but the Board of the Fund have the discretion to change the distribution policy in the future and distribute any profits earned to shareholders in terms of dividends or bonus shares. For the year ended 30 June 2023, the Board did not recommend the payment of any dividend.

Dealings in the Fund's shares

No director dealt in the Fund's shares during the year under review and no director hold shares in the Fund.

Employee Share Option Scheme

The Fund has no share option plans.

OTHER STATUTORY DISCLOSURES

Significant Contracts

The Investment Management Agreement with SBM Mauritius Asset Managers Limited is still effective.

Directors and Officers Liability Insurance

The Fund has subscribed to a Directors and Officers Liability Insurance policy in respect of legal actions or liability which may arise against its Directors and officers. The cover does not provide insurance against fraudulent, malicious or wilful acts or omissions.

Director

Director

Date: 25 SEP 2023

STATEMENT OF COMPLIANCE

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

Name of Company: SBM India Fund

Reporting Period: Year ended 30 June 2023

Throughout the year ended 30 June 2023 to the best of the Board's knowledge SBM India Fund (the "Fund") has complied with the National Code of Corporate Governance for Mauritius (2016), except for the following:

1. Principle Two which requires all organisations to have directors from both genders. The Fund has no female director on its Board.
2. Principle Two which requires all organisation to have two executive directors. The Fund has only one executive director.
3. Principle Four which requires all organisation to undertake an annual evaluation of its Board. No board evaluation has been conducted for the financial year ended 30 June 2023.

The reasons for the non-compliance have been explained in the corporate governance report.

....
Director

....
Director

Date: 25 SEP 2023

Rogers Capital

SBM India Fund

SECRETARY'S CERTIFICATE
FOR THE YEAR ENDED 30 JUNE 2023

Secretary's Certificate under Section 166 (d) of the Mauritius Companies Act 2001

In accordance with Section 166 (d) of the Mauritius Companies Act 2001, we certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **SBM India Fund** under the Mauritius Companies Act 2001 for the year ended 30 June 2023.

For and on behalf of
Rogers Capital Fund Services Ltd
Company Secretary

Date: ....25/09/2023..........

Deloitte.

7th-8th floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
Ebène 72201
Mauritius

Independent auditor's report to the Members of SBM India Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **SBM India Fund** (the "Fund") set out on pages 8 to 34, which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to holders of redeemable participating shares and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business Licence companies.

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 Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standard Board for International Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with 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 Manager's Report, the Commentary of Directors, the Corporate Governance Report and the Certificate from the Secretary but 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the Fund'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 the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

Deloitte.

7th-8th floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
Ebène 72201
Mauritius

Independent auditor's report to the Members of SBM India Fund (Continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

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

Mauritius Companies Act 2001

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

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

Corporate Governance Report

Our responsibility under the Financial Services Commission Circular Letter CL281021 is to report on the compliance with the Code of Corporate Governance disclosed in the Corporate Governance Report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Corporate Governance Report, the Company has complied with the requirements of the Code.

Use of this report

This report is made solely to the Fund's members, 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 Fund's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's members as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte

Deloitte

Chartered Accountants

27 September 2023

LLK Ah Hee, FCCA

Licensed by FRC

	Notes	2023 USD	2022 USD
ASSETS			
Cash and cash equivalents		**222,298**	396,133
Other receivables	5	**24,329**	14,838
Financial assets at fair value through other comprehensive income	6 (a)	**986,409**	2,242,049
Financial assets at fair value through profit or loss	6 (b)	**5,180,824**	2,742,741
		6,413,860	5,395,761
LIABILITIES			
Other payables	7	**17,885**	33,256
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		**17,885**	33,256
		6,395,975	5,362,505
REPRESENTED BY:			
Management shares	8 (a)	**10**	10
Net assets attributable to holders of redeemable participating shares		**6,395,965**	5,362,495
		6,395,975	5,362,505

Approved by the Board of Directors and authorised for issue on 25 SEP 2023

Signed on behalf of the Fund:

DIRECTOR **DIRECTOR**

The notes on pages 12 to 34 form an integral part of these financial statements.

	Notes	2023	2022
		USD	USD
INCOME			
Dividend income		**74,527**	85,942
Net gain on financial assets at FVTPL	6(b)	**732,222**	-
		806,749	85,942
FUND EXPENSES			
Manager's fees	11	**53,491**	54,775
Administrator's fees	12	**8,834**	9,079
Custodian fees	13	**19,499**	10,616
Director fees		**14,012**	10,783
Audit fees		**8,054**	3,140
Statutory fees		**6,375**	6,375
Secretarial fees		**1,800**	1,800
Legal and professional fees		**4,168**	6,670
Bank charges		**269**	410
Net foreign exchange loss		**11,731**	16,889
Sundry expenses		**-**	32
Net loss on financial assets at FVTPL	6(b)	**-**	369,663
		128,233	490,232
PROFIT/(LOSS) BEFORE TAXATION		**678,516**	(404,290)
Income tax expense	15	**(6,804)**	(126,580)
PROFIT/(LOSS) AFTER TAXATION		**671,712**	(530,870)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that will not be reclassified to profit/ loss			
Net gain on financial assets at FVOCI	6(a)	**288,698**	56,355
Increase/(decrease) in net assets attributable to holders of redeemable participating shares		**960,410**	(474,515)

The notes on pages 12 to 34 form an integral part of these financial statements.

