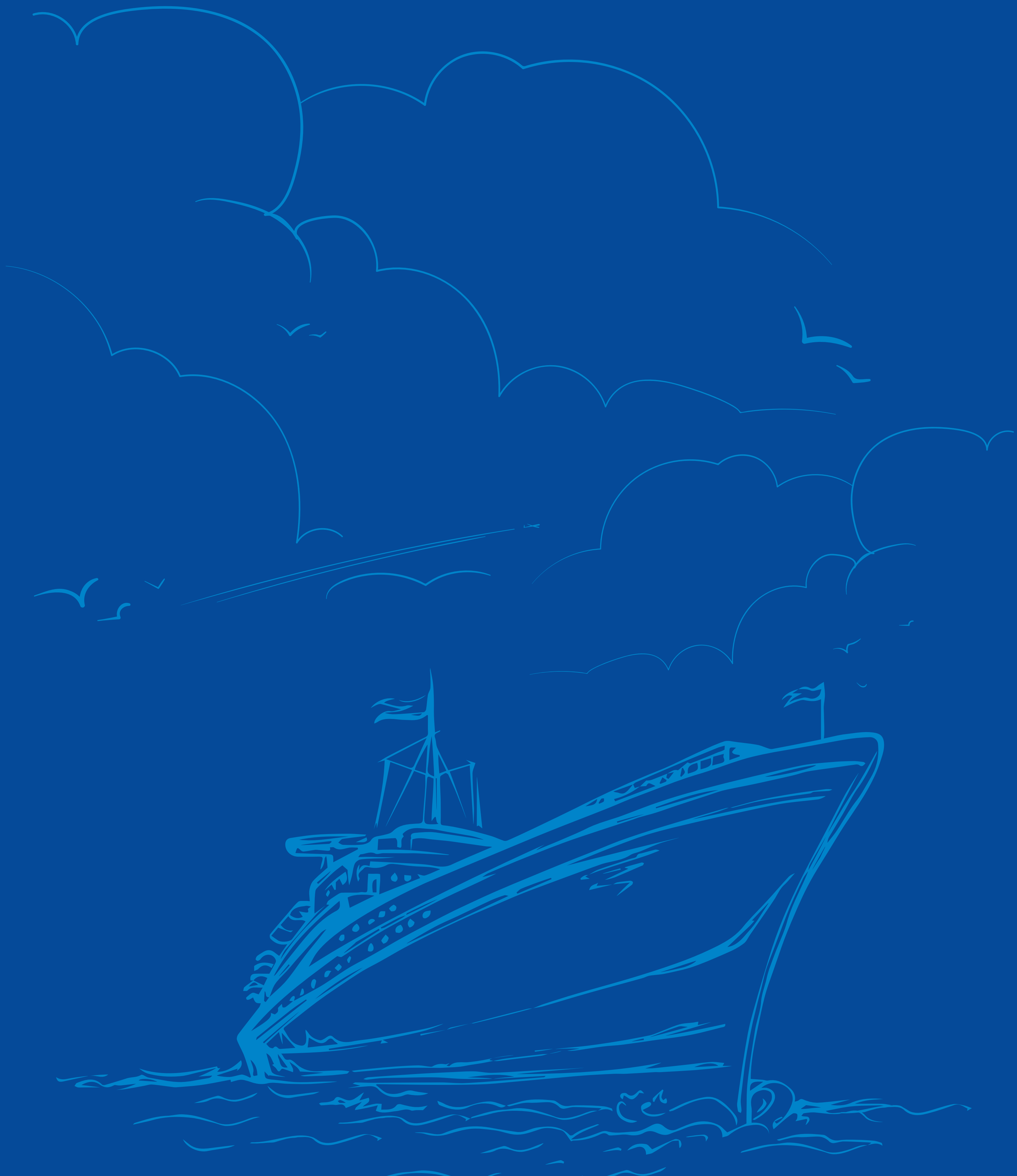
ANNUAL REPORT

FINANCIAL YEAR 2022 - 2023

MPA

Mauritius Ports Authority



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REPORT OF THE ACTING DIRECTOR-GENERAL

I am pleased to report on the Financial and Operational performance of the Mauritius Ports Authority for the Financial Year 2022/2023.

It is a fact that most of the trade for the country goes through the Port. The MPA has always ensured that all the facilities are duly available for the smooth transit of cargoes through the port in line with the requirements of the Ports Act 1998 and endeavours to attract more traffic at Port Louis.

With the economic and budgetary measures taken, most of the sectors of the country are displaying positive results both in terms of operational and financial achievements and are back to pre-pandemic levels. The MPA is prepared to face the challenges to ensure that the port is well equipped to handle any increase in cargo and container traffic resulting from these positive growths.

As regards Financial Year 2022/2023, the MPA has realised a positive financial result with a net surplus of Rs 432.1 million, representing a 37.6 % increase over last financial year's figure of Rs 313.9 million, notwithstanding the decrease in cargo traffic from 7,665,603 tonnes for last financial year as compared to a traffic of 7,534,454 for this financial year. The net surplus margin has been estimated at some 21.7%.

The depreciation of the Mauritian Rupee against the US Dollar has also contributed positively to the financial performance as most of the MPA tariffs are denominated in this currency.

It is also to be noted that total container traffic witnessed a growth of 3% during the financial year, when compared to that of last year, i.e., from 408,145 TEUs to 420,394 TEUs. On the one hand, captive container traffic grew by 5.8% over last financial year's figure to attain 247,637 TEUs, whilst on the other hand, a decrease of 0.8% was experienced on Container Transhipment Traffic to reach 172,757 TEUs. However, with proposals being received from shipping lines to increase their container moves in the port, mainly from Maersk Ltd., this traffic could experience growth in the coming financial year.

On the vessel traffic side, 2,713 vessel calls have been recorded, compared to 2,578 calls for last year, representing a 5.2% increase. Container vessel traffic which was recorded at 434 calls for last financial year has increased to 496 calls in this financial year. Cruise vessels which called only twice in Financial Year 2021/2022, registered 22 calls for this financial year. This explains the rise in vessel fees from Rs 615 million to Rs 744 million.

The Authority's Financial Statements for the Financial Year depicts a strong financial position, with a total asset of Rs 24.8 billion. The gearing ratio is negligible with a major part of the loan contracted from the Agence Française de Développement for the project for the Upgrading and Extension of Berths at the Mauritius Container Terminal, already settled. This loan will be fully repaid by the next Financial Year. This will also reduce the finance costs of the MPA, leading to higher investment income.

All the financial ratios, as computed, show improvements in the financial performance and position of the Authority, despite the difficult economic climate that had prevailed over the past periods. The strong financial position indicates that the MPA would be in a position to finance its major projects from its internally generated fund which would include mainly investment in new tugs, major overhauling of tugs, implementation of CCTV projects, infrastructure works at Fort William, amongst others.
Despite these challenges, the Authority has maintained its impetus for port development with a view to ensuring the delivery of competitive and reliable services that meet the expectations of its clients and port community at large.

One of the key highlights of the past year has been our unwavering dedication to enhancing the capabilities of Port Louis Harbour through strategic investments such as the coming into operation of the Port Louis Cruise Terminal and other projects like the installation of a digitalized Vessel Clearance System, modern CCTV & Centralised Access Control System together with a number of raise arm barriers and turnstiles and Vessel Traffic System. With the commissioning of these projects, the efficiency of our Port facilities and services will be greatly improved, thus enabling smoother and more streamlined operations.

Over the years, Port Louis Harbour has undergone constant transformations and the MPA is paving the path for its further transformation. Along that perspective, the Authority is presently working on its new Port Master Plan for the horizon 2050 which will shape the future of Port Louis Harbour. Accordingly, the MPA will maintain the momentum of its investment programme to transform our Port into a major logistics hub in the region and to promote operational excellence, thus meeting the evolving needs of our customers and stakeholders. These developments will bolster the position of Port Louis Harbour as a leading maritime hub in the region.

Furthermore, the MPA has continued to prioritize sustainability and environmental stewardship in all its activities. We recognize the importance of responsible and eco-friendly practices in the maritime industry, and concrete steps are being taken to minimize ecological footprint. From implementing green initiatives to promoting renewable energy adoption, we remain committed to preserving our marine ecosystem for future generations and as such, a panoply of measures is being implemented by the Authority to achieve the status of Green Port.

The MPA has installed a Solar Photo Voltaic (SPV) plant of 10 kWp capacity at the Oil Jetty to power the electrical system thereat. In addition, the services of an experienced consulting firm were enlisted for the implementation of a Solar PV project which will allow the MPA to tap further the potential of Renewable Energy in the port. Three sites have been identified for the installation of solar panels, which will be implemented by the MPA. The total installed capacity of the three sites is around 400 kW.

It is to be underlined that the Port Louis Cruise Terminal has been designed and constructed with sustainability at its core and whereby the use of natural lighting has been optimised.

In line with its commitment to excellence, the MPA has placed great emphasis on strengthening partnerships and collaborations with key stakeholders. The MPA has been participating in forums with other ports and associations like the Association of Indian Ocean Islands Ports (L'Association des ports des îles de l'océan Indien – APIOI) and the Port Management Association of Eastern & Southern Africa (PMAESA) in order to keep abreast with innovation and best practices in the maritime industry. These collaborations can potentially enrich our operations and pave the way for new opportunities and synergies.

However, amidst our accomplishments, we must also acknowledge the challenges that we have encountered along the way. The global economic uncertainties, geopolitical shifts, and evolving market dynamics have presented us with new hurdles. Nevertheless, we are confident that with our dedicated team, robust strategies, and the continued support of our stakeholders, we will overcome these challenges and emerge stronger than ever before.

As a concluding note, I wish to thank all the staff of the Authority and the Unions for their commitment and dedication.

I also wish to express my sincere gratitude to our valued stakeholders, including our customers, partners for their continuous support and trust.

The valuable contribution of Late Mr. Ashit Kumar Gungah, former MPA Chairman and the MPA Board of Directors is also acknowledged.

Lastly, I wish to convey my gratitude to the Hon Pravind Kumar Jugnauth, Prime Minister, Minister of Defence, Home Affairs and External Communications and Minister for Rodrigues, Outer Islands and Territorial Integrity and the team of the Prime Minister's Office (External Communications Division) for their unwavering support.

Shakeel Goburdhone
Acting Director-General

Port Trade Performance FY22/23

1. KEY FIGURES AT A GLANCE

Total Trade Volume	**7.5 Million tonnes**	**(-1.7%)**
Containerised Cargo	3.6 Million tonnes	(-1.2%)
Dry Bulk Cargo	1.7 Million tonnes	(-5.4%)
Liquid Bulk Cargo	2.0 Million tonnes	(-4.9%)
Fish Traffic	131,139 tonnes	(+30.4%)
Total Container Traffic	**420,394 TEUs**	**(+3.0%)**
Captive Container	247,637 TEUs	(+5.8%)
Transhipment Container Inwards	172,757 TEUs	(-0.8%)
Transhipment Container Outwards	170,620 TEUs	(- 4.9%)
Total Container Throughput (incl. paid restows)	**602,941 TEUs**	**(-0.1%)**
Total Vessel Traffic	**2,713 calls**	**(+5.2%)**
Containerised Vessels	496 calls	(+14.0%)
Fishing Vessels	758 calls	(+9.1%)
Cruise Traffic	22 calls	(+100.0%)
Total Bunker Traffic	**426,504 tonnes**	**(-28.3%)**
Pipeline	56,322 tonnes	(-38.1%)
Barges	370,182 tonnes	(-26.5%)

CORPORATE INFORMATION
YEAR ENDED 30 JUNE 2023

Board of Directors

- Ravi Meettook (Member as from 05 April 2023 and Ag. Chairperson as from 13 June 2023)
- Late Ashit Kumar Gungah (Chairperson) (As from 24 August 2022 up to 31 May 2023)
- Shankhnad Ghurburrun (Chairperson) (Up to 17 August 2022)
- Om Kumar Dabidin (Up to 04 April 2023)
- Shakeel Goburdhone (As from 24 December 2022)
- Aruna Devi Bunwaree Ramsaha (Up to 23 December 2022)
- Kantabye Babajee (As from 05 August 2022)
- Asish Kumar Jhoerreea (Up to 04 August 2022)
- Vailamah Pareatumbee
- Vivekanand Ramburun
- Lilowtee Rajmun-Jooseery (As from 19 October 2022)
- Captain Mahendra Babooa (As from 19 October 2022)
- Captain Gilbert Mallet (As from 19 October 2022)

Board Committees

Nomination & Staff Committee
- Kantabye Babajee (Chairperson) (As from 05 August 2022)
- Asish Kumar Jhoerreea (Chairperson) (Up to 15 July 2022)
- Ravi Meettook (As from 05 April 2023)
- Om Kumar Dabidin (Up to 04 April 2023)
- Shakeel Goburdhone (As from 24 December 2022)
- Aruna Devi Bunwaree Ramsaha (Up to 23 December 2022)

Audit Committee
- Vivekanand Ramburun (Chairperson)
- Om Kumar Dabidin (Up to 14 December 2022)
- Lilowtee Rajmun-Jooseery (As from 15 December 2022)
- Captain Gilbert Mallet (As from 15 December 2022)

Finance and Investment Committee
- Vailamah Pareatumbee (Chairperson)
- Shankhnad Ghurburrun (Up to 17 August 2022)
- Ourmilla Ramkurrun - Sepaul
- Captain Mahendra Babooa (As from 15 December 2022)
- Shakeel Goburdhone (As from 24 December 2022)
- Aruna Devi Bunwaree Ramsaha (Up to 23 December 2022)

Land Lease Management Committee
- Ravi Meettook (Chairperson) (As from 05 April 2023)
- Om Kumar Dabidin (Chairperson) (As from 15 December 2022 up to 04 April 2023)
- Mrs. Aruna Devi Bunwaree Ramsaha (Chairperson) (Up to 14 December 2022 and member as from 15 December 2022 up to 23 December 2022)
- Shakeel Goburdhone (As from 24 December 2022)
- Ourmilla Ramkurrun - Sepaul
- Vailamah Pareatumbee

Co-opted members
- Doorgesh Kumar Manikaran
- Roshni Bissessur
- Vedacharya Vyas Sharma Chuckun

Corporate Governance Committee
- Ravi Meettook (Chairperson) (As from 05 April 2023)
- Om Kumar Dabidin (Chairperson) (Up to 04 April 2023)
- Vivekanand Ramburun
- Lilowtee Rajmun-Jooseery (As from 15 December 2022)

Port Licensing Committee
- Shakeel Goburdhone (Chairperson) (As from 24 December 2022)
- Aruna Devi Bunwaree Ramsaha (Chairperson) (Up to 23 December 2022)
- Ourmilla Ramkurrun - Sepaul
- Vailamah Pareatumbee
- Captain Mahendra Babooa (As from 15 December 2022)

Co-opted members
- Captain Kavidev Newoor
- Shakeel Goburdhone (Up to 23 December 2022)
- Gowraj Angad

Senior Executives

- Shakeel Goburdhone - Deputy Director-General (Technical and Operational Services) up to 23 December 2022 and Ag. Director-General (As from 24 December 2022 to date)
- Aruna Devi Bunwaree Ramsaha - Ag. Director-General (Up to 23 December 2022)
- Captain Kavidev Newoor - Ag. Port Master
- Ravishankar Woottum - Director, IT Services
- Shreeganesh Ganga - Director, Finance
- Sandesh Seelochun - Director, Port Development
- Mukhram Moloo - Director, Human Resources (Retired on 02 September 2022)
- Nomita Seebaluck - Ag. Director, Port Operations
- Basdeo Bholanath Dhunnoo - Senior Manager, Technical Services
- Priyathama Seebaruth - Senior Manager, Procurement & Supply
- Gowraj Angad - Senior Manager, Estate Management and Licensing

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Email : grant.thornton@mu.gt.com

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2023

The Board of Directors (the "Board") ensures through its system of governance, that adequate accounting records are maintained so as to disclose at any time, and with reasonable accuracy, the financial position of the Mauritius Ports Authority (the "Authority" or "MPA"). They are also responsible for taking reasonable steps to safeguard the assets of the Authority and hence to prevent fraud and detect other irregularities.

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with International Public Sector Accounting Standards (IPSAS).

In preparing such financial statements, they have ensured the following:

- suitable accounting policies have been selected and applied on a consistent basis using reasonable and prudent judgment; and
- whether International Public Sector Accounting Standards (IPSAS) have been adhered to.

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

The Audit Committee monitors the integrity of the financial statements and is responsible for reviewing the system of internal controls. It examines weaknesses that may be identified in controls and makes appropriate recommendations to the Board.

Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the year under review, which could have a material impact on the business.

The Directors confirm that the MPA has adhered to most of the requirements of the National Code of Corporate Governance and have ensured that the financial statements comply with the Statutory Bodies (Accounts and Audit) Act 1972.

The external auditors, **Grant Thornton Mauritius**, have independently reported on whether the financial statements are fairly presented.

The Authority will submit a copy of its Annual Report to the Financial Reporting Council, in accordance with the Financial Reporting Act 2004.

This Report was approved by the Board and is signed on its behalf.

Ag. Director-General **Shakeel Goburdhone**	**Secretary to the Board** **Shreeganesh Ganga**

Date: 24 OCT 2023

STATEMENT OF COMPLIANCE

(Section 75(3) of the Financial Reporting Act 2004)

Name of Public Interest Entity ('PIE'):	**Mauritius Ports Authority**
Reporting Period:	**30 June 2021**

We, the Directors of the "Authority", hereby confirm to the best of our knowledge that the Authority has not complied with the following principles of the National Code of Corporate Governance for Mauritius (2016):

1. Principle 4: Board evaluation (Page 31)

- The Authority does not evaluate the Board, subcommittees and directors since the Board Members are appointed by the Minister.

Ag. Director-General
Shakeel Goburdhone

Secretary to the Board
Shreeganesh Ganga

Date: 24 OCT 2023

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023

Principle 1: Governance Structure

Compliance with the National Code of Corporate Governance for Mauritius (2016) (the 'Code')

The Mauritius Ports Authority is the sole national port authority established under the Ports Act 1998 to regulate and control the port sector and provide marine services. The MPA is a Public Interest Entity as defined by the Financial Reporting Act 2004.

The Board of Directors (the "Board") and management of the Authority are committed to ensuring and maintaining a high standard of corporate governance within the Authority. Furthermore, the Board endorses the highest standards of business integrity and professionalism to ensure that the activities within the Authority are managed ethically and responsibly to enhance business value for all stakeholders.

The Board assumes full responsibility for leading and controlling the organisation and meeting all legal and regulatory requirements. Besides, the Board is collectively responsible for the long-term success, reputation and governance of the MPA. The Board also determines the MPA's mission, vision, values and strategy.

The vision of the MPA is to be *"the leading Authority driving Mauritius as the preferred regional Maritime Gateway".*

The mission of the MPA is "to stimulate economic growth by transforming our port into a dynamic logistics hub whilst providing sustainable and competitive integrated services".

The core values of the Authority are:

- Service Excellence;
- Passion;
- Innovation and Creativity; and
- Results Driven Culture.

This report describes, amongst others, the main corporate governance framework and compliance requirements of the Authority which are laid down in the following:

- The Ports Act 1998;
- The Financial Reporting Act 2004; and
- The disclosures required under the Code and the Terms of Reference of the Board Committees.

The MPA has adopted a Board Charter as recommended by the Corporate Governance Committee and approved by the Board.

Additionally, the MPA has in place a written job description/position statement for each senior governance position.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 2: The Structure of the Board and its Committees

Board Structure

The Board of MPA has a unitary structure.

The Board is of the view that its composition is adequately balanced and that the current Directors have the range of skills, expertise and experience to carry out their duties properly.

Besides, members of the six subcommittees of the Board namely the Nomination & Staff Committee, the Audit Committee, the Finance and Investment Committee, the Land Lease Management Committee, the Corporate Governance Committee and the Port Licensing Committee have the appropriate balance of skills, experience, independence and knowledge to enable them to discharge their duties as evidenced by their profiles.

Board Size

As per Section 6 of the Ports Act 1998, the Board shall consist of:

(i) a Chairperson appointed by the Minister;
(ii) a representative of the Minister;
(iii) the Director-General;
(iv) three members appointed by the Minister from representatives of commercial, shipping or other users' interests; and
(v) not more than three members as the Minister may from time to time determine.

Every appointed member shall:

(a) be a person who, in the Minister's opinion, has had experience and shown capacity in the field of port management, industry, commerce, finance or administration or has some special knowledge or experience that renders him a fit and proper person to be a member; and
(b) hold office for a period not exceeding two years and shall be eligible for reappointment.

At the date of this report, the Board comprised eight (8) members as follows:

- One (1) Executive Director; and
- Seven (7) Non-Executive Directors including the Chairperson.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 2: The Structure of the Board and its Committees

Board Composition

At the date of this report, the Board was composed as follows:

	Names	Category
Chairperson	Mr. Ravi Meettook - Secretary for Home Affairs, Prime Minister's Office (Ag. Chairperson as from 13 June 2023)	Non-Executive Director
	Late Mr. Ashit Kumar Gungah	Non-Executive Director
Members	Mr. Om Kumar Dabidin - Secretary for Home Affairs, Prime Minister's Office (Up to 04 April 2023)	Non-Executive Director
	Mr. Shakeel Goburdhone - Ag. Director-General, Mauritius Ports Authority (As from 24 December 2022)	Executive Director
	Mrs. Aruna Devi Bunwaree Ramsaha - Ag. Director-General, Mauritius Ports Authority (Up to 23 December 2022)	Executive Director
	Mrs. Kantabye Babajee - Representative of External Communications Division of the Prime Minister's Office (As from 05 August 2022)	Non-Executive Director
	Mr. Asish Kumar Jhoerreea - Representative of External Communications Division of the Prime Minister's Office (Up to 04 August 2022)	Non-Executive Director
	Mrs. Vailamah Pareatumbee - Director Economic and Finance, Ministry of Finance, Economic Planning and Development	Non-Executive Director
	Mr. Vivekanand Ramburun - Director of Customs, Mauritius Revenue Authority	Non-Executive Director
	Mrs. Lilowtee Rajmun-Jooseery, CSK - Director, Mauritius Export Association (As from 19 October 2022)	Non-Executive Director
	Captain Mahendra Babooa, Marine Superintendent - Mauritius Shipping Corporation Ltd (As from 19 October 2022)	Non-Executive Director
	Captain Gilbert Mallet - Master Mariner (As from 19 October 2022)	Non-Executive Director
Secretary to the Board	Mr. Shreeganesh Ganga, Director Finance	

Explanation on Board composition

The Board does not fully comply with Principle 2 of the Code as the Board does not consist of any independent directors.

Board Diversity

The Board Members of MPA comprise 5 males and 3 females and are all ordinarily resident of Mauritius.

Board of Directors

The Board of Directors is the ultimate decision-making level in the organisation and it exercises leadership, entrepreneurship, integrity and sound judgement in directing the MPA so as to achieve continuing prosperity for the organisation while ensuring both performance and compliance.

The Board also ensures that the activities of the Authority comply with all legal and regulatory requirements as well as with the Ports Act 1998 from which the Board derives its authority to act.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Board of Directors (Contd)

The Board of Directors is ultimately accountable and responsible for the performance and affairs of the Authority namely, the review and adoption of strategic plans, the overview of business performance, the adoption of appropriate risk management systems and the establishment of proper internal control systems.

All Directors are aware of the key discussions and decisions of the subcommittees as the Chairperson of each committee provides a summary to all the Directors at the main Board meeting following the relevant subcommittee meetings.

The Board of Directors assesses the terms of reference of the six Board subcommittees on a regular basis to ensure that same are being applied correctly and that the said terms of reference are compliant with the various regulations.

It is also the Board's responsibility to apply effective corporate governance principles and to be the focal point of the corporate governance system.

Chairperson and Director-General

The roles of the Chairperson and the Director-General are separate and each of them has clearly defined responsibilities. These ensure a proper balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The role of the Chairperson is assumed by a Non-Executive with the Director-General reporting to the Board, giving therefore sufficient segregation of powers between the Chairperson and the Management.

The Non-Executive Chairperson is responsible for leading the Board and ascertaining its effectiveness. He ensures that the corporate strategy and the related execution are aligned together with operational efficiencies. He is also responsible for ensuring that the Directors receive accurate, timely and clear information and he encourages the active participation of all Board members in discussions and decisions. (With his experience, the Chairperson is in an excellent position to oversee the affairs of the Authority while ensuring that value is being created for all stakeholders).