	Issued shares	Accumulated losses	Non-distributable reserves		Total
			Fair value reserve	Other reserve	
	USD	USD	USD	USD	USD
As at 1 July 2021	7,870,790	(1,233,532)	(768,868)	(42,533)	5,825,857
Issue of shares (Note 8(b))	41,331	-	-	-	41,331
Redemption of shares (Note 8(b))	(30,178)	-	-	-	(30,178)
(Decrease)/ Increase in net assets attributable to holders of redeemable participating shares	-	(530,870)	56,355	-	(474,515)
Transfer*:					
Net loss on financial assets at FVTPL	-	369,663	-	(369,663)	-
Foreign exchange loss	-	16,889	-	(16,889)	-
As at 30 June 2022	7,881,943	(1,377,850)	(712,513)	(429,085)	5,362,495
As at 1 July 2022	**7,881,943**	**(1,377,850)**	**(712,513)**	**(429,085)**	**5,362,495**
Issue of shares (Note 8(b))	**123,000**	**-**	**-**	**-**	**123,000**
Redemption of shares (Note 8(b))	**(49,940)**	**-**	**-**	**-**	**(49,940)**
Increase in net assets attributable to holders of redeemable participating shares	**-**	**671,712**	**288,698**	**-**	**960,410**
Transfer*:					
Net gain on financial assets at FVTPL		**(732,222)**		**732,222**	
Foreign exchange loss	**-**	**11,731**	**-**	**(11,731)**	**-**
As at 30 June 2023	**7,955,003**	**(1,426,629)**	**(423,815)**	**291,406**	**6,395,965**

*** Note:**

Capital gains arising from changes in the value of investments, both realised and unrealised are credited to non-distributable reserves and shall not be available for distribution as dividends. Capital losses arising from changes in the value of investments will be debited to fair value reserve and shall not be offset against income received. All other undistributable income and expenses such as foreign exchange movements are transferred to other reserve.

Net gains/ (losses) on financial assets held at FVTPL have been transferred to undistributable reserves.

	Notes	2023 USD	2022 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (loss) before taxation		**678,516**	(404,290)
Adjustments for:			
Dividend income		**(74,527)**	(85,942)
Foreign exchange loss		**11,731**	16,889
Net gain/(loss) on financial assets at FVTPL	6 (b)	**(732,222)**	369,663
Operating loss before working capital changes		**(116,502)**	(103,680)
Increase/(decrease) in other payables		**5,778**	(66,439)
Purchase of financial assets at FVTPL	6 (b)	**(4,420,862)**	(3,946,215)
Proceeds from disposal of financial assets at FVOCI	6 (a)	**1,544,338**	3,379,495
Proceeds from disposal of financial assets at FVTPL	6 (b)	**2,715,001**	833,811
Dividend received		**65,035**	84,138
		(207,212)	181,110
Capital gains tax paid		**(34,663)**	(65,700)
Withholding tax paid	15	**(12,507)**	(17,069)
TDS refund/ (deducted) on share buyback	15	**20,647**	(22,439)
Net cash (used in) /generated from operating activities		**(233,735)**	75,902
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of redeemable participating shares	8 (b)	**123,000**	41,331
Redemption of redeemable participating shares	8 (b)	**(49,940)**	(30,178)
Net cash generated from financing activities		**73,060**	11,153
Net (decrease)/ increase in cash and cash equivalents		**(160,675)**	87,055
Cash and cash equivalents at start of the year		**396,133**	325,967
Foreign exchange loss on cash and cash equivalents		**(13,160)**	(16,889)
Cash and cash equivalents at end of the year		**222,298**	396,133

The notes on pages 12 to 34 form an integral part of these financial statements.

1 LEGAL FORM AND PRINCIPAL ACTIVITY

The SBM India Fund ("the Fund") was incorporated in the Republic of Mauritius on 12 October 2007 as a public company limited by shares.

The Financial Services Commission ("FSC") issued a Category 1 Global Business Licence ("GBL 1") to the Fund on 18 March 2005. Further to the changes made by the Finance (Miscellaneous Provisions) Act 2018 ("FMPA 2018") to the Financial Services Act ("FSA"), the FSC is no longer empowered to issue any GBL 1 as from 01 January 2019. With effect from July 1, 2021, the GBL1 licenses have now been automatically converted to a Global Business License ("GBL").

The objective of the Fund is to generate growth in the Net Assets attributable to holders of Redeemable Participating shares through investment in equity and equity related instruments in India. The Fund's investment activities are managed by SBM Mauritius Asset Managers Ltd.

The Fund has management shares and participating shares issued in two (2) classes of shares namely:

- Class A - issued for Institutional Investors
- Class B - issued for Individual Investors.