On the other hand, Mr. Shakeel Goburdhone, in his capacity as Ag. Director-General, is responsible for the executive management of MPA's operations and for developing the long-term strategy and vision of the Authority. Mr. Shakeel Goburdhone also ensures effective communication with the stakeholders.

The Authority's Secretary

The MPA has a qualified Secretary who is also the Director, Finance of the Authority appointed in a substantive capacity.

All Directors of the MPA have access to the advice and services of the Secretary who is responsible for providing detailed guidance to the Chairperson and the Directors as to their fiduciary duties, responsibilities and powers. The Secretary also ensures that the Authority is at all times complying with the Ports Act 1998, terms of reference of the Board subcommittees, applicable laws, rules and regulations.

Moreover, the Authority's Secretary assists the Chairperson and the Board in implementing and strengthening good governance practices and processes with a view to enhancing long-term stakeholders' value. The Authority's Secretary also administers, attends and prepares minutes of all Board meetings. The Authority's Secretary also assists the Chairperson in ensuring that Board procedures are followed and that the Authority's relevant rules and regulations are complied with.

The Authority's Secretary is the primary channel of communication between the Authority and its stakeholders as well as the regulatory bodies.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Board Meetings

In accordance with the provisions of Section 7 of the Ports Act 1998, board meetings are held not less than once every three (3) months and at such other time as the Authority may require.

Decisions taken between meetings are confirmed by way of written resolutions, agreed and signed by all Directors entitled to receive notice.

The Board meetings are conducted in accordance with the Ports Act 1998 and are convened by giving appropriate notice to the Directors. Detailed agenda, as determined by the Chairperson, together with other supporting documents are circularised in advance to the Directors to enable them to participate meaningfully in the decision-making process and make informed deliberations at Board meetings. In order to address specific urgent business needs, meetings are at times called at shorter notice. Furthermore, the Directors have the right to request independent professional advice at MPA's expense.

A quorum of five (5) Directors is currently required for a Board Meeting of the MPA. Questions arising at any meeting of the Board shall be decided by a majority vote of the members present and voting thereon and, in case of an equality of votes, the Chairperson of the meeting shall have a casting vote.

During the year under review, the Board met 17 times. Decisions were also taken by way of resolutions in writing, agreed and signed by all Directors then entitled to receive notice of the meeting.

The minutes of the proceedings of each Board meeting are recorded by the Authority's Secretary and are entered in the minutes' book of the MPA. The minutes of each Board meeting are submitted for confirmation at its next meeting and these are then signed by the Chairperson and the Secretary.

Board Committees

The Code provides that Board Committees are a mechanism to assist the Board of Directors in discharging its duties and responsibilities through a more comprehensive evaluation of specific issues, followed by well-considered recommendations to the Board.

As such, six Board committees have been constituted namely the Nomination & Staff Committee, the Audit Committee, the Finance and Investment Committee, the Land Lease Management Committee, the Corporate Governance Committee and the Port Licensing Committee to assist the Board in the effective performance of its responsibilities. These Committees operate within defined terms of reference and independently to the Board. The terms of reference of the six Committees are amended as required, subject to the approval of the Board.

The Chairperson of the Board Committees reports on the proceedings of the Committees at each Board meeting of the Authority and the Committees regularly recommend actions to the Board.

The Board recognises that Board Committees are an effective part of the corporate governance framework of the Authority which enable the Directors to discharge their duties more effectively by sharing the work of the Board, enhancing Board efficiency and effectiveness and enabling issues to be studied in greater depth. However, the Board also understands that it is ultimately responsible and accountable for the performance of the Authority and that delegating authority to Board Committees does not in any way absolve the Board of its duties and responsibilities.

The Board Committees are authorised to obtain, at the MPA's expense, professional advice both within and outside the MPA in order for them to perform their duties.

Nomination & Staff Committee

The Nomination & Staff Committee considers and determines establishment matters relating to the recruitment, appointment, promotion and empowerment of staffs as well as the terms and conditions of employment. All recommendations made by the Nomination & Staff Committee in regard to the establishment and conditions of employment are submitted for the consideration of the Board.

The Nomination & Staff Committee should always have a non-executive Chairperson and as far as possible one or more independent directors as members.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

The Nomination & Staff Committee shall have the mandate to:

(i) Recommend human resource strategies/policies to the Board;
(ii) Consider matters pertaining to appointment, promotion, confirmation of appointment of employees, application for early retirement;
(iii) Review and approve Policy, Systems and Procedures for the Human Resource process and systems at the MPA;
(iv) Carry out interview of candidates for the filling of vacant positions as per the Authority's approved recruitment & selection procedures;
(v) Make recommendations in respect of the remuneration policy following performance appraisal;
(vi) Consider and recommend training as per the Authority's Training Policy/Plan;
(vii) Consider matters pertaining to disciplinary actions and industrial relations;
(viii) Consider recommendations from Salary Commissioner/HRD Consultants in the context of the Authority's Salary Reviews/Human Resource Development Plans;
(ix) Consider matters relating to welfare of employees;
(x) Consider and recommend changes to the terms and conditions of service;
(xi) Consider and recommend the participation of MPA officers in overseas training/seminar/workshop; and
(xii) Consider other issues pertaining to human resources management.

At the date of this report, the Nomination & Staff Committee is constituted as follows:

	Names
Chairperson	Mrs. Kantabye Babajee - Representative of External Communications Division of the Prime Minister's Office (As from 05 August 2022)
	Mr. Asish Kumar Jhoerreea - Representative of External Communications Division of the Prime Minister's Office (Up to 15 July 2022)
Members	Mr. Ravi Meettook - Secretary for Home Affairs, Prime Minister's Office (As from 05 April 2023)
	Mr. Om Kumar Dabidin - Secretary for Home Affairs, Prime Minister's Office (Up to 04 April 2023)
	Mr. Shakeel Goburdhone - Ag. Director-General, Mauritius Ports Authority (As from 24 December 2022)
	Mrs. Aruna Devi Bunwaree Ramsaha - Ag. Director-General, Mauritius Ports Authority (Up to 23 December 2022)
Secretary	Mrs. Prameshwary Gungaram - Manager Human Resources

The Nomination & Staff Committee met twenty times during the year under review.

Audit Committee

The Audit Committee is set up to provide a roadmap for the development of proactive strategies with a view to ensuring that every effort is made to appropriately manage risks that may have a bearing on port operations.

The attributes of the Audit Committee are as follows:

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Audit Committee (Contd)

Internal Audit Function

(i) To consider the adequacy of the Audit Plan and to ensure that the annual Internal Audit exercise covers all operations and the areas of risks;
(ii) To scrutinize and discuss on periodical reports submitted by the Internal Audit & Investigation Management Department and Compliance & Risk Function;
These reports should include inter-alia observations, conclusions, recommendations and strategies;
(iii) To ensure that decisions taken at the level of the Audit Committee are timely implemented to bring in expected results;
(iv) To examine the performance reported on quarterly financial statements;
(v) To assign specific duties to the Corporate Auditor pertaining to, among others, the following:

- Management of investment portfolios and investment in port related projects;
- Raising of loans for financing port projects;
- Acquisition and disposal of any asset and share of securities;
- Financial aspects of the Concession Contract; and
- Hedging techniques to mitigate losses in foreign exchange and operation of foreign accounts.

(vi) To instruct the Corporate Auditor to carry out specific investigations on suspected malpractices or alleged frauds as and when needed;
(vii) To consider the views of the Corporate Auditor on the effectiveness of MPA's corporate governance processes; and
(viii) To report regularly to the Board on the actions of the Audit Committee.

Risk Management Function

(i) To review risk management functions and the annual risk management plan;
(ii) To assess the scope and effectiveness of systems established and to monitor financial and non-financial risks;
(iii) To review risk assessment reports on a periodic basis to enable the Audit Committee to assess the risks related to the Authority's operations and to consider the major risks identified and how they are controlled and monitored;
(iv) To review the effectiveness of on-going risk findings and evaluation of significant risks for prioritisation and allocation of resources to address areas of high exposure;
(v) To assess the role of the risk management function in its overall context; and
(vi) To review the Authority's arrangements for compliance with risk management guidelines as per ISO 31000 – Risk Management.

At the date of this report, the Audit Committee is constituted as follows:

	Names
Chairperson	Mr. Vivekanand Ramburun, Director of Customs, Mauritius Revenue Authority
Members	Mr. Om Kumar Dabidin, Secretary for Home Affairs, Home Affairs Division of the Prime Minister's Office (Up to 14 December 2022)
	Mrs. Lilowtee Rajmun-Jooseery, CSK, Director, Mauritius Export Association (As from 15 December 2022)
	Captain Gilbert Mallet, Master Mariner (As from 15 December 2022)
Secretary	Mrs. Lawtee Rugbur, Manager, Audit & Investigation

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Audit Committee (Contd)

The Audit Committee operates under the terms of reference approved by the Board of Directors.

The Board is of the view that the members of the Audit Committee have sufficient financial management expertise and experience to discharge their responsibilities properly. The Audit Committee confirms that it has fulfilled its responsibilities for the year under review, in accordance with its terms of reference.

The Audit Committee is governed by an Audit & Risk Management Charter and is responsible to assist the Board in fulfilling its financial reporting responsibilities. The Committee also reviews the financial reporting process, the internal control system and the management of risks. It also assesses the effectiveness of the independent audit process by having regular interactions with the independent auditors. The approach, scope and timing of the audit field are discussed with the audit team prior to the start of any audit. The Committee is also responsible for the appointment of internal and external auditors.

The Audit Committee met five times during the financial year 2022/2023 to review the financial statements of the MPA and to receive reports of the work conducted by the Audit and Investigation Management Department, the Compliance & Risk Function and the Independent External Auditors.

Finance and Investment Committee

The attributes of the Finance and Investment Committee have been updated in line with the approval limits as contained in the Internal Procurement Procedures Manual and approved by the Board at its meeting held in January 2019.

The function of the committee is to make recommendations to the Board as follows:

(i) MPA's budget for the ensuing year;
(ii) Draft financial statements for the current financial year prior to submission to the external auditors;
(iii) Procurement of goods and services above Rs 1,000,000 (excluding VAT);
(iv) Purchase of foreign currencies for the Authority's debt servicing exercise with a view to meeting payments due to contractors;
(v) Investments of surplus cash in fixed deposit accounts denominated in MUR and/or other foreign currencies;
(vi) Provision of incentive schemes to be granted to shipping lines;
(vii) Payment of dividends to Government based on estimated net surpluses;
(viii) Investment in port development projects;
(ix) Raising of loans for financial port development projects;
(x) Early redemption of local/foreign loans;
(xi) Acquisition of any land/building or any interest therein;
(xii) Mitigation of foreign exchange losses through hedging techniques;
(xiii) Subscription, acquisition and disposal of shares or securities of any corporate body;
(xiv) Granting of loans to other bodies subject to the approval of the Minister;
(xv) Forming part or subscription to the share capital of a company or enter into a management contract with any company or any person for the purpose of managing its investments;
(xvi) Investment of any sum not immediately required for the purposes of its business; and
(xvii) Realisation of investments, securities or loans under the Authority's control in order to finance its operations or for the purpose of reinvestment.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Finance and Investment Committee (Contd)

At the date of this report, the Finance and Investment Committee is constituted as follows:

	Names
Chairperson	Mrs. Vailamah Pareatumbee, Director Economic & Finance, Ministry of Finance, Economic Planning & Development
Members	Mr. Shankhnad Ghurburrun, Ag. Chairman MPA (Up to 17 August 2022)
	Mrs. Ourmilla Ramkurrun - Sepaul, Representative of External Communications Division of the Prime Minister's Office
	Captain Mahendra Babooa, Marine Superintendent, Mauritius Shipping Corporation Ltd (As from 15 December 2022)
	Mr. Shakeel Goburdhone, Ag. Director-General (As from 24 December 2022)
	Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General (Up to 23 December 2022)
Secretary	Mr. Adesh Sharma Soyjaudah, Manager, Financial Accounting & Treasury Management

The Finance and Investment Committee met fourteen times during the year under review.

Land Lease Management Committee

The Land Lease Management Committee makes recommendations to the Board on new lease applications, renewal of current leases, whilst setting up/reviewing guidelines and procedures for land management and land allocation with the following terms of reference:

(i) Recommend renewal of existing lease agreements to the MPA Board;
(ii) Assess all applications against set criteria and make recommendations to the Board;
(iii) Advise the Board on the proper implementation of approved procedures/guidelines from time to time;
(iv) Review criteria for evaluation of land applications including procedures/guidelines for approval by MPA Board;
(v) Advise the Board on improvements for the effective running of the Estate Management & Licensing Section; and
(vi) Advise the Board on any major review or undertaking in regard to land management.

At the date of this report, the Land Lease Management Committee is constituted as follows:

	Names
Chairperson	Mr. Ravi Meettook, Secretary for Home Affairs, Prime Minister's Office (As from 05 April 2023)
	Mr. Om Kumar Dabidin, Secretary for Home Affairs, Prime Minister's Office (As from 15 December 2022 up to 04 April 2023)
	Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General (Up to 14 December 2022)
Members	Mr. Shakeel Goburdhone, Ag. Director-General (As from 24 December 2022)
	Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General (Up to 23 December 2022)
	Mrs. Ourmilla Ramkurrun - Sepaul, Representative of External Communications Division of the Prime Minister's Office
	Mrs. Vailamah Pareatumbee, Director Economic & Finance, Ministry of Finance, Economic Planning & Development
Co-opted Members	Mr. D. K. Manikaran, Senior State Attorney, State Law Office
	Mrs. Roshni Bissessur, Deputy Director, Valuation & Real Estate Consultancy Services
	Mr Vedacharya Vyas Sharma Chuckun, Senior Surveyor, Ministry of Housing & Lands
Secretary	Mrs. Simla Chotoree, Officer, Estate Management and Licensing

The Land Lease Management Committee met ten times during the year under review.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Corporate Governance Committee

The objective of the MPA Corporate Governance Committee is to provide guidance to the Board on aspects of corporate governance and to recommend the adoption of best practices. The attributes of the Corporate Governance Committee are to ensure that:

(i) the reporting requirements on corporate governance are in accordance with the principles of the Code of Corporate Governance and that the Authority's Annual Report discloses the following:

• Holding structure of MPA;
• A profile of the Board Directors, the Director-General and each member of the senior management team;
• Detailed remuneration allocated to Board Directors;
• Main terms of reference of Board Committees and attendance details of Directors;
• Identification of key risks and their control;
• Policies and practices as regard social, safety & health and environmental issues; and
• Onboarding system for new directors.

(ii) the Board comprises a majority of independent non-executive Directors;
(iii) the Board exercises its powers and discharges its responsibilities as stipulated in the Ports Act 1998;
(iv) the Board Sub Committees are run effectively and smoothly;
(v) a Code of Conduct is formulated establishing obligations of Directors as set out in the National Code of Corporate Governance and the duties of the Directors to the Authority and to the Board;
(vi) clear lines of responsibility and accountability prevail throughout the Authority;
(vii) effective and regularly reviewed structures are in place to support the implementation and development of integrated governance across the MPA;
(viii) timely reports are made to the Board of Directors, including recommendations and remedial action taken or proposed if there is an internal failing in systems or services; and
(ix) a sufficient independent and objective assurance is in place to support the robustness of key processes across all areas of governance.

At the date of this report, the Corporate Governance Committee is constituted as follows:

	Names
Chairperson	Mr. Ravi Meettook, Secretary for Home Affairs, Prime Minister's Office (As from 05 April 2023)
	Mr Om Kumar Dabidin, Secretary for Home Affairs, Prime Minister's Office (Up to 04 April 2023)
Members	Mr Vivekanand Ramburun, Director of Customs, Mauritius Revenue Authority
	Mrs. Lilowtee Rajmun-Jooseery, CSK, Director, Mauritius Export Association (As from 15 December 2022)
Secretary	Ms. Sushila Munusami, Chief Officer, Administrative Services

The Corporate Governance Committee operates under the Terms of Reference approved by the Board and a quorum of two (2) members is currently required for a meeting of the said Committee.

In accordance with its Terms of Reference, the Corporate Governance Committee is responsible to provide guidance to the Board on aspects of corporate governance and for recommending the adoption of policies and best practices as appropriate for the Authority.

The Corporate Governance Committee met four times during the year under review.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Port Licensing Committee

The Port Licensing Committee is set up as a subcommittee of the Board since 29 May 2018. The Port Licensing Committee is responsible to formulate procedures relating to the grant of port licences as per the terms of reference listed below:

(i) To examine the recommendations of the Port Licensing Committee with respect to the:

• Grant of new Port Licence;
• Issue of temporary Port Licence, subject to terms and conditions; and
• Renewal of Port Licences.

(ii) To regularly review and update the policy for the grant/renewal of port licences/temporary port licences.

In fulfilling its role and duties, the Port Licensing Committee applies the principles of good governance and regulatory best practices so as to provide a non-discriminatory, consistent and transparent framework for the issue of licences to service providers and at the same time safeguard the interests of the Authority. The Committee also takes into consideration the requirements of other statutory instruments in terms of protection of the environment, financial regulations, security, etc. when determining the issue of port licences.

The composition of the Port Licensing Committee is as follows:

	Names
Chairperson	Mr. Shakeel Goburdhone, Ag. Director-General (As from 24 December 2022)
	Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General (Up to 23 December 2022)
Members	Mrs. Ourmilla Ramkurrun - Sepaul, Representative, External Communications Division of the Prime Minister's Office
	Mrs. Vailamah Pareatumbee, Director Economic & Finance, Ministry of Finance, Economic Planning & Development
	Captain Mahendra Babooa, Marine Superintendent, Mauritius Shipping Corporation Ltd (As from 15 December 2022)
Co-opted Members	Captain Kavidev Newoor, MPA
	Mr. Shakeel Goburdhone, Deputy Director General (TOS) (Up to 23 December 2022)
	Mr. Gowraj Angad, Senior Manager, Estate Management and Licensing, MPA
Secretary	Mrs. Devina Naidu, Officer, Estate Management and Licensing

The Port Licensing Committee met eight times during the year under review.

Principle 2: The Structure of the Board and its Committees (Contd)

Attendance at Board and Committee meetings

There were 11 scheduled meetings of the Board and 6 special meetings of the Board totalling 17 meetings for the period from 01 July 2022 to 30 June 2023. The Board Committees met in advance of the Board meetings and responded to matters within their remit and advised the Board accordingly.

	Category *	Board	Nomination & Staff Committee	Audit Committee	Finance and Investment Committee	Land Lease Management Committee	Corporate Governance Committee	Port Licensing Committee
Total Number of Meetings		17	20	5	14	10	4	8
Chairperson								
Mr. Ravi Meettook (Ag. Chairperson)	NED	2	-	-	-	-	-	-
Late Mr. Ashit Kumar Gungah	NED	13	-	-	-	-	-	-
Mr. Om Kumar Dabidin (Ag. Chairperson)	NED	1	-	-	-	-	-	-
Mr. Shankhnad Ghurburrun	NED	1	-	-	2	-	-	-
Representative of the External Communications Division of the Prime Minister's Office								
Mrs. Kantabye Babajee	NED	14	9	-	-	-	-	-
Mr. Asish Kumar Jhoerrea	NED	3	1	-	-	-	-	-
Mrs. Ourmilla Ramkurrun - Sepaul	NED	-	-	-	13	8		6
Mr. Vishwanaden Vythilingum (Alternate Member)		-	1	-	-	-	-	-
Mr Asish Kumar Jhoerrea (Alternate Member)		-	9		-	2		2
Mrs. Maneesha Sandiana Bhowon (Alternate Member to Mrs. O. Ramkurrun - Sepaul)		-	-	-	1	-	-	-
Director-General								
Mr. Shakeel Goburdhone	ED	9	12	-	8	-	-	4
Mrs. Aruna Devi Bunwaree Ramsaha	ED	8	8	-	6	6	-	3
Member (Permanent Secretary, Home Affairs Division of the Prime Minister's Office)								
Mr. Ravi Meettook	NED	1	-	-	-	-	-	-
Mr. Om Kumar Dabidin	NED	11	13	3	-	-	4	-
Mr. Kechan Balgobin (Alternate Member)	NED	-	2	-	-	-	-	-
Member (Director, Economic and Finance, Ministry of Finance & Economic Development)								
Mrs. Vailamah Pareatumbee	NED	15	-	-	14	10	-	8

Principle 2: The Structure of the Board and its Committees (Contd)

Attendance at Board and Committee meetings (Contd)

	Category *	Board	Nomination & Staff Committee	Audit Committee	Finance and Investment Committee	Land Lease Management Committee	Corporate Governance Committee	Port Licensing Committee
Member (Director of Customs, Mauritius Revenue Authority)								
Mr. Vivekanand Ramburun	NED	2	-	5	-	-	4	-
Mr. Jeewonlall Audit (Alternate to Mr. Vivekanand Ramburun)	NED	13	-	-	-	-	-	-
Member (Representatives of Commercial, Ship owning and other users' interest)								
Mrs. Lilowtee Rajmun-Jooseery	NED	11	-	1	-	-	1	-
Captain Mahendra Babooa	NED	10	-	-	7	-	-	5
Captain Gilbert Mallet	NED	11	-	2	-	-	-	-
Secretary (Director, Finance)								
Mr. Shreeganesh Ganga		17	-	-	-	-	-	-
Member								
Captain Kavidev Newoor, Ag. Port Master		-	-	-	-	-	-	8
Mr. Gowraj Angad		-	-	-	-	-	-	8
Mr. Shakeel Goburdhone		-	-	-	-	4	-	3
Member (Senior State Attorney, State Law Office)								
Mr. Doorgesh Kumar Manikaran		-	-	-	-	8	-	-
Member (Senior Surveyor, Ministry of Housing & Lands)								
Mr. Vedacharya Vyas Sharma Chuckun		-	-	-	-	10	-	-
Member (Deputy Director, Valuation & Real Estate Consultancy Services, Valuation Office Department)								
Mrs. Roshni Bissessur		-	-	-	-	10	-	-

**ED: Executive Director*
**NED: Non-Executive Director*

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 3: Director Appointment Procedures

The Directors are appointed in accordance with Section 6 of the Ports Act 1998.

Directors' Profiles

The names of all Directors, their profile and their categorisation as well as their directorship details are provided hereinafter.

Mr. Ravi Meettook (Board Director as from 05 April 2023 and Ag. Chairperson of the MPA Board as from 13 June 2023) Secretary for Home Affairs, Prime Minister's Office

Mr. Ravi Meettook has been assigned duties of the Secretary for Home Affairs at the Prime Minister's Office as from 28 February 2023. He was the Senior Chief Executive at the Ministry of Education, Tertiary Education, Science and Technology until 27 February 2023.

He is currently serving on the following boards:

(i) Mauritius Examinations Syndicate (MES) as Chairperson ;
(ii) Higher Education Commission (HEC) as member;
(iii) Mauritius Ports Authority (MPA) as member;
(iv) Information and Communication Technologies Authority as member; and
(v) Business Regulatory Review Council as member.

Mr. Ravi Meettook holds a Diplôme d'Etudes Supérieur (Management) from the University of Paris (Sorbonne), Diplôme du Centre d'Etudes Financière, Economique – (3e Cycle) – Caisse Française de Développement (Paris); and a Diploma in Public Administration and Management (University of Mauritius).

He has also undergone Professional Training in the following fields:

(i) Economic Diplomacy at the London School of Economics; and
(ii) Promotion of FDI at the Economic Development Board, Singapore.

Mr. Meettook has extensive experience in the Public Service. He served as Deputy Permanent Secretary, Permanent Secretary and Senior Chief Executive at the Ministry of Education, Tertiary Education, Science and Technology from May 2009 to February 2023. He also acted as Permanent Secretary at the Ministry of Foreign Affairs, Regional Cooperation and International Trade during the period 2006 – 2009.

He had also served as Assistant Permanent Secretary and Deputy Permanent Secretary at the Ministry of Industry for 16 years and worked at the Treasury during the period 1980 to 1986.

Mr. Meettook was appointed as a Non-Executive Director on the Board of the Mauritius Ports Authority as from 05 April 2023.

Late Mr. Ashit Kumar Gungah (As from 24 August 2022 up to 31 May 2023)
Chairman

Late Mr. Ashit Kumar Gungah joined in as Executive Director of the NPCC in January 2020. As the former Minister of Industry, Commerce and Consumer Protection, he was associated in many ways with the productivity movement in Mauritius. He was previously the Minister of Civil Service and Administrative Reforms. He spearheaded a wide range of national projects that have brought a positive impact in different sectors of Mauritius. He led many important projects in the private sector, especially in the textile industry in the past.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 3: Director Appointment Procedures (Contd)

Directors' Profiles (Contd)

Mr. Shankhnad Ghurburrun (Up to 17 August 2022)
Chairman

Mr. Shankhnad Ghurburrun is a practicing barrister with more than 25 years' commercial practice experience. Mr. Ghurburrun is a director of the Geroudis Law firm, which is known for its expertise in protecting brands and trademarks, leading in competition and anti-trust work since it was retained to assist in the setting up of the Competition Commission in Mauritius, carrying out cross border asset recovery, restructuring companies and carrying out shareholder activism. Mr. Ghurburrun still practices as barrister for mostly large local and international companies including some FORBES 100 Corporations.

Mr. Ghurburrun is a fellow INSOL and ICC FraudNet member, and a pragmatic, outcome-oriented person. He is presently a Senior Advisor to the Prime Minister of the Republic of Mauritius.

Mr. Om Kumar Dabidin (Up to 04 April 2023)
Secretary for Home Affairs, Prime Minister's Office

Mr. Om Kumar Dabidin joined the Ministry of Civil Service in 1982, is now the Secretary for Home Affairs at the Prime Minister's Office (Home Affairs Division). He was appointed as Non-Executive Director on the Board of the Mauritius Ports Authority in February 2015.

Mr. Dabidin is, amongst others, Board member of the following statutory bodies:

(i) Gambling Regulatory Authority - Chairman
(ii) Cargo Handling Corporation Ltd;
(iii) Mauritius Oceanographic Institute; and
(iv) Information and Communication Technologies Authority.

Mr. Dabidin began his career as a teacher and later joined the civil service as Administrative Officer at the Prime Minister's Office. He is a seasoned public officer having held a number of senior positions over the last two decades across a wide range of Ministries: Finance, Economic Planning and Development; Youth and Sports; Agriculture, Food Technology and Natural Resources and Civil Service and Administrative Reforms. Mr. Dabidin spearheaded a number of projects in several Ministries and contributed to public sector reforms designed at bringing about more effectiveness and efficiency in public sector service delivery and improving the quality of service to citizens.

Mr. Shakeel Goburdhone (As from 24 December 2022)
Ag. Director-General

A graduate in Civil Engineering in 1987 from the University of Mauritius, Mr. Goburdhone read for a Master in Business Administration in 1996. He was employed as Civil Engineer by Sir Alexander Gibb and Partners from 1987 to 1990. He joined the Authority as Civil Engineer in 1990 and was promoted Port Engineer in 1999. In May 2015, he was appointed Deputy Director-General. He reckons some 36 years' experience in the port sector. Since December 2022, he is occupying the post of Ag. Director-General.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 3: Director Appointment Procedures (Contd)

Directors' Profiles (Contd)

Mrs. Aruna Bunwaree Ramsaha (Up to 23 December 2022)
Ag Director-General

Mrs. Bunwaree Ramsaha is a Fellow of the Association of Chartered and Certified Accountants (FCCA) and also holds a Master's in Business Administration (MBA).

After a brief career in the banking sector, she took employment with accounting firms both in the United Kingdom (UK) and in the Republic of Mauritius.

She subsequently joined the Mauritius Marine Authority as Accountant in 1993 and was promoted as Finance Manager some four years later. Since 2008, she occupied the post of Deputy Director-General of the Mauritius Ports Authority and as from 04 February 2022 up to 23 December 2022, she was acting as Director-General of the Authority.

Mrs. Kantabye Babajee (As from 05 August 2022)
Permanent Secretary of the External Communications Division of the Prime Minister's Office

Mrs. Kantabye Babajee is currently the Permanent Secretary of the External Communications Division of the Prime Minister's Office. Mrs K. Babajee is holder of an MBA, BSc (Hons) in Economics and a Diploma in Administration and Management. She also holds a Diplôme de Cycle International court de L'École Nationale d'Administration of Strasbourg.

She joined the Civil Service in 1994 as Educator and was appointed Assistant Secretary in 1997. She subsequently held the position of Deputy Permanent Secretary at the Prime Minister's Office until her appointment as Permanent Secretary in July 2022.

Mr. Asish Kumar Jhoerreea (Up to 04 August 2022)
Deputy Permanent Secretary of the External Communications Division of the Prime Minister's Office

Mr. Jhoerreea joined the Public Service in February 1987 and served in the General Services until 2001. He has more than 20 years' experience in the field of public administration and management, having served at senior management level in several ministries, namely as Assistant Secretary at the Ministry of Youth and Sports from 2001 to 2008 and the Prime Minister's Office (Home Affairs Division) from 2009 to 2018. Subsequently, he was appointed Deputy Permanent Secretary on 17 February 2019 and posted to the Ministry of Justice and Human Rights until December 2019. Thereafter, he served the Ministry of Local Government and Disaster Risk Management from December 2019 to December 2020 and the Ministry of Finance, Economic Planning and Development from 17 December 2020 to 17 July 2021.

He has previously served as Board Director in various state-owned companies and parastatal bodies, such as the National Housing Development Company Ltd, the Mauritius Sports Council, the Beach Authority, the Mauritius Tourism Promotion Authority, the Tourism Authority, the Airports of Rodrigues Ltd and the Cargo Handling Corporation Ltd.

He holds a BSc (Hons) in Public Administration and Management (University of Technology, Mauritius).

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 3: Director Appointment Procedures (Contd)

Directors' Profiles (Contd)

Mrs. Vailamah Pareatumbee
Director Economic and Finance, Ministry of Finance, Economic Planning and Development

Mrs. Pareatumbee is a Fellow of the Association of Chartered and Certified Accountants since 2001 and a Registered Professional Accountant with the Mauritius Institute of Professional Accountants since 2006. She obtained her Master Degree in Business Administration (MBA) with Specialisation in Finance from the University of Mauritius in year 2000 and in June 2021, she completed a Master Certificate in Sustainable Infrastructure Development and Financing from York University, Canada.

Mrs. Pareatumbee is presently Director, Economic & Finance at the Ministry of Finance and has vast experiences in the Civil Service which she joined in 1980. Throughout her career she has fulfilled various positions in different government institutions namely the Ministry of Finance, Economic Planning & Development, the Management Audit Bureau, the Ministry of Education, the National Empowerment Foundation, as well as other Institutions such as the National Audit Office and the Ministry of Social Security. She has extensive knowledge and skills in various fields, such as, Public Investment Management, Monitoring and Evaluation, Financial Management, Strategic Thinking, Good Governance Principles, Auditing, Accountancy, Programme/Performance Based Budgeting, Leadership, Quality Assurance as well as Regional Cooperation (SADC, COMESA, AU and IOC).

Mrs. Pareatumbee was reappointed as a Non-Executive Director on the Board of the Mauritius Ports Authority as from 19 October 2022.

Mr. Vivekanand Ramburun
Director of Customs, Mauritius Revenue Authority (MRA)

Mr. Vivekanand Ramburun was appointed Director of Customs as from 02 February 2016.

He worked previously for 10 years at the Management Audit Bureau (MAB) and has also an experience in Banking. At the level of the MRA, Mr. V. Ramburun was a Section Head for the past nine years and acted as Director of Customs on several occasions. He is an Accredited Expert in Customs modernisation and trade facilitation as well as a World Customs Organisation (WCO) Accredited Expert for the implementation of the WTO Trade Facilitation Agreement. He has an extensive experience in consulting and capacity building for Customs administrations in Europe, Central Asia, Caribbean, Africa and Middle East on behalf of the WCO, IMF, Asian Development Bank, SADC, COMESA and Canada Customs. During his career, he was also elected as the Vice Chair of the WCO - East and Southern Africa Region and developed a Regional Strategy for Capacity Building.

Mr. Ramburun is a Fellow of the Chartered Association of Certified Accountants (FCCA, UK), an Associate Member of the Institute of Quality Assurance (AIQA, UK) and holder of a Master in Business Administration (MBA) with specialisation in Finance.

He was reappointed as a Non-Executive Director on the Board of the Mauritius Ports Authority as from 19 October 2022.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 3: Director Appointment Procedures (Contd)

Directors' Profiles (Contd)

Lilowtee Rajmun-Jooseery (As from 19 October 2022)
Director, Mauritius Export Association

Mrs. Lilowtee Rajmun-Jooseery, CSK, is currently the Director of the Mauritius Export Association (MEXA). She holds a Bachelor of Science in Management Studies with specialization in Marketing from the University of Mauritius.

Mrs. Lilowtee Rajmun-Jooseery, CSK has 25 years of service and experience in the Manufacturing and Export sector of the country. As Director of MEXA, she is the voice of the export-oriented manufacturing sector of the country; Representing the export sector of the country on both local and international fronts.

She has participated in the Government Delegation on high-level international meetings, including Trade negotiations (COMESA, SADC, EU-ESA, UK-ESA, CECPA, China FTA, AGOA). She also participated in national and international organizations as speaker. Mrs. Lilowtee Rajmun-Jooseery is, amongst others, Board Member (national and international level) of the following private and statutory bodies:

- Business Mauritius;
- Mauritius Cargo Community System;
- Industrial Finance Corporation of Mauritius (IFCM), Ministry of Finance, Economic Planning and Development;
- Employers Welfare Fund (EWF), Ministry of Finance, Economic Planning and Development;
- Fashion and Design Institute, Ministry of Industry and Commerce;
- National Productivity and Competitiveness Council (NPCC), Ministry of Industrial Development, SMEs and Cooperatives;
- Université des Mascareignes, Ministry of Education, Tertiary Education, Science and Technology; and
- African Cotton Textile Industries Federation (ACTIF) (which regroups the Textile organisations of 21 countries of Africa).

She also serves as committee member of the National Ocean Council, Ministry of Blue Econony, Marine Resources, Fisheries and Shipping.

She was appointed as a Non-Executive Director on the Board of the Mauritius Ports Authority as from 19 October 2022.

Captain Mahendra Babooa (As from 19 October 2022)
Marine Superintendent, Mauritius Shipping Corporation Ltd

Captain Mahendra Babooa is currently a Marine Superintendent, Designated Person Ashore, Company Security Officer and Consultant at the Mauritius Shipping Corporation Ltd. He holds a Certificate of Competency Master Mariner Class 1 issued by the Australian Maritime Safety Authority and an Advanced Diploma in Applied Science (Marine Operations) from New South Wales Technical and Further Education Commission. He is qualified as a Designated Person Ashore (DPA) from Lloyd's Register Asia Singapore and as Company Security Officer (CSO) from Colombo International Nautical & Engineering College (CINEC).

Captain Babooa joined the Ministry of Tourism, Leisure and External Communication as Examiner for Pleasure Craft Skipper from November 2003 to March 2005. Later on, he was appointed as Head of Pleasure Craft Unit & Skipper's Section at the Tourism Authority – Mauritius from April 2005 to February 2008. He worked as Marine Operation Manager at White Sand Group – Mauritius from March 2008 to September 2009 and was appointed as Head of Pleasure Craft Unit at the Tourism Authority, under the aegis of the Ministry of Tourism in October 2009, a post he occupied till February 2012.

Principle 3: Director Appointment Procedures (Contd)

Directors' Profiles (Contd)

Captain Mahendra Babooa (As from 19 October 2022) (Contd)
Marine Superintendent, Mauritius Shipping Corporation Ltd

Captain Babooa has served as Head of Deck Training Department at the Mauritius Maritime Training Academy (MMTA) from March 2012 to December 2012. Prior to joining, Shiptech Management Ltd - (Mauritius) in May 2012 as Marine Superintendent, Designated Person Ashore, and Company Security Officer, he joined the Tourism Authority as Head of Pleasure Craft and Marine Consultant from December 2011 to May 2012. Afterwards, he joined De Chermont & Partners Ltd as Senior Marine Surveyor – Consultant from May 2014 to December 2015.

Captain Babooa has served onboard various vessels such as tankers, passenger cum Cargo, Bulk Carriers, Fishing Vessels, Reefers, General Cargo in different capacities. He has also lectured at several institutions of higher learning.

He was appointed as a Non-Executive Director on the Board of the Mauritius Ports Authority as from 19 October 2022.

Captain Gilbert Mallet (As from 19 October 2022)
Master Mariner

Captain Gilbert Mallet is a retired Master Mariner with more than 20 years' experience in the shipping sector. He joined the Société Mauricienne de Navigation as Navigating Officer from 1977 to 1989. He retained this position until 1991 when he was promoted Chief Officer and Master in command from 1991 to 1996 (Société Mauricienne de Navigation/Delmas).

As Nautical Surveyor, he took up employment in the Government of Mauritius from 1996 to 2003. Thereafter, he served the Ministry of Public Infrastructure, Land Transport and Shipping (Shipping Division) as Deputy Director of Shipping from 2003 to 2007. Afterwards, Captain Mallet worked at the Mauritius Shipping Corporation Ltd as Designated Person Ashore from 2007 to 2008. From 2008 to 2009, he worked as Purchase and Logistics Manager at Thon des Mascareignes – Ireland Blyth Ltd.

Captain Mallet has also worked at the Tourism Authority as Head Pleasure craft Unit from February 2009 to September 2009. Prior to joining the Mauritius Ports Authority as Senior Pilot from October 2011 to January 2012, he worked as Operations and Fleet Manager at Pelagic Process Ltd. (Island Management Ltd) from October 2009 to March 2011. Later on, as from February 2012 to September 2012, Captain Mallet was appointed as Operations and Technical Manager at Le Frais des Iles (Raphael Fishing Co. Ltd). In 2013, he subsequently joined the Mauritius Ports Authority as Officer in Charge (Port Manager) at Port Mathurin, Rodrigues and thereafter, he was appointed as Senior Pilot from 2015 to 2016 to undertake the preparation of the Bunkering and Ship to Ship Transfer Codes of Practice.

He was appointed as a Non-Executive Director on the Board of the Mauritius Ports Authority as from 19 October 2022.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 3: Director Appointment Procedures (Contd)

Profile of Senior Management Team

Mr. Shakeel Goburdhone (As from 24 December 2022)
Ag. Director-General

A graduate in Civil Engineering in 1987 from the University of Mauritius, Mr. Goburdhone read for a Master in Business Administration in 1996. He was employed as Civil Engineer by Sir Alexander Gibb and Partners from 1987 to 1990. He joined the Authority as Civil Engineer in 1990 and was promoted Port Engineer in 1999. In May 2015, he was appointed Deputy Director-General. He reckons some 36 years' experience in the port sector. Since December 2022 he is occupying the post of Ag. Director-General.

Mrs. Aruna Bunwaree Ramsaha (As from 04 February 2022 up to 23 December 2022)
Ag. Director-General

Mrs. Bunwaree Ramsaha is a Fellow of the Association of Chartered and Certified Accountants (FCCA) and also holds a Master's in Business Administration (MBA).

After a brief career in the banking sector, she took employment with accounting firms both in the United Kingdom and in the Republic of Mauritius.

She subsequently joined the Mauritius Marine Authority as Accountant in 1993 and was promoted as Finance Manager some four years later. Since 2008, she occupied the post of Deputy Director-General of the Mauritius Ports Authority and as from 04 February 2022 up to 23 December 2022 she was acting as Director-General of the Authority.

Captain Kavidev Newoor
Ag. Port Master

Captain Newoor joined the Authority in July 1996 as Pilot. He was appointed as Assistant Port Master in November 2006 and subsequently Deputy Port Master in June 2017. He is a Fellow of the Chartered Institute of Logistics and Transport (UK) and a member of International Association of Harbour Masters.

He holds a Certificate of Competency Class 1 (unlimited, Master Mariner) issued by the Maritime and Coast Guard Agency, UK, since 1996. He obtained a Master's Degree in Harbour Master and Port Management in 2010 from the Middlesex University followed by a Master in Business Administration from MANCOSA, Republic of South Africa in 2011.

He was also awarded the Harbour Master's Certificate in 2007 from the Nautical Institute, UK, which is an International recognised body for qualified mariners with an interest in nautical science and to acquire high standards of knowledge, qualifications and competence.

Mr. Shreeganesh Ganga
Director, Finance

Mr. Ganga is a Fellow of the Association of Chartered and Certified Accountants (FCCA) and holds an MBA with specialisation in Finance from the University of Mauritius.

He first joined the Authority in September 1999 as Assistant Accountant and was promoted Accountant in March 2003. He was offered appointment as Senior Accountant in March 2007 before being promoted to the post of Finance Manager in June 2009. In December 2010, he was appointed as Director, Finance.

Mr. Ravishankar Woottum
Director, IT Services

Mr. Woottum holds a Bachelor's Degree from the University of Mauritius. He also holds a Master in Business Administration from the same university.

Mr. Woottum started his career as a teacher before shifting to the Development Bank of Mauritius. He then joined the former Mauritius Marine Authority as Computer Programmer/Supervisor in 1988 and served in that position for eight years. In 1997, he was appointed as Computer Analyst. He was then promoted IT Manager in 2006. In December 2010, he was appointed as Director, IT Services.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 3: Director Appointment Procedures (Contd)

Profile of Senior Management Team (Contd)

Mr. Sandesh Seelochun
Director, Port Development

Mr. Seelochun qualified for a Master Degree in Industrial and Civil Engineering in 1990. He additionally holds a Master Degree in Business Administration (MBA) with specialisation in Project Management since 2011. He is a Registered Professional Engineer with the Council of Registered Professional Engineers (Mauritius) since 1993, a Fellow of the Chartered Institute of Logistics and Transport (UK), a Member of the Institution of Engineers (Mauritius), and an Associate Member of the Chartered Institute of Arbitrators (UK).

He started his professional career at the Central Water Authority in 1991 where he joined as Trainee Engineer and was subsequently appointed Executive Engineer. He joined the then Mauritius Marine Authority in 1996 as Civil/Senior Civil Engineer. He was promoted Project Engineer in 1999 with his post being restyled firstly, Assistant Port Engineer in 2001 and subsequently, Manager Port Development in 2010. Mr. Seelochun was appointed Director, Port Development in December 2015.

Mr. Mukhram Moloo (Retired on 02 September 2022)
Director, Human Resources

Mr. Moloo holds an MSC in Port Management and Shipping Administration from the University of Mauritius.

He joined the Mauritius Ports Authority as Executive Assistant on 25 April 1977 and was subsequently offered appointment as Personnel Officer. The post was restyled as Assistant Human Resources Manager with the implementation of the HRD Report 2000. He was appointed Director, Human Resources effective as from 15 April 2015.

Mrs. Nomita Seebaluck
Ag. Director, Port Operations

Mrs. Seebaluck graduated with a B.A (Hons) degree in Economics from the University of Delhi (India) in 1994 and obtained a Master in Economics from Delhi School of Economics (India) in 1996. In 2007, she obtained an MSc in Port Management and Shipping Administration with distinction from the University of Mauritius. She is also a holder of a Diplôme d'Etudes en Langue Française et Diplôme Approfondi de Langue Française from Centre International d'Études Pédagogiques (CIEP).

Mrs. Seebaluck is also a Chartered Member of the Chartered Institute of Logistics and Transport (MCILT) and she was the President of the local branch of the Association of Women Managers in the Maritime Sector in the Eastern and Southern Africa, WOMESA Mauritius from 2011 to 2016.

She started her career as Education Officer in 1996. She later joined Happy World Marketing Ltd as Marketing Officer from 1998-2002. Afterwards, Mrs. Seebaluck worked at the Mauritius Broadcasting Corporation as Marketing Executive from 2002 to February 2004.

She joined the Authority as Assistant Commercial Manager in March 2004 and was promoted in March 2011 as Manager Port Operations. In February 2014, she was assigned additional duties devolving on the post of Director Port Operations following the retirement of the incumbent. In October 2019, she was offered actingship in the grade of Director Port Operations.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 3: Director Appointment Procedures (Contd)

Profile of Senior Management Team (Contd)

Mr. Basdeo Bholanath Dhunnoo
Senior Manager, Technical Services

Mr. Dhunnoo has a B. Tech Degree in Mechanical Engineering from Indian Institute of Technology (IIT) Bombay, a Graduate Diploma in Maritime and Port Management from the National University of Singapore as well as a Masters in Port Management & Shipping Administration from University of Mauritius/Aix Marseille. He is a Registered Professional Engineer (CRPE), and a member of the Chartered Institute of Logistics and Transport, UK.

Mr. Dhunnoo joined the MPA in 1995 as Assistant Workshop Manager, a post which he occupied until 2007 when he was appointed Technical Services Manager. He was appointed Senior Manager, Technical Services with effect from January 2016.

Mrs. Priyathama Seebaruth
Senior Manager, Procurement & Supply

Mrs. Seebaruth is a Fellow of the Association of Chartered Certified Accountants (FCCA), Chartered Member of the Chartered Institute of Logistics and Transport (CILT) as well as an Expert Member of the Institute of Supply Chain Management (IOSCM). She also holds an MBA with Specialisation in Finance and an MSc in Procurement & Supply Chain Management.

Mrs. Seebaruth has worked in the Public Sector for over 20 years, including the Central Procurement Board. She joined the Authority in year 2012 as Manager Procurement and was appointed Senior Manager Procurement & Supply with effect from January 2016.

Mr. Gowraj Angad
Senior Manager, Estate Management and Licensing

Mr. Angad is a practicing Land Surveyor, holding a BSc (Hons) in Land Surveying and a Land Surveyor's Commission. He studied law as an external student of the University of London, prior to completing his post-graduate study in hydrographic survey in Japan, leading to his accreditation as an International Hydrographic Surveyor (B). He also holds a Master's in Business Administration from the University of Technology.

Mr. Angad joined the Civil Service in August 1994 as Trainee Surveyor and was promoted as Land Surveyor in 1999, after having successfully completed his Land Surveyor Commission (Gold Medallist of the University of Mauritius on two occasions). He joined the MPA in 2007 as Land Surveyor, a post he occupied until December 2010 when he was appointed as Manager, Land Administration and Surveying and subsequently promoted to Senior Manager, Estate Management effective January 2016.

Principle 4: Director Duties, Remuneration and Performance

Code of Ethics

The MPA has adopted a Board charter which can be viewed on its website and all Board Members are fully aware of their legal rights and duties. The Board of Directors is also mindful of the interest of other stakeholders such as suppliers, clients and the public at large when running its operations and is committed to high standards of integrity and ethical conduct in dealing with them.

Furthermore, the Authority and its employees must, at all times, comply with all applicable laws and regulations. The Authority will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payment for illegal acts, indirect contributions, rebates, and bribery. The Authority does not permit any activity that fails to stand the closest possible public scrutiny.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Code of Ethics (Contd)

All business conduct should be above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing the Authority's operations. Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their superior, who, if necessary, should seek the advice of someone at the highest level of the Authority's hierarchy.

The Authority is committed to a policy for fair, honest dealing and integrity in the conduct of its business. This commitment, which is actively endorsed by the Board, is based on a fundamental belief that business should be conducted honestly, fairly and legally.

Board Evaluation

It is noted that the Directors forming part of the Board of the Authority, especially those who are members of Board Committees, have been appointed in the light of their wide range of skills and competence acquired through several years of working experience and professional background. The Board of the Authority is of the view that its composition is adequately balanced and that the current Directors have the range of skills, expertise and experience to carry out their duties properly.

Furthermore, Non-Executive Directors are chosen for their business experience and acumen as well as their ability to provide a blend of knowledge, skills, objectivity, integrity, experience and commitment to the Board. These Directors are free from any business or other relationships which would materially affect their ability to exercise independent judgement and are critical observers.

The Authority does not evaluate the Board, sub-committees and directors since the board members are appointed by the Minister. However, the Board members are performing to the satisfaction of the Parent Ministry who appoints them on the Board. On the other hand, the Board members are to pursue training and development programmes within the framework of Continuous Professional Development. The MPA is also envisaging to conduct executive development programme for the Board members as soon as the situation permits it.

Remuneration of Directors, Executives and Staff

The Directors sitting on the Board and Committees of the Mauritius Ports Authority are paid fees for their attendance which is determined by the MPA Board.

The remuneration arrangements for the Director-General and staff of the MPA are determined by the Board on the basis of a Human Resources Development Report. The Authority's remuneration policy provides for a review of salaries every five years.