2 APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

In the current year, the Fund has applied all of the new and revised standard and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2022.

2.1 New and revised Standards that are effective but with no material effect on the financial statements

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended IFRS and IFRIC interpretations adopted in the year commencing 1 July 2022:

Amendments	Effective for accounting period beginning on or after
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 July 2022
Annual Improvements to IFRS Standards 2018-2020 Conceptual Framework	1 July 2022

The above amendments did not have an impact on the financial position or performance of the Fund.

2.2 New standards, amendments and interpretations effective after 1 July 2022 and have not been early adopted

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Fund has not early adopted them:

New or revised standards and interpretations:	Effective for accounting period beginning on or after
Amendments	
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	1 January 2024
Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1)	1 January 2024

2 APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

2.2 New standards, amendments and interpretations effective after 1 July 2022 and have not been early adopted (Continued)

New or revised standards and interpretations:	Effective for accounting period beginning on or after
Amendments (Continued)	
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) — other disclosure requirements	1 January 2023
International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) — Application of the exception and disclosure of that fact	Issued on 23 May 2023 with immediate

The Fund is still evaluating the effect of these new or revised standards and interpretations on the presentation of its financial statements.

No early adoption is intended by the Board of directors.

3 ACCOUNTING POLICIES

3.1 Basis of Preparation

The Financial Statements have been prepared in accordance with International Financial Reporting standards ("IFRS") as issued by the International Accounts Standard Board ("IASB").

The financial statements have been prepared on the historical cost basis, except for financial assets held at FVTPL and financial assets held at FVOCI which are measured at fair value.

3.2 Summary of Significant Accounting Policies

(a) Foreign currency translation

The financial statements are presented in USD (presentation currency) which is also the currency of the primary economic environment in which the Fund operates (functional currency). The Fund determines its own functional currency and items included in the financial statements of the Fund are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Fund at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences arising on settlement or retranslation of monetary items are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

3 ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of Significant Accounting Policies (Continued)

(b) Dividend income

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

(c) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3 ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of Significant Accounting Policies (Continued)

(d) Financial instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 has no material impact on the net assets attributable to holders of redeemable shares of the Fund.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date for equity instruments, i.e., the date that the Fund commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

3 ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of Significant Accounting Policies (Continued)

(d) Financial instruments (Continued)

Financial assets at fair value through other comprehensive income (equity instruments) (continued)

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as income in the statement of profit or loss when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Fund has elected to classify its listed equity investments existing as at 30 June 2021 under this category.

Financial assets at fair value through profit or loss

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

Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition. It has been acquired principally for the purpose of selling it in the near term

Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 6(d).

Following the re-assessment on the classification and measurement of listed and non-listed equity investments, all new equities purchased as from 01 July 2021 have been classified under this category.

Financial assets at amortised cost

The Fund measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

3 ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of Significant Accounting Policies (Continued)

(d) Financial instruments (Continued)

Financial assets at amortised cost (continued)

The Fund's financial assets at amortised cost include cash and cash equivalents and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Fund of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of its continuing involvement.

In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to repay.

Impairment of financial assets

The Fund recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

3 ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of Significant Accounting Policies (Continued)

(d) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Fund considers a financial asset to be in default when the financial asset is more than 30 days past due.

The Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Fund considers this to be Baa3 for Moody's rating or BBB- as per Standard and Poor's rating.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from the default events that are possible within the 12 months after the reporting date (or shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating the ECLs is the maximum contractual period over which the Fund is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the entity in accordance with the contract and cash flows that the Fund expects to receive).

Credit-impaired financial assets

At each reporting date, the the Fund is required to assess whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3 ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of Significant Accounting Policies (Continued)

(d) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as default or being more than 30 days past due; or
- It is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowances for ECLs in the statement of financial position

Presentation of allowances for financial assets measured at amortised cost, are deducted from the gross carrying amount of assets.

Write-off policy

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the Fund's recovery procedures. Any recoveries made are recognised in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities comprise of other payables and net assets attributable to redeemable participating shareholders, which are measured at amortised cost.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

<u>Other payables</u>

Accounts payable are stated at their amortised cost using the effective interest method.

<u>Effective interest method</u>

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

Derecognition

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 on 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.

3 ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of Significant Accounting Policies (Continued)

(d) Financial instruments (Continued)

Offsetting of financial instruments

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

Determination of fair value

The fair value for financial instruments traded in active markets at reporting date is based on their quoted price or binding dealer price quotations.

For all other financial assets not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis making as much use of available and supportable market data as possible.

An analysis of fair value instruments and further details as to how they are measured are provided in Note 6(d).

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

(e) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank.

(f) Provisions

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Fund expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3 ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of Significant Accounting Policies (Continued)

(g) Redeemable participating shares

Redeemable units are classified as equity instruments when:

- The redeemable units entitle the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation.
- The redeemable units are in the class of instruments that is subordinate to all other classes of instruments.
- All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Fund's net assets.
- The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

In addition to the redeemable units having all the above features, the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund; and
- The effect of substantially restricting or fixing the residual return to the holders of redeemable units.

The Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The Fund classified its redeemable units as financial liability as it does not meet the above features and the Fund has contractual obligations to repurchase or redeem for cash or other financial asset.

(h) Related parties

Parties are considered to be related to the Fund if they have the ability, directly or indirectly, to control the Fund or exercise significant influence over the Fund. Related parties may be individuals or other entities.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. Uncertainties about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Judgements

In the process of applying the Fund's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the financial statements:

(a) Determination of functional currency

The primary objective of the Fund is to generate returns in USD, its capital-raising currency. The liquidity of the Fund is managed on a day-to-day basis in USD. The Fund's performance is evaluated in USD. Therefore, management considers USD as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

(c) Going concern

The Manager of the Fund has made an assessment of its ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the Manager is not aware of any material uncertainty that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

(b) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (see financial assets sections of note 3). The Fund determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Fund monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Fund's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Estimates and Assumptions

At the reporting date, there are no key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. OTHER RECEIVABLES

	2023 USD	2022 USD
Prepayments	**8,052**	8,052
Dividend receivable	**16,277**	6,786
	24,329	14,838

The carrying value of other receivables approximates its fair value because of its short term nature.

Dividend is receivable within 3 months. The balances outstanding are interest free and unsecured.

6(a). FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023 USD	2022 USD
At 01 July	**2,242,049**	5,565,189
Disposals	**(1,544,338)**	(3,379,495)
Net gain on financial assets at FVOCI	**288,698**	56,355
At 30 June	**986,409**	2,242,049

6(b). FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 USD	2022 USD
At 01 July	**2,742,741**	-
Additions	**4,420,862**	3,946,215
Disposals	**(2,715,001)**	(833,811)
Net gain/ (loss) on financial assets at FVTPL	**732,222**	(369,663)
At 30 June	**5,180,824**	2,742,741

6(c). Financial assets comprise the following:

Foreign equities	**30 June 2023**		30 June 2022	
	FVOCI USD	**FVTPL USD**	FVOCI	FVTPL USD
Axis Bank Ltd	**39,118**	**116,691**	91,922	26,770
Bata India Ltd	**-**	**-**	16,692	37,188
Bharat Electronics Ltd	**66,853**	**18,072**	73,943	11,649
Bharti Airtel Ltd	**57,412**	**55,056**	46,487	44,579
Cipla Ltd	**6,124**	**56,166**	54,120	40,997
Equitas Small Finance Bank Ltd	**-**	**-**	9,791	3,417
HDFC Bank Ltd	**101,931**	**472,116**	268,149	105,826
ICICI Bank Ltd	**201,297**	**134,881**	399,694	33,312
HCL Technologies Ltd	**7,674**	**89,415**	36,847	23,661
Indraprastha Gas Ltd	**-**	**-**	(2,479)	40,513
Infosys Technologies Ltd	**141,217**	**313,771**	278,774	20,825
JB Chemicals & Pharma	**6,203**	**60,732**	15,433	41,917
KNR Constructions Ltd	**31,946**	**15,811**	31,959	-

6(c). Financial assets comprise the following (Continued):

Foreign equities (Continued)	**30 June 2023**		30 June 2022	
	FVOCI USD	**FVTPL USD**	FVOCI USD	FVTPL USD
Larsen & Toubro Ltd	**93,240**	**111,044**	88,592	46,072
Mishra Dhatu Nigam Ltd	-	-	22,535	-
Motherson Sumi Systems Ltd	-	**48,721**	25,134	-
Motherson Sumi Wiring India	-	-	33,892	-
NTPC Limited	**19,989**	**157,713**	45,055	41,454
PNC Infratech Ltd	**25,524**	**10,505**	19,593	3,281
Rallis India Ltd	-	-	5,518	18,226
Reliance Industries Ltd	-	**245,264**	148,229	77,730
State Bank of India	**17,840**	**145,761**	140,965	81,145
Sun Pharmaceuticals Industries Ltd	**44,799**	**91,265**	118,109	42,490
Tech Mahindra Ltd	**39,698**	**47,555**	67,743	17,537
Sapphire Foods India Ltd	-	**30,150**	-	-
Container Corporation of India Ltd	-	**47,271**	-	-
Federal Bank Ltd FVTPL	-	**56,924**	-	-
UNITED SPIRITS LTD	-	**111,134**	-	-
Balkrishna Industries Ltd	-	**95,203**	-	-
Syngene International Ltd	-	**81,363**	-	-
Bajaj Finance Ltd	-	**110,848**	-	-
Eicher Motors Ltd	-	**67,203**	-	-
Central Depository Services (India) Ltd FVTPL	-	**20,038**	-	-
Divis Laboratories Ltd	-	**47,394**	-	-
Avenue Supermarts Ltd	-	**48,354**	-	-
Gujarat State Petronet Ltd FVTPL	-	**33,944**	-	-
Voltas Ltd	-	**40,840**	-	-
Phoenix Mills Ltd	**48,402**	**50,689**	49,761	-
UltraTech Cement Ltd	-	**106,768**	59,286	28,045
UTI Asset Management Co. Ltd	-	-	42,283	19,056
V I P Industries Ltd	**37,142**	**9,650**	54,022	-
TVS Motor Company Ltd	-	-	-	-
Petronet LNG Ltd	-	-	-	-
Tata Power Company Ltd	-	-	-	67,208
ITC Ltd	-	**191,165**	-	-
Ajanta Pharma Ltd	-	**53,007**	-	-
Ambuja Cements Ltd	-	-	-	80,115
G R Infraprojects Ltd	-	-	-	17,559
Escorts Kubota Ltd	-	**70,214**	-	82,435
Coal India Ltd	-	-	-	64,558
Coromandel International Ltd	-	**40,172**	-	60,224
ITC Ltd	-	-	-	77,678
AIA Engineering Ltd	-	**54,030**	-	57,724
Maruti Suzuki India Ltd	-	-	-	160,352
Mahindra & Mahindra Ltd	-	**139,885**	-	101,667
Cholamandalam Investment & Finance Comp	-	**113,935**	-	39,143
Teamlease Services Ltd	-	**45,858**	-	64,129
Whirlpool of India	-	-	-	37,156
Hindustan Unilever Ltd	-	**157,673**	-	130,913
ICICI Lombard General Ins. Co. Ltd	-	-	-	48,401