Principle 4: Director Duties, Remuneration and Performance (Contd)

Remuneration of Directors, Executives and Staff (Contd)

A total sum of Rs. 1,883,670 has been paid to members of the Board and Committees of the Board during the year under review up to 30 June 2023, as follows:

Fees paid to members of the Board and Committees

	Board Committee	Nomination & Staff Committee	Audit Committee	Finance and Investment Committee	Land Lease Management Committee	Corporate Governance Committee	Port Licensing Committee	Total
Board/Committee Members	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Mr. Ravi Meettook	128,125	-	-	-	-	-	-	128,125
Late Mr. Ashit Kumar Gungah*	-	-	-	-	-	-	-	-
Mr. Shankhnad Ghurburrun*	-	-	-	-	-	-	-	-
Mr. Om Kumar Dabidin	143,600	52,200	12,000	-	21,840	15,860	-	245,500
Mrs Kantabye Babajee	154,800	47,060	-	-	-	-	-	201,860
Mr. Asish Kumar Jhoerreea	18,000	48,100	-	-	8,000	-	12,000	86,100
Mr. Kechan Balgobin	-	4,200	-	-	-	-	-	4,200
Mrs. Ourmilla Ramkurrun Sepaul	-	-	-	54,600	35,800	-	32,600	123,000
Mrs. Maneesha Sandiana Bhowon	-	-	-	4,200	-	-	-	4,200
Mrs. Vailamah Pareatumbee	146,200	-	-	76,440	44,400	-	44,600	311,640
Mr. Vivekanand Ramburun	162,775	-	26,895	-	-	12,200		201,870
Mrs. Lilowtee Rajmun-Jooseery	108,300	-	4,200	-	-	4,200		116,700
Captain Mahendra Babooa	95,325	-	-	29,400	-	-	21,350	146,075
Captain Gilbert Mallet	106,800	-	8,400	-	-	-		115,200
Mr. Doorgesh Kumar Manikaran	-	-	-	-	40,400	-	-	40,400
Mr. Vedacharya Vyas Sharma Chuckun	-	-	-	-	44,400	-	-	44,400
Mrs. Roshni Bissessur	-	-	-	-	112,400	-	-	112,400
Mr. Jeewolall Audit	2,000	-	-	-	-	-	-	2,000
TOTAL	1,065,925	151,560	51,495	164,640	307,240	32,260	110,550	1,883,670

* Late Mr. Ashit Kumar Gungah and Mr. Shankhnad Ghurburrun were not paid any Board fee. Instead, they have earned a total fee of Rs. 779,370 and Rs. 184,548 respectively for the year ended June 2023 as Chairman. Mr. Shakeel Goburdhone, Ag. Director-General and Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General as well do not earn any Board fee but they received total emoluments of Rs. 4,365,343 and Rs. 4,132,838 respectively for the year ended 30 June 2023.

Principle 4: Director Duties, Remuneration and Performance (Contd)

Remuneration of Directors, Executives and Staff (Contd)

Representation of MPA Officers on board of statutory bodies and companies (Contd)

	Directors	Date appointed	Total Fees Inclusive of Tax for year ended 30 June 2023 (Rs.)	Alternate	Date appointed	Total Fees Inclusive of Tax for year ended 30 June 2023 (Rs.)
Cargo Handling Corporation Ltd	Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General up to 23 December 2022	29.03.22	93,500	Captain Kavidev Newoor, Ag. Port Master	29.03.22	56,500
	Mr. Shakeel Goburdhone, Ag. Director-General as from 24 December 2022	29.03.22	113,500	Mrs. Nomita Devi Seebaluck, Ag. Director, Port Operations	29.03.22	9,500
Mauritius Cargo Community Services	Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General up to 23 December 2022	29.03.22	150,000	Mr. Shreeganesh Ganga, Director, Finance	29.03.22	125,000
Les Moulins de la Concorde Ltée	Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General up to 23 December 2022	29.03.22	140,000	Mr. Shakeel Goburdhone, Ag. Director-General as from 24 December 2022	29.03.22	Nil
Froid des Mascareignes Ltée	Mr. Shreeganesh Ganga, Director, Finance	29.03.22	6,000	Captain Kavidev Newoor, Ag. Port Master	29.03.22	Nil
	Mrs. Nomita Devi Seebaluck, Ag. Director, Port Operations	29.03.22	6,000	Mr. Sandesh Kumar Seelochun, Director, Port Development	29.03.22	Nil

Principle 4: Director Duties, Remuneration and Performance (Contd)

Remuneration of Directors, Executives and Staff (Contd)

Representation of MPA Officers on board of statutory bodies and companies (Contd)

	Directors	Date appointed	Total Fees Inclusive of Tax for year ended 30 June 2023 (Rs.)	Alternate	Date appointed	Total Fees Inclusive of Tax for year ended 30 June 2023 (Rs.)
State Trading Corporation	Mr. Sandesh Kumar Seelochun, Director, Port Development	29.03.22	**120,815**	Mr. Shreeganesh Ganga, Director, Finance	29.03.22	**Nil**
Maurinet Investment Ltd	Mr. Shreeganesh Ganga, Director, Finance	29.03.22	**102,000**	Mrs. Nomita Devi Seebaluck, Ag. Director, Port Operations	29.03.22	**Nil**
	Mr. Shakeel Goburdhone, Ag. Director-General as from 24 December 2022	29.03.22	**150,000**	Mr. Sandesh Kumar Seelochun, Director, Port Development	29.03.22	**Nil**
Mauritius Network Services Ltd	Mr. Shakeel Goburdhone, Ag. Director-General as from 24 December 2022	29.03.22	**120,000**	Mr. Shreeganesh Ganga, Director, Finance	29.03.22	**Nil**
Mauritius Shipping Corporation Ltd	Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General up to 23 December 2022	29.03.22	**Nil**	Captain Kavidev Newoor, Ag. Port Master	29.03.22	**15,000**
Oceanarium (Mauritius) Ltd	Mr. Gowraj Angad, Senior Manager, Estate Management and Licensing	29.03.22	**Nil**	Mr. Bholanath Basdeo Dhunnoo, Senior Manager, Technical Services	29.03.22	**Nil**
Seafarers' Welfare Fund	Mrs Preety Keesonah Manager, Management Accounting	29.03.22	**32,489**	Captain Mamode Imran Dowlut Assistant Port Master	29.03.22	**Nil**
Mauritius Oceanographic Institute	Captain Kavidev Newoor, Ag. Port Master	29.03.22	**Nil**	Mr. Rughooputh Bussunth Kumar, Manager, Port Environment	29.03.22	**Nil**
Mauritius Sailors' Home Society	Captain Mamode Imran Dowlut Assistant Port Master	29.03.22	**Nil**	Mr. Vyas Rughoonauth Manager, Administrative Services	29.03.22	**Nil**

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 4: Director Duties, Remuneration and Performance (Contd)

Conflict of Interest

The Board of Directors strictly believes that a director should make his best effort to avoid conflict of interest or situation where others might reasonably perceive such a conflict. A Director who has declared his interest shall not vote on any matter relating to transaction or proposed transaction in which he is interested and shall not be counted in the quorum present for the purpose of that decision.

It is the responsibility of each Director to ensure that any conflict of interests be recorded by the Secretary to the Board or Secretary to the Committee.

In accordance with the disclosure requirements under the Code of Corporate Governance, details of the remuneration payable to the Board of Directors and fees derived by MPA Officers sitting on board of statutory bodies and companies for the reporting year are shown on pages 32 - 34.

Related Party Transactions

For details on Related Party Transactions, please refer to Note 35 of the audited financial statements.

Information, Information Technology and Information Security Governance

The Board is responsible to oversee information governance within the Authority and ensures that there is a strategic alignment of both Information and Information Security with its business strategy in order to create value.

The Board ensures that sufficient resources are allocated in the annual budget towards the implementation of an Information and IT Security frameworks.

Board Information

The Chairperson, with the assistance of the Secretary, ensures that Directors receive all information necessary for them to perform their duties and that the Board has sufficient time for consultation and decision-making.

The Board members of the MPA ensure that matters relating to the Authority, learned in their capacity as Directors, are strictly confidential and private and shall not be divulged to anyone without the authority of the Board.

Principle 5: Risk Governance and Internal Control

Internal Control and Risk Management

The Audit & Investigation Management Department and Compliance & Risk Function provide reasonable assurance that the Authority's risk framework is adequately managed and that the financial position and the results disclosed in the audited accounts are free from any material misstatements, in accordance with the pre-approved Audit & Risk Management Work Plan.

The Audit & Investigation Management Department and Compliance & Risk Function played an active role in the budgetary control process by undertaking a comparison of actual financial performance against budgetary forecast and same is brought to the attention of the Audit Committee on a continuous basis. The Audit & Investigation Management Department and Compliance & Risk Function has also engaged in several advisory tasks and pre-audit of financial undertakings of the Board.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 5: Risk Governance and Internal Control (Contd)

Internal Control and Risk Management (Contd)

The Audit & Investigation Management Department and Compliance & Risk Function have, amongst others, also assessed the governance process in accomplishment of its objectives on issues as recommended by the guidelines of the National Committee on Corporate Governance pursuant to Section 65(c) of the Financial Reporting Act 2004 for substantiating that the MPA Board remains the focal point of the Corporate Governance system and is accountable for the performance and administration of the affairs of the Authority.

Fraud Risk Management: Besides providing oversight and assurance to the Audit Committee on controls over systems and processes, the Audit & Investigation Management Department and Compliance & Risk Function have equally assisted Management as follows:

• by facilitating the implementation of the Public Sector Anti-Corruption Framework in the Security Unit;

• in the discharge of its responsibilities by evaluating internal controls used to detect or mitigate fraud and evaluating assessment of fraud risk; and

• in creating awareness on Conflict of Interest and Overtime Management in organisational functions.

The Audit & Investigation Management Department and Compliance & Risk Function have also ensured customary liaison with and coordination between the External Auditor whose role is to report independently on financial statements. Besides, upon obtaining sufficient understanding on the Department's activities, the External Auditor has positively assessed the deliverables of the Internal Audit & Investigation Management Department and Compliance & Risk Function.

As regards whistleblowing rules and procedures, it is observed that there are processes to record actual or potential conflicts of interest and to handle complaints. In October 2019, the MPA amended its Equal Opportunity Policy by elaborating a grievance reporting mechanism for aggrieved employees. On the other hand, the MPA has established a mechanism to handle anonymous letters and complaints. The MPA has also already established a Customer Service Charter and put in place a proper framework to handle complaints.

Principle 6: Reporting with Integrity

Statement of Directors' Responsibilities in respect of the Preparation of Financial Statements

The Directors affirm their responsibilities for preparing the Annual Report and Financial Statements of MPA that fairly present the state of affairs of the Authority and the results of its operations.

The MPA Annual Report is uploaded on the MPA website and is available in full for consultation by any interested party.

Dividend Policy

As per Section 16(3) of the Ports Act 1998, the net surplus of the Authority shall be applied for the creation of a general reserve, specific reserves or the payment of dividends as the Authority may think fit and as the financial situation of the Authority will permit.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 6: Reporting with Integrity (Contd)

Health, Safety and Environmental Issues

The Authority is committed to the general rules and regulations governing the health, safety and environmental issue. The Authority is engaged to minimising any adverse effect of its operations on the environment and on the health and safety of its employees and the community in which it operates.

During the year under review, the following events were organised by the Authority:

	Dates of training	Details
1	13 July 2022	Safety & Health for project & monitoring of contractors
2	14 July 2022	Fire safety
3	15 July 2022	Fire safety
4	21 July 2022	Fire safety
5	22 July 2022	Safety & Health Induction
6	12 August 2022	Fire Alarm system
7	29 August 2022	Safety & Health Induction
8	05 to 09 September 2022	Occupational Safety & Health, Environmental Management, Green Port initiative and Quality & Environmental Management system
9	26 September to 15 November 2022	Basic Life Saving and survival at sea
10	September to October 2022	Basic Safety Training
11	07 October 2022	Talks on drugs
12	26 October 2022	Safety & Health Induction
13	10 November 2022	Talks on drugs
14	16 November 2022	Fire Warden Training
15	08 March 2023	Safety & Health Induction
16	06 – 08 March 2023	Electrical Safety
17	30 March 2023	Fire Warden Training
18	May 2023	Basic Safety Training
19	May 2023 – June 2023	Refresher Basic Safety Training
20	21 July 2023	Safety & Health Induction

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 6: Reporting with Integrity (Contd)

Social Issues

The MPA aims at giving equal opportunities to its employees. For any new recruitment or promotion exercise, it is advertised both internally and externally. Necessary action is being taken for implementing a performance framework for aligning the strategic goals of the MPA for career development. The length of service of employees is also recognised and rewarded through events.

The MPA recognises the importance of the role it has to play in society and it actively participates in endeavours to alleviate social and environmental problems. The Authority is also committed to creating sustainable value for the social and economic well-being of the society.

Corporate Social Responsibility, Political Donations and Contributions

There has been no political donation for the year under review.

An amount of Rs. 323,000 was incurred during the financial year 30 June 2023 pertaining to donations.

Principle 7: Audit

Internal Audit

The Audit & Investigation Management Department reports its findings to the Audit Committee.

External Audit

Appointment of external auditors is in accordance with the provisions of Public Procurement Act 2006, and the procurement method chosen is restricted bidding, where a minimum of two weeks is allowed for the selected bidders to quote. Evaluation of bids is made by the Bid Evaluation Committee and its recommendations are examined by the Finance and Investment Committee and Audit Committee and finally approved at the MPA Board. The award of contract is for a period of one year and renewable up to a maximum of 5 years' subject to satisfactory performance of the selected external auditor.

The Audit & Investigation Management Department which reports to the Audit Committee plays a key role in keeping under review the scope and results of the External Audit with regards to the following:

- Efficiency in meeting time scheduled;
- Effectiveness and performance of the audit team;
- Independence and good communication with audit committee; and
- Objectivity in their judgements through their weakness letter.

The Board had, at its meeting of 28 March 2023 approved the renewal of the contract of Grant Thornton Mauritius, External Auditors, for financial year ended 30 June 2023.

- **Information on non-audit service and amount paid**

The present External Auditors have not been awarded any non-audit services during the year of the audit.

- **Amount paid to External Auditors**

The amount payable to Grant Thornton Mauritius is Rs. 1,000,000 plus VAT.

In order to ensure that the External Auditors' objectivity and independence are safeguarded if they undertake non-auditing services, the Audit Committee should examine the nature of such services and ensure that the members of the audit team do not form part of such assignment thus ensuring that there is no conflict of interest at any point in time.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2023 (CONTD)

Principle 8: Relations with Shareholder and Other Key Stakeholders

Shareholder's Agreement

Given that the MPA is a statutory body established under the Ports Act 1998, there is no shareholder's agreement.

Employee Share Option Plan

No Employee Share Option Plan is available.

Third Party Management Agreement

Save and except for Concession Agreements between the Mauritius Ports Authority and the Cargo Handling Corporation Ltd in respect of the provision of cargo services at the Mauritius Container Terminal and the Multi-Purpose Terminal, there was no management agreement between third parties and the MPA during the year under review.

Shareholder's and Stakeholders' Communication

The Board of Directors places great importance on clear disclosures, open and transparent channel of communication with all its stakeholders. It endeavours to keep them regularly informed on matters pertaining to and affecting the Authority.

Through the MPA's website namely www.mauport.com information is provided to all stakeholders on the activities of the MPA, on the latest news and on new services which have been launched.

Given that the MPA is a statutory body established under the Ports Act 1998, it does not have any shareholder. The MPA falls under the aegis of the External Communications Division of the Prime Minister's Office and thus regularly apprises the Ministry on important policy issues and events.

The Port Users' Council consisting of representatives of persons interested in the operation and use of a port was initially set up upon an express recommendation of the World Bank. The objectives of the Port Users' Council are to interact with port users for efficient port operations; promote the facilities, services and future potentials of the port.

In line with Section 10 of the Ports Act 1998, the Authority may consult a port users' council on any matter concerning the port, including, without prejudice to the foregoing generality for the:

(a) provision of port and marine services and facilities;
(b) rates, charges, dues and fees levied by the Authority; and
(c) expansion or development of the port.

The Authority may also consider any matter concerning a port which may from time to time be referred to it by the Port Users' Council.

Ag. Director-General
Shakeel Goburdhone

Secretary to the Board
Shreeganesh Ganga

Date: 24 OCT 2023

POLICY STATEMENTS

QUALITY AND ENVIRONMENTAL POLICY STATEMENT

Our mission is to stimulate economic growth by transforming our port into a dynamic logistics hub whilst providing sustainable and competitive integrated services. We aim to become the leading Authority driving Mauritius as a preferred regional Maritime Gateway.

Our organisation shall demonstrate leadership and commitment with respect to statutory, legal, customer and the relevant ISO Standards requirements including those pertaining to identified environmental aspects.

We recognize our responsibility for environmental protection and ensuring sustainable port development whilst at the same time offering quality services to our valued customers through our quality and our environmental management systems.

We shall continually improve the effectiveness of our Quality and Environmental Management Systems by reviewing our objectives and targets and by adopting a risk - based approach for all our processes and operations.

To support our endeavour to satisfy the needs of our interested parties and commit ourselves to adopt quality and environmental best practices we will ensure:

- Regular gathering and monitoring of customer feedback with a view of improving our services, environmental performance and maintaining customer satisfaction.
- Training and development of our employees to foster a quality culture, environmental awareness and sense of responsibility within the organization.
- Preservation of our local marine eco-system, biodiversity and sensitive habitats by adopting a balanced strategy between port development and environment protection.
- Our Environmental and Quality objectives are targeted to improve the environmental management performance and customer service standard of the port.
- Pollution prevention and emergency preparedness measures are in place to deal with emergency situations arising from port operations such as bunkering, oil spills, contamination of marine ecosystems, and handling of dangerous cargoes, dust emissions and noise.
- Reduction of waste through responsible use of resources and as far as practicable favour the re-use, recycling and purchase of materials from sustainable resources.
- Promotion of efficient use of resources such as water, electricity, raw materials, fuel consumption and those that are renewable in an effort to reduce our greenhouse gas emissions.
- Communication of our stewardship in Quality and Environment to our customers, port stakeholders, interested parties and encourage them to support it.

OCCUPATIONAL SAFETY AND HEALTH POLICY STATEMENT

The Mauritius Ports Authority, as the sole national Port Authority places the highest emphasis on safety and health in conducting its daily business. The organisation is committed to ensuring that all employees and other persons working on the Authority's premises including the port of Port Mathurin are adequately informed and trained, and work in an environment that is as far as reasonably practicable, free of hazards that may lead to personal injury or work related ill health.

The Mauritius Ports Authority adheres to the guiding principles of the ILO Occupational Safety & Health Management system 2001 and believes in the key principles of constant promotion, improvement of safe working practices, safety awareness and a commitment to safety on the part of each and every person involved.

To achieve these Key Principles, we are committed to:

1. Identify hazards and conduct risk assessments for all activities associated with the operational requirements of the Mauritius Ports Authority and establish controls to manage the associated risks to an acceptable level;

2. Ensure safety practices and procedures are developed, implemented and maintained throughout the organisation which are relevant to the operational activities, and promote the involvement of all personnel in the maintenance of a safe working environment;

3. Comply with the Occupational Safety & Health Act 2005 together with its subsidiary regulations and industry related legislative requirement so that every individual who works for the Authority or on its premises will share the benefits of a safe workplace;

4. Ensure that employees and their representatives are consulted and encouraged to participate actively in all elements of the Occupational Safety & Health Management System.

5. Provide training, instruction, information, supervision and resources necessary to support the implementation of Occupational Safety and Health Management System;

6. Ensure appropriate emergency procedures exist and are tested and recorded in all work locations and that personnel understand the procedures relevant to their location and the greater work area;

7. Maintain and review measurable objectives and targets to ensure continual improvement towards the prevention and reduction of work related injury and illness;

8. Ensure appropriate procedures are maintained for the reporting, investigating and review of all safety incidents and situations likely to be hazardous to a safe working environment;

9. Provide appropriate protective equipment with adequate training in compliance with statutory requirements, to meet the relevant needs of each work activity;

10. Continuously improve the Authority's working environment and the performance of the Occupational Safety & Health Management System; and

11. Ensure that all employees of the Authority have the right to report to management any unsafe act or unsafe condition.

Through the active participation and commitment of all Mauritius Ports Authority employees and contractors, we will strive to meet and go beyond the requirements of this policy.

SECURITY POLICY

The Mauritius Ports Authority is responsible for the security and protection of port infrastructure and assets, and the provision of risk-based security services. In response to the risk of terrorism, the MPA has interpreted the International Ship and Port Facility and Security (ISPS) Code to:

- ensure compliance with all relevant security legislations;
- maintain a Security Committee, which meets frequently to review and update critical procedures and instructions with respect to its people and operations in emergency circumstances;
- ensure management responsibility and accountability for security;
- audit and review its security system and performance periodically;
- consider the security aspects of all new projects;
- provide and maintain a secure environment for employees, guests and visitors; and
- continually improve the performance of its security management system.

In this regard, the port waters and the land area under the control of the Authority are now being closely and constantly scrutinised by trained Police and MPA officers operating from a centralized surveillance control room on a 24/7 basis.

In addition to the MPA's port security plan, other port facilities and port service providers need to have their security plans, outlining the measures and procedures undertaken to protect vessels that trade in the port waters and the port infrastructure that services those vessels, certified by the MPA.

In the pursuit of its mandate for the enhancement of port security, the Mauritius Ports Authority aligns itself to the requirements of the National Maritime and Harbour Security Committee for the implementation of security systems policies and procedures at Port Louis Harbour and Port Mathurin.

EQUAL OPPORTUNITY POLICY

The Mauritius Ports Authority (MPA) is an equal opportunity employer whose policies and practices aim to make full use of talents, skills, experience and competence and where the employees feel respected and valued, and can achieve their potential regardless of their status, that is, their age, caste, colour, creed, ethnic origin, impairment, marital status, place of origin, political opinion, race, sex, or sexual orientation.

The MPA adheres with the Equal Opportunities Act 2008 and endeavour to follow the recommendations of the Equal Opportunities Commission as set forth in its Guidelines for Employer (April 2013) in all employment policies, procedures and practices.

The main objectives of this Policy are to ensure that:

- No one receives less favourable treatment, by reason of his/her status ('Status), that is their age, caste, colour, creed, ethnic origin, impairment, marital status, place of origin, political opinion, race, sex or sexual orientation, or is disadvantaged by any conditions, requirements, provisions, criteria, procedures or practices that cannot be justified on any or more of the above-mentioned grounds, or victimised for taking action against the employer for discrimination or for assisting a fellow employee in taking such an action;
- Opportunities for employment, training and promotion are open to all candidates irrespective of their Status, and
- Selection for employment, promotion, transfer, training and development, and access to benefits, facilities and services, will be fair and equitable, and based solely on merit and not on the Status of the employees or prospective employees.

This Policy Statement applies to all aspects of employment, from recruitment to termination of employment.

To achieve the intent of the Policy, the MPA is committed to: -

a. Ensure that this policy is a fundamental one for the MPA and the Director Human Resources endorses these practices and is responsible for the day-to-day operation of the policy.

b. Communicate to all employees this policy and same is posted on the organisation's website for the information of all employees and job applicants.

c. Conduct regular consultations with employees and their representatives as well as Trade Unions on the Policy Statement and on related action plans and strategies.

d. Ensure all employees will be trained on their rights and responsibilities under this Policy, and on how the Policy will affect the way they carry out their duties and also what constitutes acceptable and unacceptable conduct in the organisation.

e. Train Management representatives and employees in key decision-making areas on the discriminatory effects that certain provisions, practices, requirements, conditions and criteria can have on employees and the importance of being able to justify decisions to apply them.

f. Investigate complaints on discrimination and appropriate actions will be taken wherever applicable.

g. Ensure that opportunities for employment, promotion, transfer and training will be advertised widely, internally and externally except where a genuine requirement or statutory exception applies. All applicants will be welcomed, irrespective of their Status. Selection criteria will be entirely related to the job or training opportunities.

h. Monitor grievances, disciplinary action, performance appraisal and termination of employment. (The grievance reporting procedure is mentioned below).

i. Review & revise requirements, conditions, provisions and practices with a view to eliminating any form of discrimination at work.

This Policy Statement has been endorsed by the undersigned and has the full support of Management and the Board of Directors of the Mauritius Ports Authority.

All staff are responsible for familiarizing themselves with this Policy Statement. All Heads of Department/Section must also make sure their staff know about, and follow the Policy Statement.

Grievance Reporting Procedure

- An employee who has a grievance about discrimination at work may report the matter in writing to the Director General. Upon receipt of the complaint, the Director General shall refer the matter to the Director Human Resources for examination.
- The Director Human Resources shall examine the complaint and carry out an investigation within a reasonable delay. The Director Human Resources may conduct meetings to hear the complainant and the employee against whom the complaint is made. The Director Human Resources may also attempt to reconcile the parties.
- In the event the complaint is well-founded, the Director Human Resources shall make recommendations on appropriate actions to be taken against the discriminator.
- If there is no sufficient evidence of discrimination, even after gathering more information from the complainant, no further action will be taken on the complaint.
- The Director Human Resources shall inform the employee concerned on the outcome of the investigations.
- In the event the complainant is not satisfied with the outcome of the investigation, he/she may have recourse to the Equal Opportunities Commission.