6(c). Financial assets comprise the following (Continued):

Foreign equities (Continued)	**30 June 2023**		30 June 2022	
	FVOCI USD	**FVTPL USD**	FVOCI USD	FVTPL USD
Tata Motors ltd	-	**96,766**	-	79,570
Bank of Baroda	-	**88,516**	-	48,506
PB Fintech Ltd	-	-	-	44,109
United Breweries Ltd	-	-	-	65,857
Asian Paints Ltd	-	-	-	37,881
Can Fin Homes Ltd	-	-	-	29,422
Coforge Ltd	-	**91,309**	-	35,404
Housing Development Finance Corporation Ltd	-	-	-	104,454
Jubilant Foodworks Ltd	-	**62,259**	-	54,679
Kajaria Ceramics Ltd	-	**103,471**	-	27,960
Mphasis Ltd	-	**89,624**	-	59,548
Multi Commodity Exchange of India Limited	-	**39,503**	-	25,008
SBI Cards & Payments Services Ltd	-	-	-	56,032
Indian Hotels Co Ltd	-	**109,177**	-	40,198
Bandhan Bank Ltd	-	-	-	17,450
Hindalco Industries Ltd	-	-	-	30,574
Life Insurance Corporation of India	-	-	-	8,106
Delhivery Ltd	-	-	-	34,653
KEI Industries Ltd	-	**69,152**	-	48,378
Honeywell Automation India Ltd	-	**77,729**	-	-
LTIMindtree Ltd	-	**95,658**	-	-
Minda Industries Ltd	-	**49,642**	-	-
Tube Investments of India LtdFVTPL	-	**33,088**	-	-
Mahindra CIE Automotive Ltd	-	**67,611**	-	-
HINDUSTAN AERONAUTICS LTD	-	**52,699**	-	-
SBI Life Insurance Co. Ltd	-	**14,815**	-	-
Crompton Greaves Consumer Electricals Ltd	-	**25,554**	-	-
Total Financial assets	**986,409**	**5,180,824**	2,242,049	2,742,741

6(d). FAIR VALUE MEASUREMENT HIERARCHY

IFRS 13 requires disclosures relating to fair value measurement using a three level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level of input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability.

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

The fair value of the above investments are considered to be Level 1 fair value measurements since they are published prices (unadjusted) in active markets.

There has been no transfer between levels.

6(d). FAIR VALUE MEASUREMENT HIERARCHY (CONTINUED)

The following table analyses the Fund's concentration of equity price in the Fund's equity portfolio by geographical distribution:

Investments	2023 USD	2022 USD	2023 %	2022 %
India	**6,167,233**	4,984,790	**100**	100

7. OTHER PAYABLES

	2023 USD	2022 USD
Manager's fees (Note 11)	**4,678**	4,047
Administration fees payable (Note 12)	**770**	670
Audit fees payable	**6,312**	1,781
Custodian fees payable (Note 13)	**724**	419
Tax filing fees payable	**999**	788
Professional fees payable	**4,179**	4,179
Capital gains tax payable	**223**	21,372
	17,885	33,256

The carrying amount of other payables approximate their fair value. Balances outstanding are unsecured, interest free and repayable within 3 months.

8. CAPITAL MANAGEMENT

As a result of the ability to issue, repurchase and resell units, the capital of the Fund can vary depending on the demand for redemption and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Funds's prospectus.

The investment objective of the Fund is to achieve attractive risk-returns through a combination of long-term capital appreciation and current income by making portfolio investments.

The Fund's objectives for managing capital are:

- To invest the capital in investments, meeting the description, risk, exposure and expected return indicated in its prospectus.
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise.
- To maintain sufficient size to make the operation of the Fund cost efficient.

The capital of the Fund consists of management shares and redeemable participating shares denominated in USD. The redeemable participating shares are redeemable at the option of the share holder based on net asset value.

(a) MANAGEMENT SHARES

The capital of the Fund consists of Management shares of **USD 10** (2022: USD 10). They confer on the holder voting rights in any members meeting. However, the holders of the management shares have no right to receive dividends nor any rights to participate nor receive surplus funds upon liquidation of the Fund other than a return of the nominal paid-up capital, subject to assets being available for such payment.

8. CAPITAL MANAGEMENT (CONTINUED)

(a) MANAGEMENT SHARES (CONTINUED)

Management shares were issued at par value of USD 1 each to SBM Mauritius Asset Managers Limited and shall not be redeemed.

	2023 USD	2022 USD
Issued and fully paid		
10 Management shares of USD 1 each	**10**	10

Management shares shall confer on the holders thereof:

(a) voting rights in any Members Meeting;
(b) the right to participate in so much only of the profits and assets of the company as are attributable to the Management shares;
(c) in a winding up the right only to receive an amount equal to its par value in accordance with Article 48, if there are sufficient assets to enable such payment.

(b) REDEEMABLE PARTICIPATING SHARES

The Redeemable Participating shares, of no par value, are allotted on dealing days at the subscription price and are redeemable at the option of the shareholder based on the net asset value. The holders of the redeemable participating shares are entitled to receive dividend as decided by the Board.

The minimum initial investment for the Shares that is accepted from a Qualified Holder is US$ 100,000 for Class A Participating Shares and US$ 100 for Class B Participating Shares. Participating Shares have no voting rights. The Shares of any Class carry a right to dividends (if any) declared by the Fund in respect of that Class. The holder of any Participating Share is not entitled to receive notice of, attend or vote at meetings of shareholders. In a winding-up, each holder of Participating Shares has a right, provided that there are net assets available, to the payment equal to the amount of Participating Shares held and a right to share in any surplus assets.

(i) Movement in redeemable participating shares during the year

	2023			2022		
	Class A	**Class B**	**Total**	Class A	Class B	Total
At start of year	**35,364**	**7,790**	**43,154**	35,364	7,735	43,099
Shares issued	**-**	**951**	**951**	-	283	283
Shares redeemed	**-**	**(385)**	**(385)**	-	(228)	(228)
At end of year	**35,364**	**8,356**	**43,720**	35,364	7,790	43,154

	2023		2022	
	Number of shares	**USD**	Number of shares	USD
At start of year	**43,154**	**7,881,943**	43,099	7,870,790
Shares issued	**951**	**123,000**	283	41,331
Shares redeemed	**(385)**	**(49,940)**	(228)	(30,178)
At end of year	**43,720**	**7,955,003**	43,154	7,881,943

8. CAPITAL MANAGEMENT (CONTINUED)

(b) REDEEMABLE PARTICIPATING SHARES (CONTINUED)

(ii) Net asset value per share

	2023	2022
	USD	USD
Class A	**147.18**	124.97
Class B	**142.54**	121.03

(iii) Prices per share

	Class A		**Class B**	
	2023	2022	**2023**	2022
	USD	USD	**USD**	USD
Issue price	**147.18**	124.97	**142.54**	124.67
Redemption price	**147.18**	124.97	**119.82**	119.82

9. RELATED PARTY DISCLOSURES

During the years ended 30 June 2023 and 2022, the Fund transacted with related entities. Details of the nature, volume of transactions and balances with the entities are shown below.

	2023	2022
	USD	USD
SBM Mauritius Asset Managers Ltd		
- Manager fees payable	**4,678**	4,047
- Manager fees	**53,491**	54,775
SBM Fund Services Ltd		
- Administration fees payable	**770**	670
- Administration fees	**8,834**	9,079
SBM Bank (Mauritius) Ltd		
- Balances held with Bank	**25,840**	52,225
- Bank charges	**269**	350
SBM Bank (India) Ltd		
- Balances held with Bank	**196,458**	343,908
- Bank charges	**-**	60
Shares issued to related parties		
SBM Growth Fund	**5,385,806**	4,579,347
SBM Universal Fund	**9,904,301**	8,421,252

Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables (2022: Nil).

Compensation to key management personnel during the year amounted to **USD 14,012** (2022: USD 10,783).

10. FINANCIAL INSTRUMENTS

10.1 Financial Risk Management

Risk is inherent in the Fund's activities and is managed through a process of ongoing identification, measurement and monitoring subject to risk limits and other controls put in place at the investment manager company level. The Fund is exposed to market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds. The Fund has investment guidelines that set out its overall business strategies and its tolerance to risk.

10.2 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses), for each class of financial asset, financial liability and equity instrument are disclosed in notes to the financial statements.

10.3 Fair value

The carrying amount of the other receivables, other payables and distribution to unitholders approximate their fair value because of their short term nature.