Confidentiality

Any matter raised by an employee and/or any investigation carried out in respect of a complaint of discrimination will be treated with utmost confidentiality.

DATA PROTECTION POLICY

1. Introduction

The Mauritius Ports Authority (MPA) is a body corporate established under the Ports Act. As the sole national port authority, the MPA has amongst others, the functions and duties to provide port infrastructure and superstructure together with related facilities, marine services, navigation aids, to regulate and control shipping, navigation, dredging and other matters in the port.

During the course of its operations, the MPA collects, processes and stores personal data. With the promulgation of the Data Protection Act, the necessary mechanism has been put in place to ensure security of personal data of the Authority's employees and stakeholders.

Hence, this policy describes how personal information is collected and handled to meet the Authority's data protection standards and comply with the law.

2. Controller

The MPA is registered as a controller with the Data Protection Commissioner and processes personal data in accordance with the Data Protection Act.

3. Data Collection

a) What data MPA collect from data subject (employees, non-employees)?
Name, surname, National Identity Number, postal address, e-mail address, telephone number, bank account details, photocopy of passport, qualifications and others.

b) Why MPA is collecting personal data?
The MPA collects personal data for various purposes, including the following:

i. To process applications for the recruitment of new employees, loans, benefits, promotions.

ii. To process applications for port licences and allocation of land in the port area.

iii. To grant access to vessels in the port.

iv. To grant access to the port area and buildings.

v. To fulfil contractual related activities.

4. How does MPA process data?

The MPA has many departments namely: IT Services Department, Human Resources Department, Port Development Department, Port Operations Department, Legal and Administrative Services Department, Audit and Risk management Department, Estate Management Section, Finance Department, Procurement and Supply Section, Marine Department and Technical Services Section.

Each department has its own processes and each process is well documented on the following lines: Whether consent has been sought where needed, type of personal data collected, purpose of the personal data collected, processing being done on the personal data collected, how secure is the personal data collected. Due to specificity of each department, a system has been put in place with their own security mechanism so as to avoid leakage and loss of personal data.

Where the purpose for keeping personal data has lapsed, the MPA shall –

(a) destroy the data as soon as is reasonably practicable; and

(b) notify any processor of MPA holding the data.

Any processor of MPA who receives a notification as mentioned above, shall as soon as is reasonably practicable, destroy the data as specified by MPA.

5. Data Disclosure

In certain circumstances, the Data Protection Act allows personal data to be shared among public sector agencies without the consent of the data subject. The MPA shall share personal data provided that it is a necessary and proportionate measure in a democratic society for the instances provided under section 44 of the Data Protection Act.

Local authorities: MPA may also be obliged to send information to local authorities if this is required by law or as part of an inquiry and in accordance with local regulations.

MPA does not routinely disclose personal information to other organisations unless:

a) Required by law.

b) Use or disclosure is permitted by this policy.

c) We believe it is necessary to provide you with a service or product which you have requested or are contracted to.

d) The MPA will not disclose personal data unless required for the purposes set out at section 28 (1) of the Data Protection Act.

e) You give your consent.

6. International Transfers

MPA may transfer employee and non-employee personal data to internal or external recipients who may be in countries offering different levels of personal data protection in accordance with section 36 of the DPA.

Consequently, in addition to the implementation of this Policy, MPA employs appropriate measures to ensure secure transfer of personal data to an external recipient located in a country offering a different level of privacy from that proposed in the country where the personal data is collected.

6. International Transfers (contd)

However, any such transfer of information does not change any of our commitments to safeguard privacy and the information remains subject to existing confidentiality obligations.

7. Data Security

The Authority is committed to ensure the security of personal data in order to prevent unauthorised access, accidental deletion and malicious hacking attempts.

The MPA shall, at the time of the determination of the means for processing and at the time of the processing;

(a) implement appropriate security and organisational measures for –

(i) the prevention of unauthorised access to;

(ii) the alteration of;

(iii) the disclosure of;

(iv) the accidental loss of; and

(v) the destruction of,
the data in its control; and

(b) ensure that the measures provide a level of security appropriate for –

(i) the harm that might result from –

(A) the unauthorised access to;

(B) the alteration of;

(C) the disclosure of;

(D) the destruction of,
the data and its accidental loss; and

(ii) the nature of the data concerned –

The computers storing the information are kept in a secure environment with restricted physical access. The MPA uses a Unified Threat Management (UTM) System to control access to our services, makes use of access rights and other measures to restrict electronic access.

8. Data Subjects' rights

As per the Data Protection Act, all individuals who are the subject of personal data held by the MPA have the right to:

i. request access to their personal data.

ii. request rectification of their personal data.

iii. lodge a complaint with the Data Protection Commissioner.

iv. withdraw consent where applicable.

9. How to request information from the Authority?

Any request pertaining to personal data kept by the MPA should be sent at the address or e-mail address mentioned below:

Postal Address:	Email:
The Data Protection officer Mauritius Ports Authority H. Ramnarain Building Mer Rouge Port Louis	info@mauport.com

The Authority will respond to the request within one month, but if the request is too complex or in case there are many other requests, the Authority will inform the concerned person that an answer can be expected within two months.

No administration fee will be charged for considering and/or complying with such a request unless the request is deemed to be unnecessary or excessive in nature.

10. Compliance with Data Protection Act

All processing of personal data by Mauritius Ports Authority will be done in compliance with Data Protection Act.

11. Conclusion

This policy will be updated as and when required to reflect best practice in data management, security and control and to ensure compliance with any changes or amendments made to the Data Protection Act.

CCTV POLICY

1. Introduction

- The MPA has in place a CCTV surveillance system in the port area, managed and controlled by the Authority.
- This Policy details the purpose, use and management of the CCTV system to ensure security up to the required standard in the port area, which is a strategic location in Mauritius.
- The MPA operates the CCTV system jointly with the Police as per existing Memorandum of Understandings (MOUs). Some of the images covering the port area are shared with Mauritius Revenue Authority (MRA)- Customs, National Coast Guard (NCG) and the Police Headquarters Line Barracks.
- The MPA is registered with the Data Protection Office and the registration number is C1320.

CCTV POLICY

2. Purposes

The principal purposes of MPA's CCTV system, among others, are as follows:

- to reinforce security in the port area by deterring, detecting and preventing any illegal activity within the port premises.
- to enhance the security of its premises, assets and equipment.
- to assist in the investigation carried out by the law enforcement agencies and/ or the Authority of any illegal or suspected activities committed in the port area by any person.
- to observe any incident requiring a response within MPA's premises.

3. Scope

- The MPA is required to operate a CCTV camera surveillance system for security and safety reasons.
- While any person is in the port area, some personal data is captured on the CCTV system.
- The MPA is the 'Controller' for the images on the CCTV system.
- The CCTV footage is handled in accordance with the Data Protection Policy and the viewing of CCTV footage is strictly limited to authorised parties only.
- The CCTV system has been installed in the port area, including MPA buildings which is considered as a critical infrastructure in Mauritius.
- The CCTV system is operational on 24 hours basis.

4. Signage/ Notification

Adequate signs are placed at relevant locations to inform staff, visitors and members of the public that CCTV is in operation.

5. Retention Period and Backup

CCTV images are retained for no longer than 60 days from the date of recording and the images are automatically overwritten thereafter. Where applicable, when a particular footage related to an incident, or pursuant to a legitimate request or claim is saved, that saved footage will be retained for as long as is necessary to fulfil the purposes for which it has been retained.

6. Security Measures

Cameras are monitored in the Control Room, which is a restricted area.

The security measures that the Authority provides for protecting the CCTV footage are as follows:

- only authorised personnel have access to the CCTV room.
- having an audit trail to monitor staff access to the footage.
- using password protection to manage staff access to stored footage.
- transmitting and storing of stored footage in encrypted form.
- doing regular audits of system security.

7. Disclosure of CCTV Footage

In carrying out the purposes set out above in Section 2 of this Policy, CCTV images may be disclosed, subject to its availability, only to authorised third parties.

Any authorised person or agency to whom disclosure is required by any applicable law, regulation or court order will be made subject to strict obligations imposed on these third parties to maintain the confidentiality and integrity of CCTV images as well as safeguarding its security.

8. Request for Access of CCTV Footage

Request for the access to CCTV footage will be made in compliance with the Data Protection Act.

9. Procedures to handle incidents

The procedures for handling of incidents are in accordance with internal Standard Operating Procedures and standing MOUs signed between the Authority and law enforcement agencies

Any breach will entail disciplinary action by the concerned agency.

10. Policy Review

The Authority has the discretion to update this Policy as and when required and thereafter the revised version will be effective.

It is the responsibility of any person accessing the port area to view this policy periodically and become aware of modifications.

CORPORATE MATTERS

HR Matters

The Mauritius Ports Authority recognizes that the contribution of its people is fundamental to reach its business goals and objectives. Employees' knowledge, skills and abilities are assets which the Authority should invest in and use to create sustainable value for the Authority and its various stakeholders.

Whilst the year 2022 was focused on overcoming challenges created by the pandemic era, the year 2023 was focused on sustainable employee strategies and development.

Accordingly, emphasis was laid on employee engagement which plays a significant role in the overall health and future development of the organisation.

Human Resources Development Plan

The Human Resources Development (HRD) Report 2020 which was prepared by Messrs Korn Ferry Africa (PTY) Ltd, has been approved in March 2023, following a Collective Bargaining process with the two recognised unions.

The main recommendations of the HRD 2020 Report which is effective as from 1 January 2020, comprised a revised organisational structure, a new master conversion table, new pay and grading structure, review of job guidelines and new terms and conditions of employment.

The HRD consultants, Messrs. Korn Ferry have reviewed the organisation structure (including Port Mathurin) and have proposed some high-level changes to the organigram that are strategically driven and geared for the future. The new model is intended to provide more clarity between the enabling and core functions of the Authority and also demarcates support functions that are designed to optimize and enhance the performance of the MPA versus those that are designed to control and regulate the various activities.

A salary increase ranging between 9.6% to 10.5% has been proposed and approved.

On 24 March 2023, a Collective Agreement has been signed with the main union namely the Maritime Transport and Ports Employees Union (MTPEU) representing the interests of a majority of employees. It was also agreed that issues which remained unresolved with the MPTEU, would be referred to the Employment Relations Tribunal for arbitration, as provided under section 63 of the ERA.

The Collective Agreement duly signed on 24 March 2023 and registered with the Employment Relations Tribunal on 29 March 2023, is binding on all parties concerned. Accordingly, the recommendations of the HRD Report 2020 as incorporated in the Collective Agreement of 24 March 2023 have been implemented and the new salaries (as well as arrears), effective from 1 January 2020 were paid to all employees.

Appropriate actions have been initiated to ensure the smooth implementation of recommendations made in the HRD 2020 Report. In this respect, an Implementation Committee has also been set up to monitor the smooth implementation of the recommendations of the HRD Report 2020 including necessary interpretation and application and possible genuine errors and omission.

Recruitment and Selection

The overall rate of workforce growth is facing a sharp drop as employees in the Baby Boomers generation are retiring. Twenty -nine (29) employees have retired during the period of 01 July 2022 to 30 June 2023.

With a view to providing necessary manpower to various departments/sections of the Authority, actions have been initiated for the filling of consequential vacancies in order to enable the Authority to meet its objectives. Accordingly, following recruitment and selection exercises, eleven (11) candidates were recruited during the above-mentioned interval.

Following the HRD Report 2020, the MPA's establishment was also revised. Accordingly, the MPA will proceed with the filling of vacancies identified on the MPA's establishment. Accordingly, the Authority would have recourse to internal and external recruitment in line with the MPA's recruitment and selection procedures to fill in vacancies that have been earmarked as priority in the first instance.

Necessary budgetary provisions have been made for the recruitment component in the Budget 2023/2024.

Succession Planning

An effective succession planning is of prime importance, the moreso that the MPA has an ageing workforce. Moreover, it is to be pointed out that the MPA is faced with the challenge of scarcity of marine resources, which is also a global phenomenon. Thus, actions need to be initiated promptly so as to ensure continuity of services.

In this respect, a succession plan has been devised for posts which have been/would be declared vacant over the next 2 years.

It is to be highlighted that several departments /sections have been restructured in the context of the last Human Resource Development Plan. Consequently, certain posts have been declared evanescent or re-styled and some other new positions have been created.

In view of the above and in order to ensure continuity of service in various departments, a list of positions which need to be filled in replacement of retired employees and other critical posts in the immediate term has been drawn up.

Health and Safety

The Mauritius Ports Authority places the highest emphasis on safety and health in conducting its daily business. It adheres to the guiding principles of the ILO Occupational Safety & Health Management System and believes in the key principles of constant promotion, improvement of safe working practices, safety awareness and a commitment to safety on the part of each and every person involved.

In line with international best practices, the MPA's Occupational Safety and Health Policy is divided into three main parts: Policy consisting of a general statement of intent together with the aims and objectives, responsibilities of the organisation for carrying out the policy and arrangements for putting the policy into effect.

Risk assessments have been carried out for all worksites and where there is a risk to any employees being exposed. The risk assessment report is being reviewed every two years or earlier if the need arises.

Safety and Health information and instruction is provided to employees through various channels such as Safety & Health Induction training for new recruits, Circular/ Information Note, On/ Off the job training and at the level of the MPA Safety and Health Committee meetings.

Capacity Building

For the past years, the prime focus of the port sector has been very much on technological advancement that make productivity less dependent on human effort, skills and knowledge. However, during recent years, the port has witnessed a growing acknowledgement that appropriate attention must also turn to performance improvement through skilled and motivated people.

In this regard, the MPA wants to beef up its training and development initiatives to ensure that employees have the skills required to perform the jobs and the capabilities to better and smarter support the future business growth and to keep talented employees on board.

Various training sessions have been dispensed to employees at all levels in order to tap on their technical skills and competencies. These include training in the field of E-procurement system for bid preparation and review, IMDG Code Standard Course 40.20, High Voltage Safety Operating Procedures for Engineers and Technicians, Tug Engineer Course (Port Operations for small tugs and vessels).

Welfare Facilities

In order to motivate its Human Capital, the MPA operates several welfare schemes. Benefits provided to employees, interalia include the following:
• Loan facilities for purchase of motor vehicles;
• Housing loans at subsidised interest rates;
• Computer loan at no interest;
• Provident Fund;
• Canteen facilities at a subsidised rate.

The Terms and Conditions pertaining to the above benefits have been revised/enhanced in the context of the HRD 2020 exercise.

Additionally, a football pitch which has been constructed in the workshop compound of the MPA, is being used by MPA employees. The mini soccer pitch is also being let to port based enterprises under an agreement.

It is proposed to organise team building exercises, as soon as practicable to promote a sense of involvement and team spirit.

Enhancing the Legal Framework

(i) Review of fines under the Ports Act 1998

For almost 25 years, the fines prescribed under the Ports Act 1998 for offences have remained unchanged since the proclamation of the said Act on 1 August 1998. The Authority recognises the need to increase the fines applicable to deter offenders from committing offences by contravening the provisions of the Ports Act. Accordingly, the maximum fines of Rs 10,000, Rs 50,000 and Rs 150,000 will be reviewed to Rs 100,000, Rs 500,000 and Rs 1,000,000 respectively.

The above amendments to the relevant sections of the Ports Act will be brought by the Finance (Miscellaneous Provisions) Bill 2023, as mentioned in the Annex to the Government Budget 2023-2024.

(ii) Latest Regulations

Security in the port area is of paramount importance and the Authority is mandated to enforce maritime conventions/regulations ratified by Mauritius. The MPA is therefore required to follow and adhere to all regulatory instruments that are being adopted in the maritime industry for the safe carriage and storage of goods, the moreso, that the Authority has to comply with the recommendations made under various conventions for safe ships and clean oceans. During the year under review, the MPA fulfilled its regulatory responsibilities through a number of activities and ensured the safety and security of all vessels navigating in the port waters.

In the light of the foregoing, the Ports (Security) Regulations 2021 (Government Notice No. 302 of 2021) have been promulgated on 15 December 2021, in compliance with the ISPS Code with a view to further enhance port security at Port Louis and Port Mathurin and to meet its obligation under the Safety of Life at Sea (SOLAS) convention which has been ratified by Mauritius. The Ports (Security) Regulations 2021 apply to any port facility serving a vessel which is engaged on international voyages and port related area, including cargo/passenger vessels and mobile off shore drilling units.

On another note, the Ports (Fees) Regulations 2008 have been amended by the Port (Fees)(Amendment) Regulations 2022 (Government Notice No. 28 of 2022), with effect on 1 February 2022, to cater for the remission of seamen's welfare dues to the Seafarer's Welfare Fund, in accordance with the Seafarers' Welfare Fund Act 2008 and the payment of an administrative fee to the Authority.

Moreover, with a view to better perform its licensing obligations and in order to ensure a non-discriminatory, consistent and transparent framework for the issue of licences to private operators and service providers and at the same time to safeguard the interests of the port, a draft Ports (Licensing) Regulations is being prepared.

Undisputedly, the implementation of the above regulations will provide a suitable framework to better ensure that the companies under the Authority's jurisdiction operate in compliance with the required standards, whilst bearing in mind consumers' interest.

Risk Management

Shipping and Ports have been operating in an increasingly challenging economic environment since the Covid-19 outbreak, characterized by demand and supply imbalances, volatile freight rates, increasing regulation, environmental concerns, piracy and geopolitical risks, among others. The MPA equally bumped into lower growth in port activities, more uncertain market conditions and a higher risk of recession. All these factors have contributed to a challenging business environment in the maritime sector that have necessitated agility to adapt and adjust for business continuity. Senior management buy-in has been witnessed as a strength for implementing the decisions of the Board.

Overseeing the management of risks is one of the main objectives of the Audit Committee. During the year under review 2022/2023, five (5) Audit Committees were held. Among other issues that were reported thereto, members of the Audit Committee:

- Approved the three-year rolled over Risk Management Plan.
- Examined reports submitted by the Risk Management function on risk assessments of systems/ processes, compliance audit and investigation/ internal enquiry.
- Recommended implementation of risk mitigation strategies for enhancement of systems/ processes.

In response to the emerging challenges and for achieving MPA'S objectives, key enablers for successful strategic risk management have worked towards devising policies and taking decisions for building resilience by aligning the risk appetite at the Mauritius Ports Authority as tabled below:

Risk Category	Risk Appetite	Approach
Strategic	Moderate	In the pursuit of its objectives and achieving its mission and vision, the Authority constantly seeks a balance between its commercial ambitions and social impact.
Operational	Moderate	The Authority focuses on safe pilotage service. It also guarantees continuity in stakeholders' business operations by providing infrastructure and striving to minimize risks that could jeopardise these tasks.
Compliance	Low	The Authority aims to comply with applicable law and regulations related to safety, security, environment, procurement, data protection and information security amongst others.
Financial	Low	The Authority exercises reasonable controls for ensuring safeguards of assets and ascertaining positive cash flow. Risk-free investment is made in fixed deposits and treasury bills.

The ultimate responsibility for effective risk management rests with the MPA's Board. This task has been delegated to a sub-committee, being the Audit Committee (AC), with a view to providing strategic oversight for long-term value creation. The four risk mitigating approaches applied by the Board/ Audit Committee were namely avoidance, acceptance, reduction and transfer on a case-to-case basis.

MPA's enterprise-wide strategic risks identified were cautiously managed and continuously monitored through implementation of various measures namely policy decisions, procurement of assets, installation of modern operational systems, reviewing of processes and training of staff, etc. as summarized below:

Sn	MPA Strategic Risks	Stratagems adopted by the MPA for Risk Mitigation
1	**Operational risks:** • Risk of non-availability of port logistics, tugs and equipment for safe marine operations • Crisis management of port emergencies such as grounding of vessels, wreck, collision, etc. • Risk of not being adequately equipped to deal with port emergencies / casualties such as fire incidents, oil spillage, etc.	• Ensuring required fleet of vessels by chartering two tugs with crew and procuring four twin tugs • Outsourcing of overhauling, repairs and maintenance of Tugs/ Pilot boat • Procurement of anti-pollution equipment for oil spill readiness and response • Availability of two new fire tenders for port emergency • Code of practice for Bunkering Operations at Port Louis Harbour for capitalizing on the bunkering business • Implementation of a new Vessel Traffic System at the harbour radio and procurement of operating services • Design, Development, Implementation and Operation of a vessel clearance system for Port Louis harbour • Coordination with relevant Authorities and stakeholders to attend emergencies/ casualties • Performing drills • Training updates
2	**Customer risks:** • Risk of not being able to accommodate big vessels due to change in vessel sizes • High concentration of business with a few shipping lines; rerouting of shipping lines due to the lingering COVID-19 impacts resulting into loss of transhipment business • Competition from nearby ports offering lower port tariffs • Low return on investment (ROI) due to under optimization of port infrastructure adversely affecting efficiency and productivity • Quality and efficiency of service measured in terms of waiting time, number of moves per hour, efficiency in operation, tariffs charged, etc. below competitive benchmark	• Investment in port infrastructure: extension and deepening of quay • Consultancy services for the updating of the Port Masterplan • Erection of Cruise Terminal building • Repairs and maintenance works to port infrastructure, inclusive of Albion Lighthouse • Joint effort with the Cargo Handling Corporation Ltd for stimulating the transhipment business by attracting shipping lines to call directly at Port Louis Harbour for a favourable ROI • Managing the concession contracts signed with CHCL for monitoring port efficiency at the Container Terminals • Ensuring a proper maintenance plan by the CHCL for the good functioning of cranes
3	**Business continuity risks:** • Decline in global economic activities due to the lingering effects of the world pandemic COVID-19 • Geopolitical risks due to Russia-Ukraine war • Fiscal and monetary measures to counter economic fallout • Investment risks characterized by low terminal occupancy rate • Port structural model	• Rethinking the port structural model for greater efficiency • International and Regional cooperation: IAPH, PIANC, PMAESA, AIVP, APIOI, IHMA, UNCTAD Ports division • Policy decisions for stimulating port operations • Financial incentives as per the Port (Fees) (Amendment) Regulations 2022 to boost port activities • Incentives given in terms of port dues, seaman welfare dues, anchorage dues

Sn	MPA Strategic Risks	Stratagems adopted by the MPA for Risk Mitigation
4	**Security risks:** • Weaknesses in the security framework may be exploited for personal interest/ gain knowing that the focus is currently more on redressing the financial and operational sectors • Blind spot in CCTV coverage • Third party risk - poor contract management for maintenance of CCTV cameras • Security team not trained for attending to different emergencies or not equipped with the appropriate equipment	• Installation and Commissioning of Centralised Access Control and CCTV Systems for the Port Area Surveillance to facilitate the implementation of The Ports (Security) Regulations 2021 • Monitoring access to port area • Performing security drills in accordance with the International Ship and Port Facility Security Code • Port Facility and Security Assessment conducted by the IMO for making the Port Louis harbour fully ISPS compliant • Training of security personnel
5	**Safety risk:** • Safety of personnel • Safety of port infrastructure	• Insurance covers for protecting MPA's assets and employees • Availability of two new fire tenders for port emergency • Provision of Personal Protective Equipment (PPE) • Performing fire drill • Quarterly Safety and Health Committee meetings
6	**Financial risks:** • Foreign exchange risk due to exposure to transactions denominated in foreign currencies; repayment of loans in foreign currencies • Credit risk attributable to receivables • Liquidity risk	• Close monitoring of liquidity and solvency position • Investment in zero-risk financial instruments - Treasury Bills, Government bonds, Fixed Deposit • Managing foreign exchange risk by keeping accounts in foreign currencies (USD, EURO) for financing port projects, repayment of loan • Rigorous monitoring of debtors • Introduction of an additional fee for using port amenities by port licensees • Monitoring of outstanding legal matters/ court cases for probable financial obligations
7	**Compliance risks:** • Risk of non-compliance to change in and/ or introduction of new laws and regulations regarding maritime activities both at national and international levels • Claim resulting into liability • Damage to reputation	• Compliant to International Maritime regulations: - International Maritime Organisation (IMO) member state - IMO conventions – e.g. MARPOL, SOLAS, STCW, etc. - ILO Maritime branch • Compliant to national laws and regulations - Ports Act 1998, Port (Issue of Licences) Regulations 1981, Port (Operations and Safety) Regulations 2055, Port (Fees) Regulations 2008, Ports (Security) Regulations 2021 • Adoption of Policies for good governance: - Conflict of Interest policy in compliance with the Prevention of Corruption Act 2022 - Data protection policy - CCTV policy - Equal Opportunity policy - Quality policy - Occupational Safety & Health policy - Bunkering code of practice • Reporting to Independent Committees - Corporate Governance Committee and Audit Committee

Sn	MPA Strategic Risks	Stratagems adopted by the MPA for Risk Mitigation
8	**Technology risks:** • Technology mismatch with emerging vessel and cargo traffic mix • Not meeting customer's technology requirements resulting into competitive disadvantage • Information security risk resulting into cybersecurity attacks, demand of ransom payment, etc. • Risk of not having a Disaster recovery plan for Business Continuity	• Implementation of Microsoft Office 365 (Cloud) • Upgrading ERP • Supply, Testing and Commissioning of servers and upgrading of San storage • Implementation of a Vessel Clearance System • Implementation of a Vessel Traffic System • Implementation of an Information Security Governance Framework
9	**Environmental risks:** • Adverse impact of natural disasters and climate variability • Pollution due to oil spills, carbon emission, unauthorized activities by shipping companies in port waters impacting maritime environment	• Spearheading the Green Port Initiative project with port stakeholders for sustainability • Signing of a Port Environment Charter • Feasibility study of green initiatives • Use of renewable energy – solar photo voltaic at oil jetty • Recycling of e-wastes • Collection of ship wastes • Periodic review of ISO 14001 Environmental Management Systems
10	**Human resource risks:** • Difficulty in recruitment in scarcity areas • Brain drain due to lack of recognition • Lack of succession plan • Performance management system not operational • Difficulty in attracting and retaining talent in a post pandemic-induced coma • Lack of agility and ability to adapt to the new normal • Absence of teambuilding initiatives • Lack of continuous training • Lack of communication between employer and employees • Lack of employee welfare	• Measures for building a supportive and safe working environment: - Investment in capacity building - Transparency in recruitment exercise - Reviewing Terms and Conditions of Employment to cope with the evolving work environment - Signature of collective agreement with the union for the implementation of the HRD report - Recognition of employee performance and effort - Ensuring safety and health at workplace - Value employee welfare

Achievements of the Risk Management Function for the year 2022/2023

It has been quite challenging for the Risk Management function to ascertain thoroughness in the risk identification and risk communication process due to limited resources. Nevertheless, the Management, the Audit Committee and the Board were continuously apprised of risks that were spotted during execution of the Risk Management Work Plan, for prompt decisions to minimize adverse impacts. The Risk Management function has thus strived to give assurance to the Board and Management on risk management processes by reporting functionally to the Audit Committee and administratively to the Director-General.

In the same endeavour, the Risk Management function equally partnered with Management in the discharge of its responsibilities by assisting in the implementation of the Public Sector Anti-Corruption Framework, which aims at ensuring internal controls in processes for mitigating corruption risks. In order to meet Government's KPI in line with the Public-Sector Business Transformation Strategy (PSBTS), three corruption risk assessments (CRAs) were conducted, namely in the Port Development department, the Procurement & Supply section and the Human Resources department.

It was equally ensured that at least 75% of the recommendations made with respect to the three CRAs conducted during the financial year 2022/2023 were integrated in the day-to-day operations towards the fight against corruption. The moreso, a further area had been identified for extending the CRA exercise, namely the port licensing process falling under the purview of the Estate Management and Licensing section.

The performance of the Risk Management function for the period July 2022 to June 2023 comprised the following:

Objectives	Achievements	Areas
Preparation and implementation of the three-year rolled over Risk Management plan	1	• Approved by the Audit Committee in February 2022 and March 2023 respectively
Audit of systems and processes	8	• Holding of Bid Evaluation Committee • Renewal of insurance policies • Compliance with port and boat licence's fee structure • Renewal of port licences • Vessel registration process for billing • Wayleaves record keeping for billing • Checklist for tug maintenance and safety • Confidentiality and non-disclosure
Risk Management	1	• Enterprise-wide strategic risks update
Investigation/ Internal Enquiry	2	• Bidding process • Access to information
Corruption Risk Assessment	3	• Port Development • Procurement & Supply • Recruitment and selection

The day-to-day management of risks has been cascaded to line management. Though the successful management of enterprise-wide strategic risks depends on the seamless collaboration and ability among key risk management players, every employee of the MPA has a simultaneous responsibility towards risk management. Presently, all departments have their risk registers which are regularly reviewed and updated by the process owners with the assistance of the Quality Unit.

With the evolving oversight issues post the pandemic, the responsibilities of the Audit Committee have been stretched to encompass emerging topics outside the ambit of financial reporting, such as information security, data protection and even Environmental Social Governance (ESG) issues. The Audit Committee is thus required to be continually vigilant and acquainted with these new expectancies and devote enough time to focus on each in order to turn challenges into opportunities to strengthen port competitiveness. In the coming years, the inflection of the Audit Committee would shift to encompass ESG issues as ports would be required to focus on:

- Decarbonization efforts to establish renewable energy supply chains
- Financial and socio-economic appraisal of sustainable port development projects
- Port digitalization and automation for the future digital logistics business
- Green port corridors for efficient and sustainable transport systems
- Resilience in Port and Maritime Logistics to cope with disruptions
- Measures to reduce the impact of geo-political tensions
- Deployment of Corporate Social Responsibility strategies

MPA JOURNEY TOWARDS EXCELLENCE THROUGH ISO CERTIFICATIONS

ISO 9001:2015 Certification – Quality Management Systems

The MPA's quality focus embraces the whole organisation and is guided by business and customer needs whilst being evaluated against international standards. The cornerstone of ensuring good quality services includes the establishment of good governance processes, constant monitoring of performance and adherence to relevant regulatory systems and industry standards.

MPA was awarded the ISO 9001 Certificate in 2004, and since then, the ISO 9001 certification has been renewed and retained, over the last nineteen years. The MPA has been recertified in 2007, 2010, 2013 and in 2016. In August 2018, it successfully transitioned to the ISO 9001:2015 Standards and was recertified in 2019 and 2022.

The Quality Unit, within the framework of the top management review process, regularly ensures a periodic review of the Quality Management System (QMS) and Environmental Management System (EMS) to guarantee continuing suitability, adequacy, and effectiveness of the QMS and EMS while addressing the possible need for changes to quality policy, objectives, targets and other elements of the ISO 9001:2015 and ISO 14001:2015.

Every year, the External Auditors from the Mauritius Standards Bureau (MSB) visit the MPA to carry out a Surveillance Audit of the ISO 9001 systems to assess whether they are effectively maintained and are in line with the ISO requirements and clauses. Once, every three years, the MSB Auditors, carry out Re Certification of the ISO 9001 Systems, where all Departments and sections are audited simultaneously. The scope of the awarded certificate covers all Departments Sections and Units of the MPA.

ISO 14001:2015 Certification - Environment Management Systems (EMS)

In the process of practical implementation of the Green Port Concept, the MPA has implemented the ISO 14001 Environmental Management System since 2015 and has identified the significant environmental aspects, defined the energy and environmental targets to be met, monitored performance and ensured that best environmental management practices are in place.

AJA EQS (Mauritius Ltd) is our Certifying body for ISO 14001:2015 Standards for the Environment Management Systems (EMS). This certification has been sustained since 2015 and re-certification attained every three years since. The regular surveillance audits demonstrate that our Environmental Management System is being implemented effectively to address the potential environmental impacts of port-related activities. The External Auditors from AJA EQS (Mauritius Ltd) visited MPA, in December 2022 and our ISO 14001:2015 Certificate was successfully renewed.

Port stakeholders have also joined hands with the MPA in a spirit of collaboration for the Green Port Initiative and have concretely shown their commitment for a better and more sustainable port environment through the signing of a Port Environment Charter. The overall rationale of this collaboration is linked to the drive to minimise our environmental footprint and creating value for our customers. The MPA has initiated visible actions towards waste management and resource conservation namely, the recycling of all its E-waste including batteries, used oil, composting its green waste and promoting sustainable use of paper. Air and water quality and biodiversity conservation in the port are also major aspects that are being monitored.

Green Port Initiative

In line with its objective to achieve the status of a Green Port, Port Louis Harbour has put in place a plethora of measures in line with its Green Port Initiative.

Several actions have been taken internally in order to reduce greenhouse gas emissions and to ensure the adoption of new technologies that promote the use of renewable energy, namely the installation of energy friendly air conditioning units, installations of solar photovoltaic panels, amongst others.

Furthermore, the Authority has retained the services of a consulting firm for the preparation of a feasibility study for the installation of Solar PV at the MPA and to supervise the implementation of the Solar PV project.

In addition, the MPA, with the technical assistance and funding of the Indian Ocean Commission/World Bank, commissioned a feasibility study to define the preferred/best approach for reducing emissions from ships and in particular hotelling cruise vessels. As part of the initiative plans, the project also foresees a study to determine the feasibility and sustainability of shore supply installations for the provision of electrical shore sourced power to ships when berthing in ports.

Communication with Stakeholders

The Authority has set in place a proactive communication channel with its stakeholders. Accordingly, several mechanisms have been established, through which a proper communication flow is being ensured, namely by holding meetings, providing information on the MPA Website, Press Communiqués, Media Advisory and others.

One of the main forums regrouping most of the port stakeholders, port users and other key partners is the Port Users Council (PUC). Indeed, the PUC is not only a forum to address port related matters, but is also used to communicate and build up relations with all relevant parties. Besides, other meetings and committees are held regularly with the relevant stakeholders in order to take up and address relevant issues and to apprise stakeholders about any important undertakings, including port performance and outlook. Additionally, consultative meetings and workshops are being organised to get the viewpoints of the different parties, thus allowing a better understanding of the expectations of the relevant stakeholders. The adoption of the above approach helps to ensure a clear understanding of customer expectations, transparency and optimal disclosure.

The MPA will continue to maintain a close dialogue with its stakeholders, key partners and authorities concerned in order to foster stronger business relationship, shared understanding & vision, as well as to promote a collaborative framework to successfully transform Port Louis into a logistics hub.

CORPORATE MATTERS
Port Development Projects

Port Development Projects

INTEGRATED CCTV AND ACCESS CONTROL SYSTEM

Security and surveillance play a concomitant and fundamental role for the maritime industry and as such, the MPA acknowledges the importance of enhancing security at Port Louis Harbour.

Despite the various challenges that the Port faces, the Authority has left no stone unturned to ensure that the Port is equipped with the required innovative facilities with a view to mitigating any security threats thereat.

In the context of the above and on account of keeping pace with technological advancement, the MPA has installed a modern CCTV System consisting of HD intelligent cameras integrated with a modern centralised access control system comprising a number of electronic raise arm barriers and turnstiles for a total amount of Rs 103,443,952, excluding VAT.

UPGRADING OF ERP SYSTEM

The MPA had decided to upgrade its Oracle ERP system to Oracle Cloud Fusion. The system comprises Financials, HR, Payroll, Procurement and Supply and Asset Maintenance. The project started on 15 March 2022 and the Contractor mobilized on site to conduct various work sessions with the different departments involved. The system was presented to the departments and comprehensive User Acceptance Tests were performed. Following the successful completion of the UAT, it was decided to start live operation of the system as from 1 July 2023.

VESSEL CLEARANCE SYSTEM

It is mandatory for vessels arriving at or departing from Port Louis Harbour to obtain clearance from several public authorities, in line with the regulations of the International Maritime Organization (IMO). Vessels are required to comply with measures relating to safety, security and environmental requirements, seaworthiness, insurance, type and classification of cargo including the movement of dangerous goods, health of crew members, amongst others.

Mauritius is a signatory member of the International Maritime Organisation (IMO).

Accordingly, the MPA has launched a digitalized system, namely the Vessel Clearance System (VCS) to optimize the electronic exchange of information for ships clearance, thus eliminating the administrative burden that required local shipping agents to submit around 57 documents per ship call. The cost for the implementation of the project amounts to a total Rs7.5M, excluding VAT.

The VCS is a centralized on-line system which allows shipping agents and stakeholders to electronically exchange information and obtain arrival, and departure clearance by using a single window.

A soft launch of the VCS involving a few pre-selected shipping agents was held from 5-12 July 2023 and the system is now available to all shipping agents.

It is to be highlighted that the VCS complies with the IMO's Convention on Facilitation of International Maritime Traffic that makes it obligatory for all ports to use a single window for data exchange as from January 2024.

MICROSOFT 365

The current emailing system used by the Authority needs to be upgraded to the latest version and accordingly, the MPA decided to upgrade same to Microsoft 365, which will give users the ability to work on the Cloud, thus making it available anytime, anywhere.

Furthermore, the new system will provide users with the possibility of increased collaboration through video conferencing. The Contract was awarded in July 2022 for an amount of Rs 6,633,287, inclusive of VAT for a 3-year period and the project was completed in April 2023.

PORT LOUIS CRUISE TERMINAL

Over the years, Port Louis Harbour has known much transformation in terms of infrastructural developments, which have enabled the Port to accommodate greater volume of maritime traffic, including larger cruise vessels.

Indeed, the Port is playing a more and more fundamental role for the tourism sector which is demonstrated by the growing interest of cruise liners to ply at Port Louis coupled with the influx of cruise passengers visiting Mauritius. As such, Port Louis Harbour aims at offering quality services to cruise liners and passengers, whilst moulding itself in a shell of excellence.

In this respect, the MPA has constructed a modern terminal to position Port Louis as a major regional hub for cruise vessels and a world class port destination for tourists. The Cruise Terminal at Les Salines can accommodate peaks of up to 4,000 passengers, including inter-island passenger traffic. The terminal has a footprint of 7500 m2 complete with all associated facilities including some 120-parking facilities for vehicles.

The construction of the Port Louis Cruise Terminal, which has cost some MUR 900 million, will be a landmark to boost cruise tourism, not only in Mauritius, but also in the region.

Definitely, the Port Louis Cruise Terminal will help in attracting a higher number of cruise passengers and reinforce the position of the Indian Ocean as a preferred destination for cruise liners.

OPERATIONS REPORT

OPERATIONS REPORT

1. INTRODUCTION

The Global economic recovery from the COVID-19 pandemic and Russia's invasion of Ukraine is slowing as global growth is projected to decline from an estimated 3.5 percent in 2022 to 3.0 in 2023, according to IMF, World Economic Outlook July 2023. The World Health Organisation announced in May 2023 that it no longer considers COVID-19 to be a global health Emergency. Inflation remains high and continues to erode household purchasing power. In the same vein, it has been reported that supply chains have largely recovered, and shipping costs and supplier's delivery times are back to pre-pandemic levels.

According to WTO economists, the growth in merchandise trade volume is estimated at 2.7% in 2022 and for 2023, it is projected to be around 1.7%, weighed down by the effects of the war in Ukraine, stubbornly high inflation, tighter monetary policy and financial market uncertainty.

On the domestic front, the GDP at market prices is forecasted to growth by 5.3% in 2023 after a growth of 8.8% in 2022. Household consumption spending would continue to be impacted by the high inflationary environment with the rising interest rate and prices also taking a toll on private sector investment. From a sectoral perspective, although the economic recovery supported by greater dynamism across key sectors, notably the tourism sector, it is to be noted that the outlook for the textile manufacturing sector has been downgraded in view of economic slowdown in our trading partners.

The difficult external economic environment has taken its toll on the port trade performance whereby the total cargo traffic went down by 1.7% from 7,665,603 tonnes in FY21/22 to 7,534,454 tonnes in FY22/23.

The total container traffic has witnessed an expansion of 3.0% and reached 420,394 TEUs in FY22/23 as compared to 408,145 TEUs in FY21/22. For the period under review, whilst captive container traffic expanded by around 5.8% whilst transhipment container traffic posted a negative growth of 0.8%.

The port witnessed a growth of 5.2% in the total vessels calls, from 2,578 in FY21/22 to 2,713 in FY22/23, mainly driven by the significant expansion in container and local fishing vessels calls.

2. TOTAL CARGO TRAFFIC

Total Cargo tonnage handled in the port declined by 1.7%, equivalent to 131,149 tonnes.

It stood at 7,534,454 tonnes in FY22/23 as compared to 7,665,603 tonnes in FY21/22, as summarised in Table 1.

Table 1: -Total Cargo Traffic – FY21/22 v/s FY22/23 (tonnes)

	FY21/22	FY22/23	Difference	% Change
Total Imports	4,831,414	4,893,528	62,114	1.3
Total Exports	1,257,758	1,097,659	-160,099	-12.7
Total Containerised Transhipment Inwards	1,576,431	1,543,267	-33,164	-2.1
Total	**7,665,603**	**7,534,454**	**-131,149**	**-1.7**

3. TOTAL IMPORTS

Total Imports expanded by 1.3% with 4,893,528 tonnes in FY22/23 as compared to 4,831,414 tonnes in FY21/22.

Table 2 illustrates the breakdown of Total Imports.

Table 2: Breakdown of Total Imports FY21/22 v/s FY22/23 (tonnes)

Imports	FY21/22	FY22/23	Difference	% Change
Solid Bulk	1,818,899	1,720,537	-98,362	-5.4
Liquid Bulk	1,524,364	1,589,186	64,822	4.3
Containerised	1,347,375	1,416,253	68,878	5.1
Fish	97,691	126,000	28,309	29.0
General cargo	43,085	41,552	-1533	-3.6
Total	**4,831,414**	**4,893,528**	**62,114**	**1.3**

3.1. Solid (Dry) Bulk Imports

Solid bulk imports have witnessed a contraction of 5.4%, equivalent to 98,362 tonnes, from 1,818,899 tonnes in FY21/22 to 1,720,537 tonnes in FY22/23 as detailed in Table 3.

Table 3: Solid Bulk Imports – FY21/22 v/s FY22/23 (tonnes)

	FY21/22	FY22/23	Difference	% Change
Coal	637,519	515,092	-122,427	-19.2
Cement	768,742	745,138	-23,604	-3.1
Wheat	152,106	153,053	947	0.6
Sugar	84,000	126,000	42,000	50.0
Maize	110,794	125,000	14,206	12.8
Soya Bean Meal	65,738	56,254	-9,484	-14.4
Total	**1,818,899**	**1,720,537**	**-98,362**	**-5.4**

• Coal imports showed a decrease of 19.2%, with 515,092 tonnes in FY22/23 as compared to 637,519 tonnes in FY21/22, reflecting the suspension of power generating activities by one of the major IPPs, namely, Terragen Ltd for the period April 2022 to April 2023.

• Bulk Cement imports illustrate a decrease of 3.1% with 745,138 tonnes in FY22/23 as compared to 768,742 tonnes in FY21/22 resulting in a contraction of 23,604 tonnes, reflecting the contraction of 5.4% and 7.1% recorded in the construction sector in third and fourth quarter of 2022.

• For the year under review, imports of wheat increased marginally by 0.6% from 152,106 tonnes in FY21/22 to 153,053 tonnes in FY22/23, reflecting mainly the award of the full contract by STC to LMLC.

• Bulk sugar import expanded to 126,000 tonnes in FY22/23 compared to 84,000 tonnes in FY21/22 showing an increase of 42,000 tonnes, driven by the contraction of 10.9% in sugar production in 2022. (National Accounts Estimates, June 2023)

• Maize and soya bean meal are mainly used in the production of animal feed for chicken. For the year under review, maize imports have expanded by 12.8% whilst soya bean meal imports contracted by 14.4%.

3.2. Liquid Bulk Imports

Total imports of liquid bulk increased by 4.3%, representing 64,822 tonnes, i.e., from 1,524,364 tonnes in FY21/22 to 1,589,186 tonnes in FY22/23 as summarised in table 4.

Table 4: Liquid Bulk Imports - FY21/22 v/s FY22/23 (tonnes)

	FY21/22	FY22/23	Difference	% Change
White oil	658,951	763,943	104,992	15.9
Black oil	747,794	713,939	-33,855	-4.5
LPG	90,769	82,528	-8,241	-9.1
Edible oil	18,984	22,500	3,516	18.5
Bitumen	7,866	6,276	-1,590	-20.2
Total	**1,524,364**	**1,589,186**	**64,822**	**4.3**

- Imports of White oil noted an expansion of 15.9% from 658,951 tonnes in FY21/22 to 763,943 tonnes in FY22/23, reflecting the significant increase in JET A1 following the rapid recovery of the tourism sector with 1,300,000 tourist arrivals in 2023 compared to 997,290 in 2022, according to National Accounts Estimates June 2023.

- Imports of Black oil contracted from 747,794 tonnes in FY21/22 to 713,939 tonnes in FY22/23, representing a decline of 4.5%. This contraction is mainly due to the significant decline in bunker sales volumes which more than offset the expansion on the import volumes of heavy fuel oil following the suspension of supplying electricity to the national grid for the period April 2022 to April 2023.

- Imports of LPG declined by 9.1% from 90,769 tonnes in FY21/22 to 82,528 tonnes in FY22/23, reflecting the decline in industrial demand following rising price of LPG on the world market in the wake of sanctions being imposed on Russia.

- For the year under review, imports of Edible Oil progressed by 18.5 % from 18,984 tonnes to 22,500 tonnes, reflecting the double-digit growth in the hospitality sector, according to National Accounts Estimates June 2023.

- Bitumen imports have dropped down by 20.2 % review with 7,866 tonnes in FY21/22 and 6,276 tonnes in FY22/23, reflecting the decline of 1.4% in the public sector investment for the year 2022 according to National Accounts Estimates June 2023.

4. TOTAL EXPORTS

Total exports contracted by 12.7% and stood at 1,097,659 tonnes in FY22/23 as compared to 1,257,758 tonnes in FY21/22 as summerised in table 5.

Table 5: Breakdown of Total Bulk Exports - FY21/22 v/s FY22/23 (tonnes)

Exports	FY21/22	FY22/23	Difference	% Change
Liquid Bulk	598,842	429,370	-169,472	-28.3%
Containerised	650,465	658,120	7,655	1.2%
General cargo	5,582	5,030	-552	-9.9%
Fish	2,869	5,139	2,270	79.1
Total	**-1,257,758**	**1,097,659**	**-160,099**	**-12.7%**

4.1. Liquid Bulk Exports

Exports of Liquid Bulk cargo registered a negative growth of 28.3% from 598,842 tonnes in FY21/22 to 429,370 tonnes in FY22/23, equivalent to -169,472 tonnes as detailed in Table 6.

Table 6: Breakdown of Liquid Bulk Exports - FY21/22 v/s FY22/23 (tonnes)

	FY21/22	FY22/23	Difference	% Change
Total Bunker	594,818	426,504	-168,314	-28.3%
Ethanol	4,024	0	-4,024	-
White Oil	0	2,866	2,866	-
Grand Total	**598,842**	**429,370**	**-169,472**	**-28.3%**

Total bunker exports, which account for the most of bulk of total bulk liquid exports, witnessed a reduction of 28.3%, equivalent to a decrease of some 168,314 tonnes. The breakdown hereunder reveals refuelling activities at Port Louis were badly hit.

4.1.1. Bunkering Activities

Total volume of bunker decreased by 28.3% from 594,818 tonnes in FY21/22 to 426,504 tonnes in FY22/23 as outlined in the figure below and Table 7.

Evolution of Total Bunker Traffic FY16/17 to FY22/23 (tonnes)

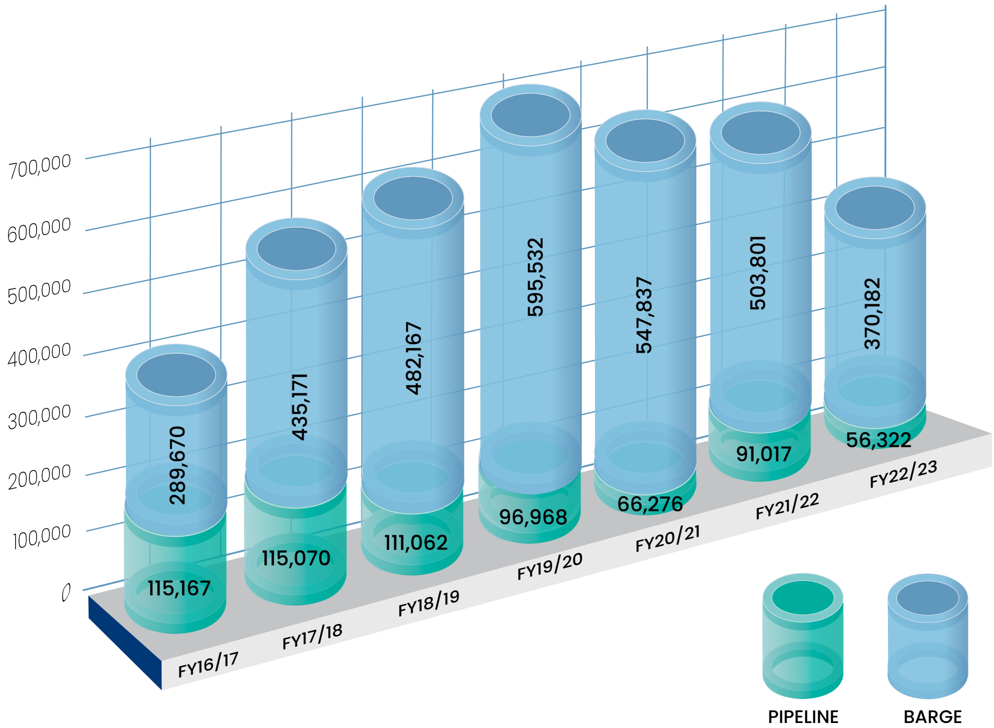


Table 7: Total Bunker Exports – FY21/22 v/s FY22/23

	Volume in Tonnes				Vessel Calls			
	FY21/22	FY22/23	Difference	% Change	FY21/22	FY22/23	Difference	% Change
Bunker by pipeline	91,017	56,322	-34,695	-38.1	955	894	-61	-6.4
Bunker by barge	503,801	370,182	-133,619	-26.5	951	918	-33	-3.5
Total	**594,818**	**426,504**	**-168,314**	**-28.3**	**1,906**	**1,812**	**-94**	**-4.9**

Bunker Volume

- Table 10 shows that volume of bunker by pipeline has noted a significant decrease of 38.1% and stood at 56,322 tonnes in FY22/23 against 91,017 tonnes in FY21/22. This is attributed to both lower average parcel size as well as decrease in the number of vessels refuelling by pipeline which has noted 6.4% during the financial year under review.