10.4 Categories of financial instruments

	2023 USD	2022 USD
Financial assets		
Financial assets at fair value through other comprehensive income	**986,409**	2,242,049
Financial assets at fair value through profit or loss	**5,180,824**	2,742,741
Cash and cash equivalents at amortised cost	**222,298**	396,133
Other receivables	**16,277**	6,786
	6,405,808	5,387,709
Financial liabilities		
Other payables at amortised cost	**17,885**	33,256
Net assets attributable to holders of redeemable participating shares at amortised cost	**6,395,965**	5,362,495
	6,413,850	5,395,751

10.5 Risk management

The Fund's credit risk is managed by the Manager subject to the Fund's established policy, procedures and controls. The credit exposure is monitored by the investment team and reported to the Fund's board and Investment Committee on a quarterly basis. There are internal limits with respect to single issuer exposure, maximum sector exposure and the Fund will hold a diversified portfolio of securities in mitigating overall portfolio credit risk. Investment-grade securities are mostly targeted in managing credit risk but credit migration is monitored.

Market risk

Market risk is the risk of loss resulting from adverse movement in market rates or prices such as interest rates, foreign exchange rates and equity prices.

10. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Foreign currency risk

The Fund invests in securities, including maintenance of cash that are denominated in such currencies other than in United States Dollar ("USD"). Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates. Therefore, the Fund will necessarily be subject to foreign exchange risk.

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

	Financial assets		Financial Liablities	
	2023 USD	2022 USD	**2023 USD**	2022 USD
United States Dollar	**25,840**	52,225	**6,413,627**	5,374,379
Indian Rupee	**6,379,968**	5,335,484	**223**	21,372
	6,405,808	5,387,709	**6,413,850**	5,395,751

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rate, with all other variables held constant, on the Fund's profit/loss before tax and net asset:

	Increase /decrease percentage		Effect on profit before tax and net asset	
	2023	2022	**2023 USD**	2022 USD
Indian Rupee	**10%**	10%	**(637,975)**	(531,411)
	-10%	-10%	**637,975**	531,411

Equity price risk

The Fund is exposed to the risk that the value of its equity securities will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or factors affecting all securities traded in the market. Market risk is managed through diversification of the investment portfolio.

Equity price sensitivity analysis

The sensitivity analysis has been determined based on the exposure to equity price risks at the reporting date and assesses the impact of a 5% change in the equity price of foreign investments. A positive number below indicates an increase in profits.

		2023 USD	2022 USD
Effect on profit before tax	+/- 5%	**308,362**	249,240

A fall in equity prices by 5% would have resulted in an equal but opposite impact on profit before tax and net assets.

Equity price sensitivity analysis

Interest rate risk

The Fund is not exposed to interest rate risk on its financial assets and liabilities.

10. FINANCIAL INSTRUMENTS (CONTINUED)

10.5. Risk management (Continued)

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within debt instruments, short-term trade receivables, and cash and cash equivalents.

The Investment Manager's policy is to closely monitor the creditworthiness of the Fund's counterparties by reviewing their credit ratings, financial statements and press releases on a regular basis.

Credit risk disclosures are segmented into two sections based on whether the underlying financial instrument is subject to IFRS 9's impairment disclosures or not.

Credit risk on cash and cash equivalents

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of exposures.The Fund considers that these exposures have low credit risk based on the external credit rating of the counterparties. The Fund has assessed that ECL on cash and cash equivalents is not considered to be material.

Financial assets not subject to IFRS 9's impairment requirement

The Fund is not exposed to credit risk on its equity instruments. These classes of financial assets are not subject to IFRS 9's requirements as they are measured at fair value. The carrying amount of these assets amount to **USD 6,167,233** (2022: USD 4,984,790) under IFRS 9 and represents the Fund's maximum exposure to credit risk as the financial instruments are not subject to IFRS 9 impairment requirement under respective reporting.

Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its shares earlier than expected. The Fund is exposed to cash redemptions of its redeemable shares on a regular basis. Shares are redeemable at the holder's option based on the Fund's NAV per share at the time of redemption, calculated in accordance with the Fund's prospectus. In the event that the holders of the share, in agreegrate, request withdrawals of 25% or more of the aggregate balances of the shares as of any redemption date, the Board of the Fund may in its discretion reduce this actual amount equal to 10% of the aggregate shares.

The Fund's policy is to satisfy redemption requests by the following means (in decreasing order of priority):

- Searching for new investors
- Withdrawal of cash deposits
- Disposal of highly liquid assets (i.e., short-term, low-risk debt investments)
- Disposal of other assets

The Fund invests primarily in marketable securities and other financial instruments which, under normal market conditions, are readily convertible to cash. In addition, the Fund's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

10. FINANCIAL INSTRUMENTS (CONTINUED)

10.5. Risk management (Continued)

Liquidity risk (Continued)

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

Financial assets

Analysis of equity and debt securities into maturity groupings is based on the expected date on which these assets will be realised. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date on which the assets will be realised.

The following table summarises the maturity profile of the Fund's redeemable shares classified as financial liabilities based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Fund's financial assets (undiscounted where appropriate) in order to provide a complete view of the Fund's contractual commitments and liquidity.

	Less than 1 year USD	No stated maturity USD	Total USD
2023			
Cash and cash equivalents	**222,298**	**-**	**222,298**
Other receivables	**16,277**	**-**	**16,277**
Financial assets at fair value through profit or loss	**5,180,824**	**-**	**5,180,824**
Financial assets at fair value through other comprehensive income	**986,409**	**-**	**986,409**
Total financial assets	**6,405,808**	**-**	**6,405,808**
Other payables	**17,885**	**-**	**17,885**
Net assets attributable to shareholders	**-**	**6,395,965**	**6,395,965**
Total financial liabilities	**17,885**	**6,395,965**	**6,413,850**
Liquidity gap	**6,387,923**	**(6,395,965)**	**(8,042)**
2022			
Cash and cash equivalents	396,133	-	396,133
Other receivables	6,786	-	6,786
Financial assets at fair value through profit or loss	2,742,741	-	2,742,741
Financial assets at fair value through other comprehensive income	2,242,049	-	2,242,049
Total financial assets	5,387,709	-	5,387,709
Other payables	33,256	-	33,256
Net assets attributable to shareholders	-	5,362,495	5,362,495
Total financial liabilities	33,256	5,362,495	5,395,751
Liquidity gap	5,354,453	(5,362,495)	(8,042)

10. FINANCIAL INSTRUMENTS (CONTINUED)

10.5. Risk management (Continued)

Excessive risk concentration

Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentration of risks arises when a number of financial instruments or contracts are enterred into with the same counterparty or when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in econimic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic political or other conditions. Concentrations of liquidity risk may arise from repayment terms of financial liabilities. Concentrations of foreign exchange risk may arise if the Fund has a significant net open position in a single foreign currency. In order to avoid excessive concentration of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The investment manager is instructed to reduce exposure to excessive risk concentrations.

The Fund shall not take an exposure higher than 5% of its net asset value into equity shares or equity related instruments of any one company at the time of investment. The Fund shall not own more than 10% of any company's paid up capital carrying voting rights. The Fund may not invest more than 5% of its net assets value in any single mutual fund or exchange traded fund managed by one asset management company. The Fund has complied with these restrictions.

11. MANAGER'S FEES

Manager's fees are computed daily based on **0.8% p.a for Class A shares** (2022: 0.8% p.a of NAV) and **1.4% for Class B** (2022: 1.4% p.a of NAV) shares on the net asset value of the Fund and are payable monthly in arrears.

12. ADMINISTRATOR'S FEES

Administrator's fees are computed daily based on **0.15% p.a of net asset value** (2022: 0.15% p.a of NAV) of the Fund and are payable monthly in arrears.

13. CUSTODIAN FEES

Custody fees are computed daily based on **0.01% p.a on the value of the securities** -"Mark to Market" (2022: 0.01% p.a of investment value).

14. ENTRY FEE AND EXIT FEE

Entry fees of **3%** (2022: 3%) on **Class B participating shares** subscribed are retained by the Investment Manager to meet any administration costs in relation to subscription of shares.

Exit fees of **1%** (2022:1%) on **Class B participating shares** will be applicable at the time of redemption. The redemption proceeds will be reduced by the amount of the exit fees and the net amount paid to the Unitholder.

Entry fees and exit fees charges are not applicable for Class A participating shares.

15. TAXATION

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of 15% (2021 : 15%). It has received Category 1 Global Business License ("GBL1") on 31st March 2011 and is grandfathered under the provisions of the Finance (Miscellaneous Provisions) Act 2018 ("FA 2018"). With effect from July 1, 2021, their GBL1 licenses have now been automatically converted to a Global Business License ("GBL").

The Company is able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption are taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

However, gains arising on shares acquired on or before 31 March 2017 will not be taxed in India irrespective of the date of disposal. This is on the basis that the taxing right on capital gains for shares acquired on or before 31 March 2017 rests solely with Mauritius.

Disposal of investments made by a Mauritian company in Indian financial instruments other than shares (such as limited partnerships, options, futures, warrants, debentures, and other debt instruments) are not impacted by the change so that Mauritius will continue to have the sole taxing right on the disposal of such assets.

	2023	2022
	USD	USD
Profit/ (loss) before taxation	**678,516**	(404,290)
At income tax rate of 15% (2022: 3%)	**101,777**	(60,644)
Tax effect of:		
Non taxable income	**(97,575)**	-
Exempt Income	**(21,201)**	-
Non deductible expenses	**17,841**	59,436
Utilisation of tax losses	**(842)**	-
Deferred tax asset not recognised	**-**	1,208
	-	-
Foreign taxes suffered:		
TDS (refund)/ deducted on share buyback	**(20,647)**	22,439
Capital gains tax on disposal of investment	**14,944**	87,072
Withholding tax on foreign dividends	**12,507**	17,069
Current tax expense	**6,804**	126,580

16. EVENTS AFTER REPORTING DATE

There has been no material events after the reporting date which would require disclosure or adjustment to the Financial Statements for the year ended 30 June 2023.