- The exports of Bunker by barge, which accounts for the bulk of total bunkers, has tumbled from 503,801 tonnes in FY21/22 to 370,182 tonnes in FY22/23, representing a reduction of 26.5%.

  This dismal performance is largely attributed to the slower global trade growth, disruption in shipping pattern in the wake of Ukraine-Russia war, sanctions as well as growing competition from regional bunkering hubs and unavailability of storage facilities resulting to suboptimal marketing and sourcing strategies. It is to be noted that booming black market for oil following sanctions on the oil exports of Venezuela, Iran and Russia could potentially send the sector reeling owing to scrupulous traders from these countries.

Bunker Calls

The total number of vessels refuelling at Port Louis has decreased from 1,906 calls in FY21/22 to 1,812 calls in FY22/23, posting a shortfall of 4.9%.

It has been noted that the breakdown of the number of vessels calling at Port Louis for refuelling reveals the following: both barge and pipeline have contracted by 6.4% and 3.5%, respectively, for the financial period under review.

5. FISH TRAFFIC

For the year FY22/23, direct transhipment outwards of fish stood at 5,139 tonnes as opposed to 2,869 tonnes in FY21/22, representing a growth of 79.2% and the number of vessels calls have gone up by 18.2% for the financial year under review as summerised in Table 8.

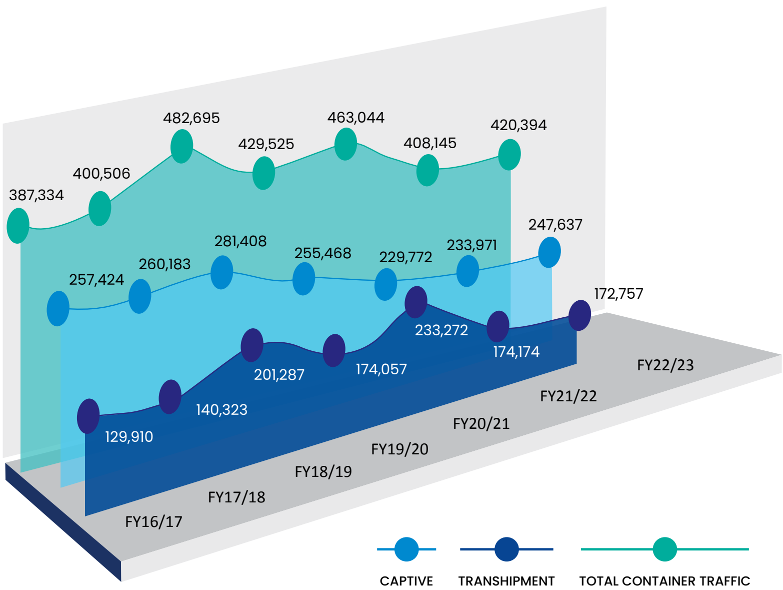
Table 8: Fish Exports – FY21/22 v/s FY22/23 (tonnes)

	Volume in Tonnes				No of vessel Calls			
	FY21/22	FY22/23	Difference	% Change	FY21/22	FY22/23	Difference	% Change
Direct Transhipment outwards (ship to ship)	2,869	5,139	2,270	79.1	22	26	4	18.2%

6. TOTAL CONTAINER TRAFFIC

Total Container Traffic (excluding paid restows) witnessed a growth of 3.0%, equivalent to 12,249 TEUs from 408,145 TEUs in FY21/22 to 420,394 TEUs in FY22/23 as outlined in figure below.

Evolution of Total Container Traffic FY16/17 - FY22/23 (TEUS)



It is worth noting that Captive Container Traffic noted an evolution of 5.8% whilst Transhipment Container Traffic contracted by 0.8%. Details are summarised in Table 9.

Table 9: Total Container Traffic – FY21/22 v/s FY22/23 (TEUs)

	FY21/22	FY22/23	Difference	% Change
Captive	233,971	247,637	13,666	5.8%
Transhipment	174,174	172,757	-1,417	-0.8%
Total	**408,145**	**420,394**	**12,249**	**3.0%**

6.1. Total Captive Container Traffic

Total Captive Container Traffic expanded from 233,971 TEUs in FY21/22 to 247,637TEUs, representing a growth of 5.8% in FY22/23.

6.1.1. Captive Laden Import Container Traffic

Laden import container traffic witnessed a growth of 5.0% equivalent to 5,403 TEUs with a total of 113,300 TEUs in FY22/23 as compared to 107,897 TEUs in FY21/22. This expansion is largely attributed to the economic recovery as well as high import content of the tourism sector which has picked up rapidly and the easing of freight rates.

6.1.2. Captive Laden Export Container Traffic

Captive laden export container traffic remained almost at par with 52,037 TEUs in FY21/22 and 51,968 TEUs in FY22/23 as external demand is expected to remain subdued in 2023.

According to World Economic Outlook Update, July 2023, growth in the Euro area is projected to fall from 3.5% in 2022 to 0.9% in 2023. Moreover, albeit the buoyant exports of sugar and seafood products, the subpar performance is driven mainly by the contraction in the textile related segment according to external trade statistics, 1st quarter 2023.

6.1.3. Captive Empty Import Container Traffic

Import of empty container traffic increased from 8,553 TEUs in FY21/22 to 10,441 TEUs in FY22/23, representing a growth of 22.1% for the year under review.

6.1.4. Captive Empty Export Container Traffic

Captive empty export container traffic expanded to the tune of 9.8% with 71,928 TEUs in FY22/23 as compared to 65,484 TEUs in FY21/22.

6.2. Total Transhipment Inwards Container Traffic

It is to be noted that long lasting pandemic-induced supply chain disruptions was particularly detrimental to transhipment activities in 2022 as the two major shipping lines, MSC and Maersk, downsized their vessels sizes and calls during the first quarter of 2022. Total Transhipment Container Traffic stood at 172,757 TEUs in FY22/23 compared to 174,174 TEUs in FY21/22, witnessing a reduction of 0.8%, representing some 1,417 TEUs. It is to be noted that the easing of supply chain bottleneck by the end of 2022 and redeployment of bigger vessels at Port Louis has contributed to the improvement in transhipment volumes since February 2023.

6.2.1. Transhipment Inwards Laden Container Traffic (TEUs)

The laden containers transhipped at Port Louis registered a decrease of 2.1%, equivalent to 2,694 TEUs during the financial year under review.

6.2.2. Transhipment Inwards Empty Container Traffic (TEUs)

For the financial year under review, empty transhipment container has progressed from 46,113 TEUs in FY21/22 to 47,390 TEUs in FY22/23, representing an increase of 2.8%, equivalent to 1,277 TEUs.

6.3. Total Container Throughput for the port

Total Container Throughput, comprising Total Container Traffic + Total Transhipment Container Outwards + paid restows for the period FY22/23 stood at 602,941 TEUs versus 603,792 TEUs in FY21/22, representing a minor drop of 0.1%, equivalent to 851 TEUS as shown in Table 10.

Table 10: Total Container Throughput - FY21/22 v/s FY22/23 (TEUs)

	FY21/22	FY22/23	Difference	% Change
Captive	233,971	247,637	13,666	5.8%
Transhipment Inwards	174,174	172,757	-1,417	-0.8%
Transhipment outwards	179,404	170,620	-8,784	-4.9%
Paid restows	16,243	11,927	-4,316	-26.6%
Total	**603,792**	**602,941**	**-851**	**-0.1%**

6.4. Summary of the Key Performance Indicators at MCT

Table 11 provides a summary of the various key performance indicators at the MCT.

Table 11: Key Performance Indicators at MCT – FY21/22 v/s FY22/23

	FY21/22	FY22/23
Average Moves Per Gross Crane Hour	21.3	22.0
Average Moves per Ship's Working Hour	37.5	37.4
Average Pre-berthing/ Sailing Delay	14.7	8.1
Berth Occupancy (%)	65.1	72.4

- The average number of moves per gross crane has slightly improved with 21.3 in FY21/22 and 22.0 in FY22/23.
- On the other hand, the average moves per ship's working hour remained at par with 37.4 for the current financial year as compared to 37.5 recorded in FY21/22 as the maximum no. of cranes deployed in operations has remained to 5.
- Similarly, the average pre-berthing delay per vessel has improved from 14.7 hours in FY21/22 to 8.1 hours posted in FY 22/23.
- Commendably, the berth occupancy has expanded from 65.1% in FY21/22 to 72.4% in FY 22/23 as more container vessels were operated at MCT as indicated at Table 11.

7. VESSEL CALLS

Some 2,713 vessel calls were registered during the year FY22/23 as compared to 2,578 calls in FY21/22, i.e., an increase of 135 calls. Table 12 provides a summary of Total Vessel Traffic for the financial year under review.

Table 12: Vessel calls for the year - FY21/22 v/s FY22/23

Category	FY21/22	FY22/23	Difference	% Change
Containerized Vessels	434	496	62	14.3%
Livestock Carrier	14	19	5	35.7%
Pure Car Carriers	32	41	9	28.1%
Unitized & Break Bulk Carriers	0	0	0	0
General Cargo Vessels	3	1	-2	-66.7%
Inter-Island	39	53	14	35.9%
Dry Bulk carriers	51	53	2	3.9%
Tankers	80	72	-8	-10.0%
Fishing Vessels	695	758	63	9.1%
Cruise Vessels	2	22	20	1000.0%
Others	1,228	1198	-30	-2.4%
Total	**2,578**	**2713**	**135**	**5.2%**

- Containerised vessel calls registered a growth of 14.3 %, with 496 calls in FY22/23 as opposed to 434 calls in FY21/22.
- On the other hand, the no. of calls by tankers was 72 in FY22/23 as opposed to 80 recorded during the FY21/22, registering a negative growth of 10.0%. This performance is mainly driven by the Black Oil segment as the significant contraction in bunker volumes, partly offsetting the increase in imports of heavy fuel oil by CEB.
- Whereas the no. of calls made by Dry Bulk carriers was 53 in FY22/23 as compared to 51 in FY21/22, registering a growth of 3.9%
- Fishing vessel calls expanded by 9.1%, with 758 calls in FY22/23 as compared to 695 calls in FY21/22.
- In the same vein for inter-island trade, total number of calls increase from 39 in FY21/22 to 53 in FY22/23.

7.1. Cruise Tourism

Cruise Tourism is expected to rebound faster than international tourism arrivals in 2023 according to the report 'State of the Cruise Industry 2023' by Cruise Lines International Association (CLIA).

Likewise on the domestic front, we expect further progress in this segment with the resumption of the home-porting activities by Aida Cruises at Port Louis and the inauguration of the Port Louis Cruise Terminal from the next season 2023/24.

Cruise Vessel Calls

This segment was badly hit in FY21/22 with only 2 cruise vessel calls. For the FY 22/23, 22 Round the World (RTW) cruise ships called at Port Louis following the lifting of domestic restrictions as from November 2021 as well as recovery of tourism in 2022.

Cruise Passengers Arrivals

Similarly, the cruise passengers on arrival jumped from 99 for the FY 21/22 to 21,031 for the FY 22/23 as provided in Table 13.

Table 13: Total Cruise Traffic FY21/22 v/s 22/23

	Total No. of Cruise Passengers		Total No. of Cruise Calls	
	FY21/22	FY22/23	FY21/22	FY22/23
TOTAL (RTW)	99	21,031	2	22

7.2 Calls at Outer Harbour

The number of vessels calling at Outer Harbour declined from 1,228 vessel calls for the year FY21/22 to 1,198 calls during the current financial year, as depicted in Table 14.

Vessels call at Outer Harbour for activities such as bunkering purposes, crew change, repairs, inspections of cargo or vessel hull conditions, provision of fresh water supply and ship-chandling, amongst others.

Table 14: Total Calls Outer Harbour - FY21/22 v/s FY22/23

	FY21/22	FY22/23	Difference	% Change
Bunkering Only	792	711	-81	-10.2%
Crew Change	171	215	44	25.7%
Ship Stores	84	56	-28	-33.3%
Repairs or Inspection	99	116	17	17.2%
Others	82	100	18	22.0%
Total	**1,228**	**1,198**	**-30**	**-2.4%**

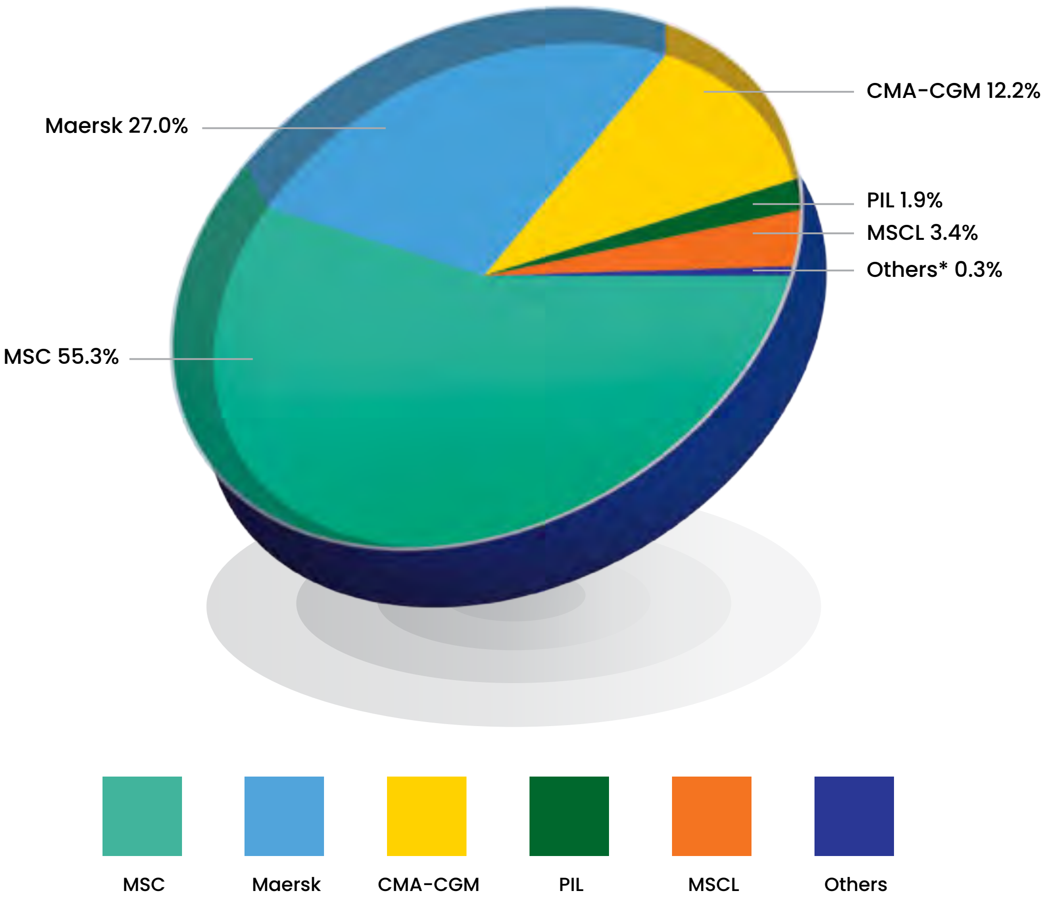
From Table 14, a contraction 2.4% has been noted for the number of vessels calling at Outer harbour for the financial year under review as the reductions recorded in the following segment; namely bunkering only (-10.2%), Ship Stores (-33.3%) has more than offset the expansions recorded in crew change (+25.7%), Repair & Inspection (+17.2%) and others including registration, etc. (22.0%).

8. CONTAINER TRAFFIC BY SHIPPING LINES

8.1. Total Container Traffic

The breakdown of the total container traffic by shipping lines reveals the following:

(Captive + Transhipment)
by Shipping Lines FY22/23



MSC's share gone up from 53.5% to 55.3% and its total container traffic volume increase by 6.5% from 218,292 TEUs in FY21/22 to 232,538 TEUs in FY22/23.

Maersk's share in FY22/23 stood at 27.0%, higher than its previous financial year, i.e., 25.4%. Likewise, a growth of 9.5% has been noted in their volume for the financial year under review.

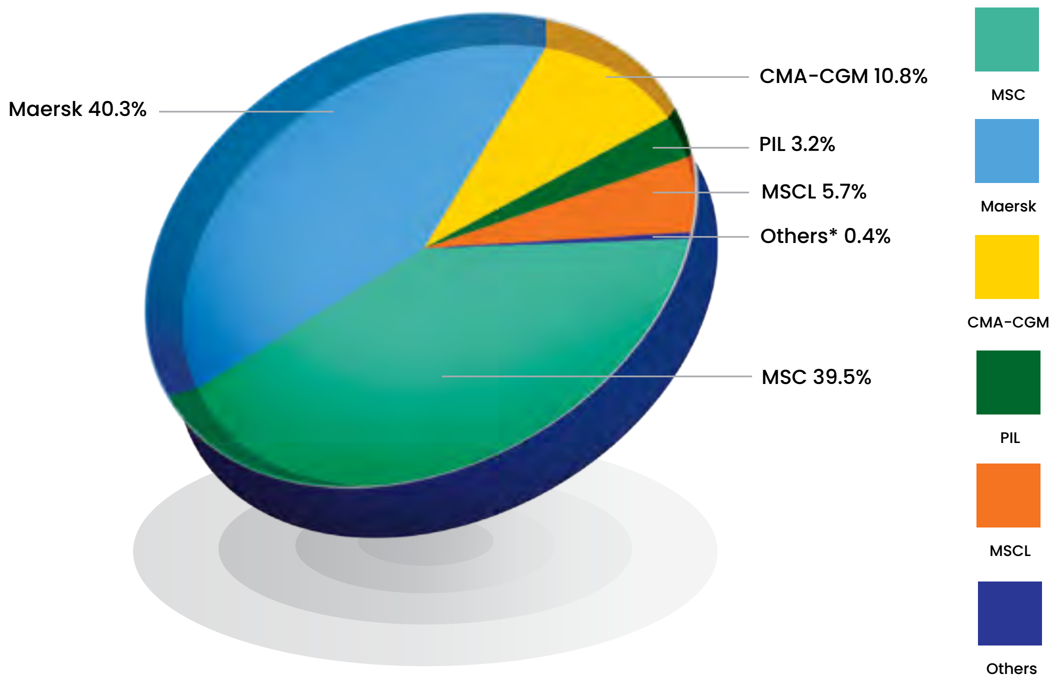
On the other hand, CMA-CGM's share in total container traffic stood at 12.2% in FY22/23 as opposed to 17.5% in FY21/22. Similarly, its volume noted a decline of 28.7%.

• PIL resumed calling at Port Louis as from July 2022.

8.2. Total Captive Container Traffic

Total captive container traffic witnessed an increase of 5.8% with TEUs 247,637 in FY22/23 as opposed to 233,971 TEUs in FY21/22.

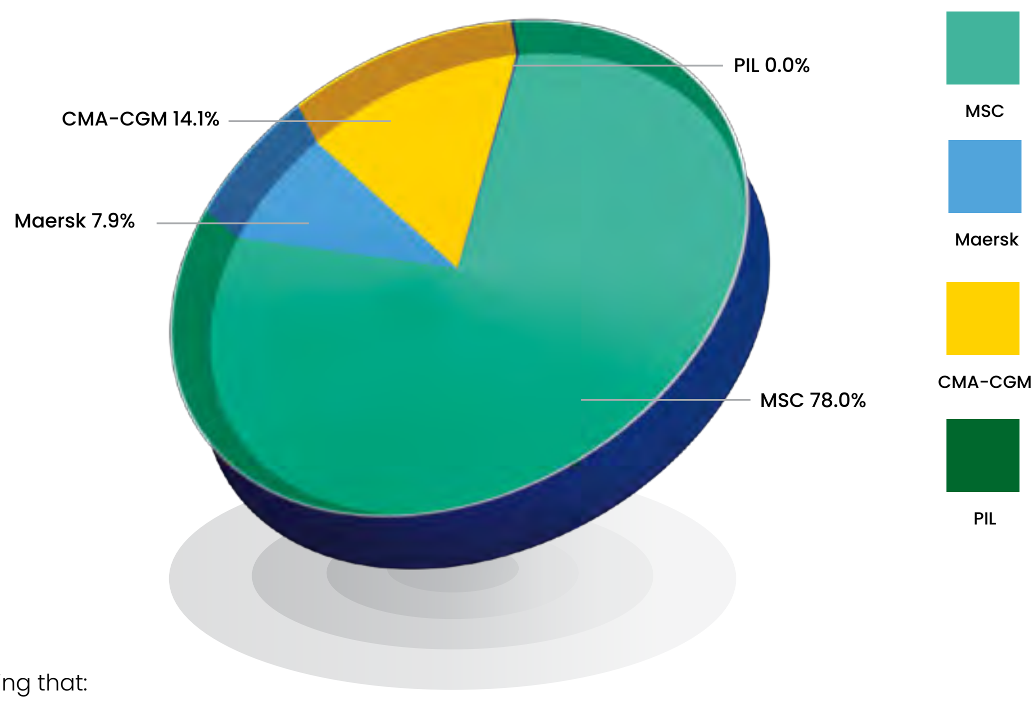
(Empty +Laden) by Shipping Lines FY22/23



8.3 Total Transhipment Traffic

Total transhipment container traffic dropped slightly by 0.8 % for the financial year under review.

Total Transhipment Traffic (import + export) by Shipping Lines



It is worth noting that:

MSC had an increase of 9.5% whereas Maersk and CMA-CGM have noted a reduction of 15.7% and 30.2% respectively.

9. DOWNTIME AT PORT

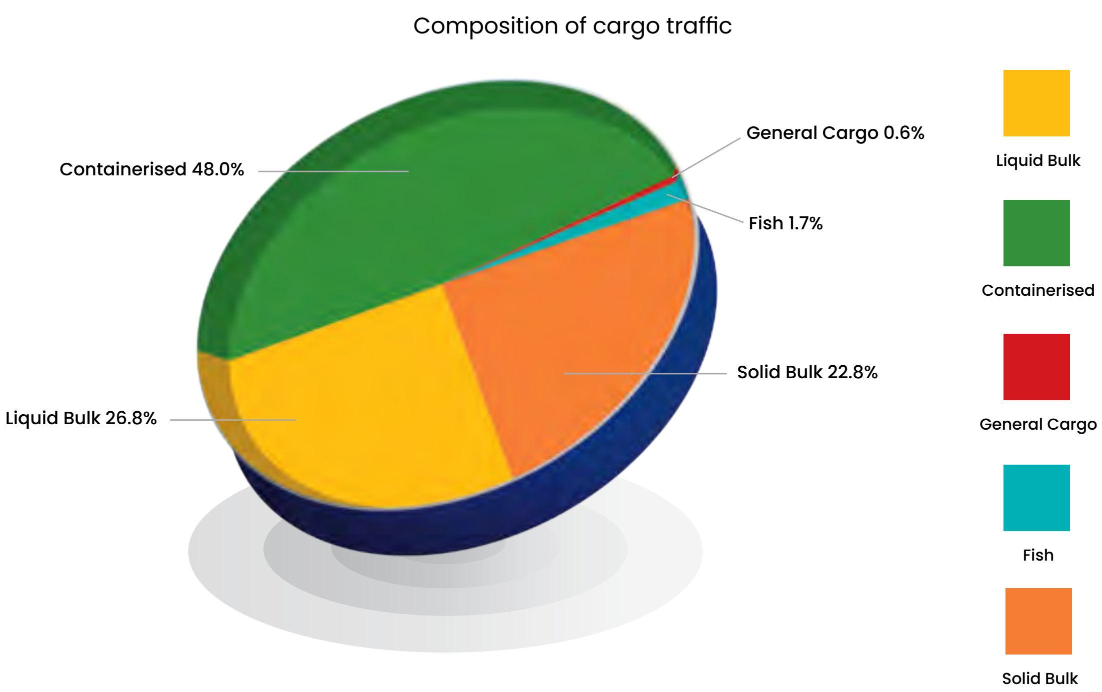
During the year under review, handling operations were disrupted at the port for about 16.6 days in FY22/23 (cyclone Freddy) as compared to 22.2 days in FY21/22 (cyclones Batsirai and Emnati) owing to adverse weather conditions.

10. COMPOSITION OF TOTAL CARGO TRAFFIC FY22/23

Total Cargo Traffic (Dry Bulk, Liquid Bulk, Containerised Cargo, and General Cargo) handled in the Port decreased from 7,665,603 tonnes in FY21/22 to reach 7,534,454 tonnes in FY22/23.

The composition of total cargo traffic is depicted in the Figure below.

Cargo (bagged + maize+ coal + fertilizer +soya bean meal + sugar + break bulk + inter-island + fish + containerised) handled by CHCL amounted to 4,491,705 tonnes, equivalent to 59.62% of Total Cargo Traffic.



FINANCIAL REPORT

BACKGROUND

The Mauritian economy has started to show sign of recovery after the impact of the Covid -19 pandemic and the Russian's Ukraine war. Supply chains have largely recovered, and shipping costs and suppliers' delivery times are back to pre-pandemic levels.

The financial year 2022/23 has witnessed major improvements both in terms of operational and financial performances. The Net Surplus which was Rs 313.9 million for financial year (FY) 2021/22 has registered a growth of 37.7% to reach Rs 432.1 million for the FY 2022/23.

The MPA also has a comfortable financial position with a net asset of Rs 22.1 billion (total assets of Rs 24.8 billion less total liabilities of Rs 2.7 billion).

The major financial performance indicators for the FY 2022/23 together with the comparative figures for the FY 2021/22 are shown hereunder: -

	FY22/23	FY21/22	% Change
	Rs Million	Rs Million	
Operating Revenue	1,665.0	1,478.3	12.6%
Other income	322.9	270.6	19.3%
Total Revenue	**1,987.9**	**1,748.9**	**13.7%**
Operating Expenses	(1,557.6)	(1,478.8)	(5.3)%
Operating Surplus	**430.3**	**270.1**	**59.3%**
Foreign Exchange (Loss)/Gain	10.3	44.3	(76.7)%
Net Surplus	**440.6**	**314.4**	**40.1%**
Loss on Disposal of Infrastructure, Plant & Equipment	(8.5)	(0.5)	-
Net Surplus for the FY	**432.1**	**313.9**	**37.7%**

Operating Revenue FY 2022/23

The Authority's total revenue has attained the threshold of Rs 1,665 million for the FY 2022/23 compared to Rs 1,478 million for the FY 2021/22. The main factors that have contributed to this increase in operation revenue are increases in vessel traffic, container traffic and the appreciation of the USD against the MUR throughout FY 2022/23. The different components of the Operating Revenue have been outlined hereunder:-

Revenue from Vessel Traffic

For the FY 2022/23, the MPA derived revenue from vessel dues for a total amount of Rs 743.7 million compared to the figure of Rs 614.6 million for FY 2021/22, representing a growth of 21%.

As it can be ascertained from the review of operational performance, an increase in the number of vessel calls has been noted in the categories of container, cruise and fishing vessels. The cruise business segment was badly hit in FY 2021/22 with only two cruise vessels calling at Port Louis. The FY 2022/23 has witnessed a rebound of cruise vessels with twenty - two vessel calls for this category.

The total number of vessels registered for FY 2022/23 was 2,713 compared to 2,578, i.e., an increase of 5%.

Revenue from Cargo Traffic

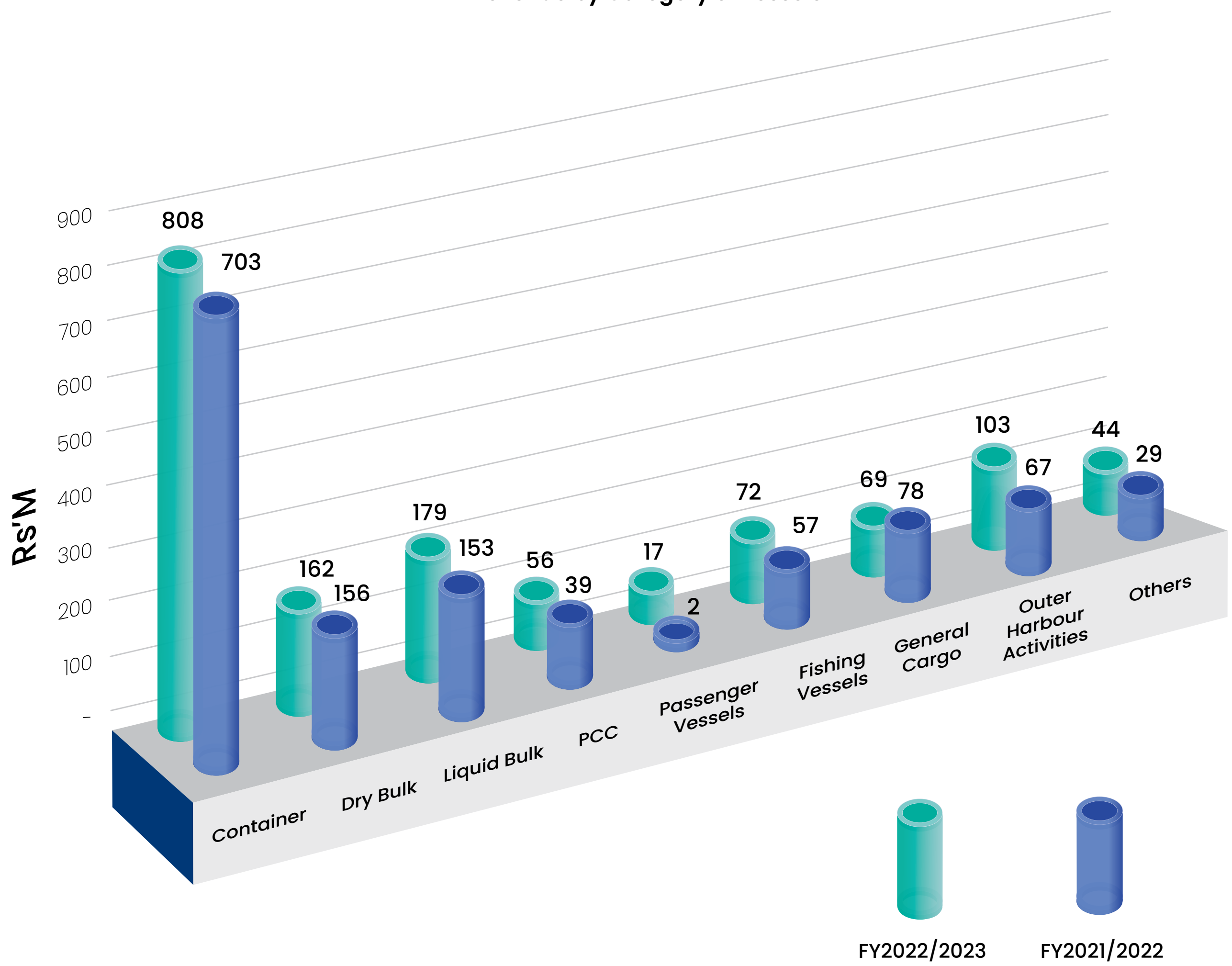
For FY 2022/23, the MPA has derived revenue for a total amount of Rs 275.0 million from Cargo Traffic , representing an increase of 4.4 % over the previous financial year figure of Rs. 263.4 million. On the other hand, there has been a decrease in the volume of cargo handled from 7.7 million tonnes in FY 2021/22 to 7.5 million tonnes in FY 2022/23. The reduction has been mainly on the volume of bunker exported. This has been mainly due to the fact that fishing vessels are no more allowed to carry bunker fuel in their hull for security reasons. Despite, the reduction in the volume of cargo handled for the FY 2022/23, the rise in revenue from cargo traffic has been attributed to appreciation of the USD dollar against the Mauritian rupee and increase in other categories of cargoes which brought a higher revenue stream.

Revenue from Container Dues

The MPA realised total revenue to the order of Rs. 490.5 million from Container Dues for FY 2022/23 compared to Rs. 444.4 million for FY 2021/22, representing a rise of 10.4%. The MPA has applied quay fees at the rate of 50% on laden export containers as from 1 January 2021 to 30 June 2023 with a view to support the local manufacturing and export segment. These discounts on quay fees for export laden containers represented revenue foregone of about Rs 58 million over the FY 2022/23. However, captive container traffic has experienced an increase of 5.8% to reach a figure of 247,637 TEUs in this financial year, contributing positively to revenue from container handling.

The chart below shows the composition of total operating revenue (excluding concession fees) generated from the handling of different categories of vessels operating in the port for the FY 2022/23 with comparison figures for FY 2021/22.

Revenue by Category of vessels



Other Revenues

For FY 2022/23, the MPA derived Other Revenue to the tune of Rs. 322.9 million compared to Rs 270.6 million in FY 2021/2022, representing a rise of 19.5%. The different components of the other revenue streams are shown below:-

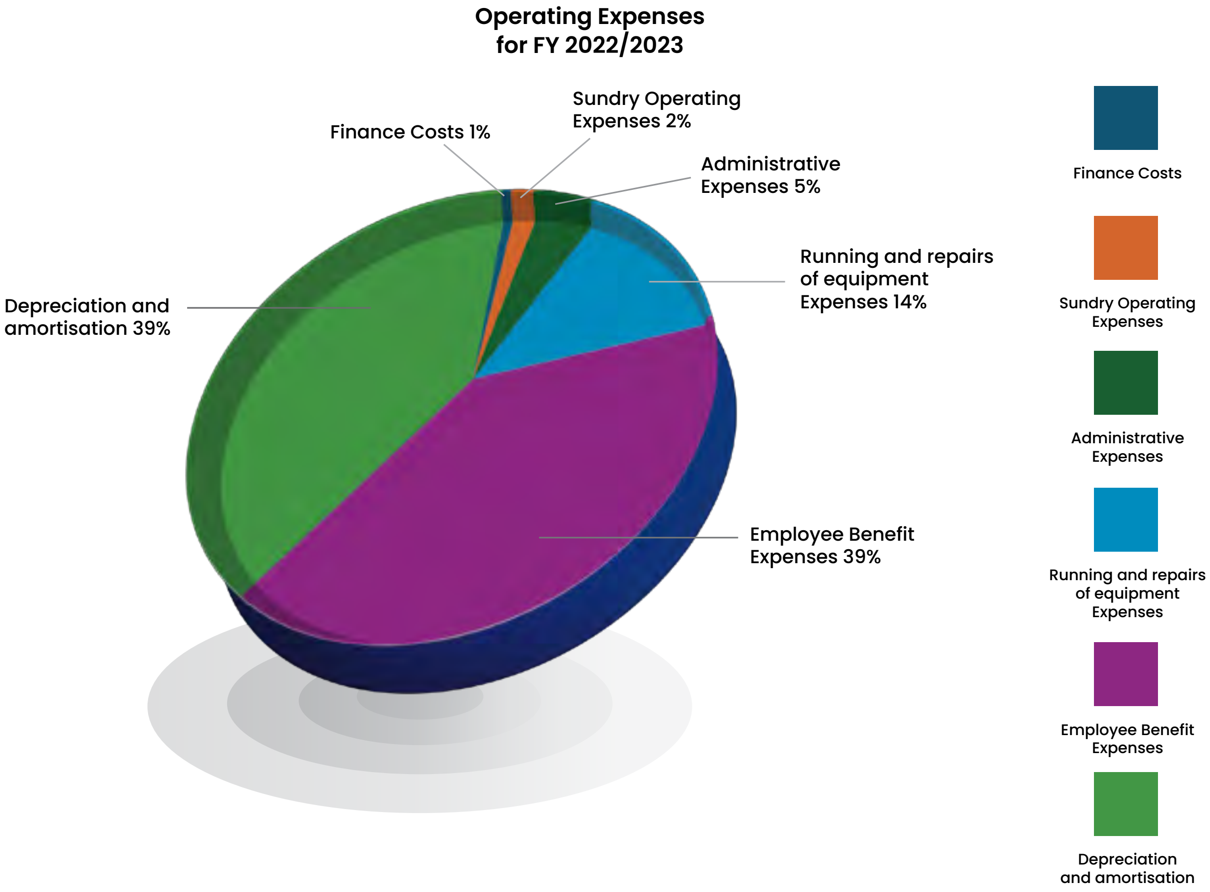
	FY 2022/23 A Rs. Million	FY 2021/22 B Rs. Million	% Change (A over B)
Investment Income	26.1	24.4	7%
Finance Income	36.5	30.3	20.5%
Rental Income	244.3	207.9	17.5%
Other Income	16.0	8.0	100%
Total Non-Operating Income	322.9	270.6	19.5%

The higher rental income derived in FY 2022/23 is explained mainly by the fact that rentals for several leases have been revised upwards with retrospective effect as from 2015. This has been an exceptional revenue as lessees have been billed retrospectively. On the other hand, the higher Finance income is due to the rise in interest rates on the money market.

The rise in other income for FY 2022/23 is attributed to refund of claims from insurance and refund of VAT incurred on the project for construction of the Cruise Terminal Building by the Government.

Operating Expenses

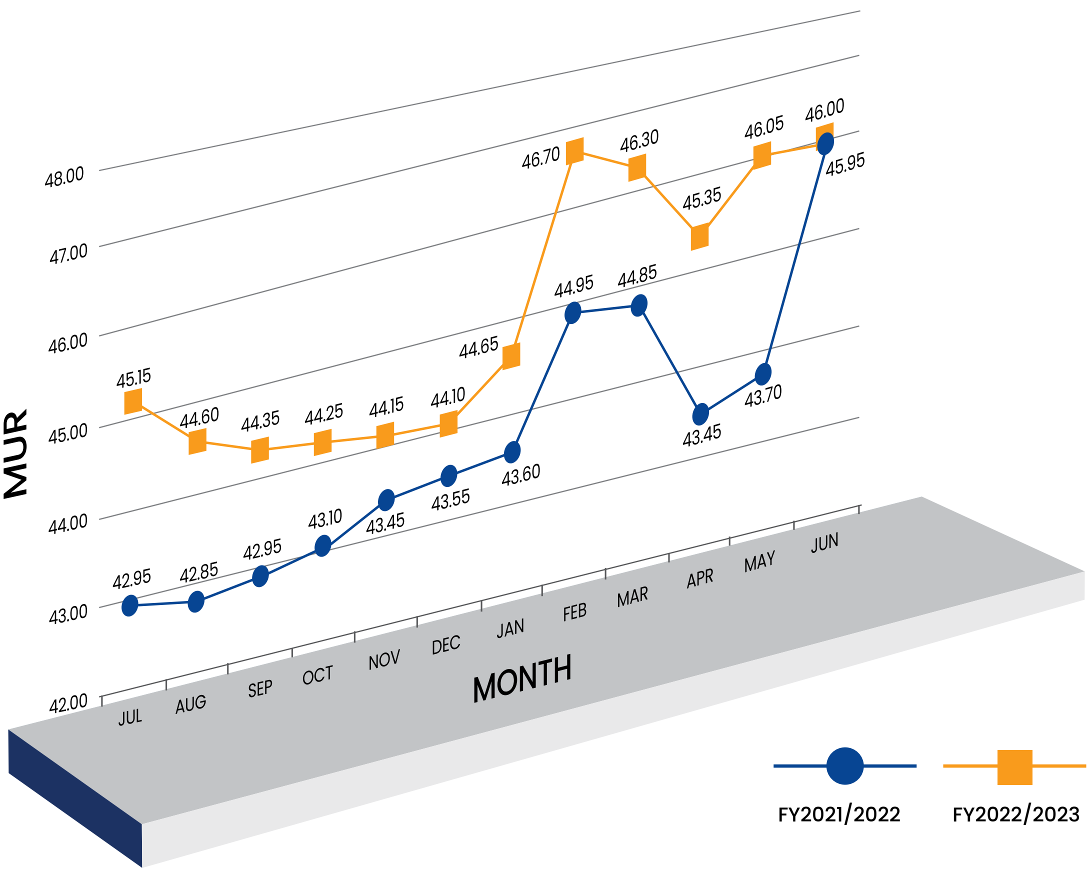
For FY 2022/23, the MPA has reported total Operating Expenses of Rs 1,557.6 million which is 5% higher than that of FY 2021/22.



Foreign Exchange Gain

For FY 2022/23, a net foreign exchange gain of Rs. 10.3 million has been recognised in the Income Statement. The trend of USD/MUR exchange rate for FY 2022/23 together with the comparative figures of FY 2021/22 is shown hereunder. Based on the trend analysis, it can be observed that the USD has been trading at an average exchange rate of Rs 45.14/ USD in FY 2022/2023, higher than that of the previous Financial Year.

USD-MUR exchange rate



The appreciation of the USD exchange rate in FY 2022/23 has contributed positively to the Operating Revenue derived by the Authority.

Net Surplus for FY 2022/23

After accounting for the Foreign Exchange Gains and loss on disposals, the Net Surplus for FY 2022/23 has been computed at Rs. 432.1 million compared to Rs. 313.9 million for FY 2021/22.

Financial Position

The Authority had a comfortable financial position with a strong net asset base (Total Assets less Total Liabilities) of Rs. 22.1 billion as at 30 June 2023 and the total asset value of the Authority was to the tune Rs. 24.8 billion as at that date.

The main financial indicators, namely the gearing and current ratios, show a strong financial position of the Authority. The gearing ratio which was at 2.5 as at 30 June 2022 has decreased to 1.5 as at 30 June 2023, as a result of the repayment of the AFD loan. The loan balance would be fully repaid by the end of year 2024.

On the other hand, the current ratio (i.e., current asset to current liabilities) which was at 2.5 as at 30 June 2022 has slightly improved to 2.6 as at 30 June 2023.

KEY FINANCIAL HIGHLIGHTS

The table below shows the key financial indicators of the Authority as at 30 June 2023 and its corresponding previous period figures.

	FY 2022/23	FY 2021/22
Profitability ratios		
Operating Profit Ratio	21.6 %	15.4%
Net Surplus Margin	21.7%	17.9%
Solvency ratios		
Gearing ratio (Borrowings to Total Net assets)	1.5	2.5
Liquidity ratio		
Current ratio	2.6	2.5

The rise in operating revenue in FY 2022/23 has resulted in an increase in Operating and Net Surpluses leading to a growth in the profitability ratios.

FINANCIAL STATEMENTS

Independent auditors' report

To the member of MAURITIUS PORTS AUTHORITY

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mauritius Ports Authority, the "Authority", which comprise the statement of financial position as at 30 June 2023 and the statement of financial performance, statement of changes in net assets/equity, statement of cash flows and statement of comparison of budget and actual figures 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 on pages 76 to 132 give a true and fair view of the financial position of the Authority as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards ("IPSAS") and the requirements of the Statutory Bodies (Accounts and Audit) Act 1972 and the Financial Reporting Act 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the *International Ethics Standards Board for 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.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises mainly information included under the Corporate Information, Statement of Directors' Responsibilities and Corporate Governance Report sections, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the Other Information and, except to the extent otherwise explicitly stated in our report, 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.

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Independent auditors' report (Contd)

To the member of MAURITIUS PORTS AUTHORITY

Report on the Audit of the Financial Statements (Contd)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Public Sector Accounting Standards and the requirements of the Statutory Bodies (Accounts and Audit) Act 1972 and the Financial Reporting Act 2004, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible, amongst others, for the following in accordance with the Statutory Bodies (Accounts and Audit) Act 1972:

- To comply with any directions of the Minister, in so far as they relate to the accounts;
- To ensure that any expenditure incurred is not of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- To apply its resources and carrying out its operations fairly and economically.

Management should also ensure that the Authority comply with the provisions of Part V of the Public Procurement Act 2006.

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

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

Auditors' 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 auditors' 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 International Standards on Auditing 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.

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

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

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Independent auditors' report (Contd)

To the member of MAURITIUS PORTS AUTHORITY

Report on the Audit of the Financial Statements (Contd)

Auditors' Responsibilities for the Audit of the Financial Statements (Contd)

- 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 Authority's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Authority 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

Statutory Bodies (Accounts and Audit) Act 1972

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit; and
- The Authority has complied with the Statutory Bodies (Accounts and Audit) Act 1972 and any directions of the Minister, in so far as they relate to the accounts.

Based on our examination of the records of the Authority, nothing has come to our attention that causes us to believe that:

- Expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- The Authority has not applied its resources and carried out its operations fairly and economically.

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Independent auditors' report (Contd)

To the member of MAURITIUS PORTS AUTHORITY

Report on Other Legal and Regulatory Requirements (Contd)

Public Procurement Act 2006

Based on our audit for the year ended 30 June 2023, the Authority has complied with the provisions of Part V of the Public Procurement Act 2006.

Financial Reporting Act 2004

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("the Code") 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 Authority has, pursuant to Section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Other matter

Our report is made solely to the member of the Authority as a body in accordance with Section 8 of the Statutory Bodies (Accounts and Audit) Act 1972. Our audit work has been undertaken so that we might state to the Authority's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 24 Oct 2023

Ebene 72201, Republic of Mauritius

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE

	Notes	2023 Rs'000	2022 Rs'000
Assets			
Current			
Cash and cash equivalents	6	**481,510**	355,194
Trade and other receivables	7	**225,029**	246,252
Loans receivable	8	**937**	36,172
Other financial assets	9	**1,160,305**	730,958
Inventories	10	**15,165**	13,896
Current assets		**1,882,946**	1,382,472
Non-current			
Intangible assets	11	**676**	1,803
Infrastructure, plant and equipment	12	**10,927,792**	11,378,284
Land and buildings	12	**1,775,589**	1,080,002
Investment properties	13	**9,482,072**	9,482,072
Assets-under-construction	14	**139,427**	677,709
Available-for-sale financial assets	15	**618,841**	671,465
Loans receivable	8	**7,144**	8,338
Non-current assets		**22,951,541**	23,299,673
Total assets		**24,834,487**	24,682,145
Liabilities			
Current			
Trade and other payables	16	**407,406**	248,203
Borrowings	17	**220,371**	221,733
Provisions for other liabilities	18	**88,321**	88,453
Current liabilities		**716,098**	558,389

The notes on pages 90 to 137 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE (CONTD)

	Notes	2023 Rs'000	2022 Rs'000
Liabilities			
Non-current			
Borrowings	17	**108,756**	326,151
Retirement benefit obligations	19	**1,730,681**	1,405,497
Capital grant	20	**164,253**	92,452
Non-current liabilities		**2,003,690**	1,824,100
Total liabilities		**2,719,788**	2,382,489
Net assets		**22,114,699**	22,299,656
Net assets/equity			
Republic of Mauritius capital account		**48,059**	48,059
Capital reserve	21	**12,200,880**	12,200,880
Reserve fund	21	**2,070,856**	2,135,084
Revaluation surplus	21	**7,366,724**	7,438,964
Investment fair value reserve	21	**378,655**	431,494
Accumulated surplus		**49,525**	45,175
Total net assets/equity		**22,114,699**	22,299,656

Approved by the Board of Directors on 24 Oct 2023 and signed on its behalf by:

Ag. Chairperson
R. Meettook

Ag. Director-General
S. Goburdhone

Director-Finance
S. Ganga

The notes on pages 90 to 137 form an integral part of these financial statements.

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE

	Notes	2023 Rs'000	2022 Rs'000
Operating revenue			
Vessel dues	22	**743,737**	614,611
Traffic dues	23	**274,984**	263,452
Container dues	24	**490,517**	444,453
Concession fees	35	**155,750**	155,750
		1,664,988	1,478,266
Non-operating revenue			
Investment income	25	**26,081**	24,429
Finance income	26	**36,482**	30,306
Rental income	27	**244,326**	207,897
Other non-operating revenue	28	**16,035**	7,962
		322,924	270,594
Operating expenses			
Employee benefit expenses	29	**(605,656)**	(622,599)
Sundry operating expenses		**(27,738)**	(27,463)
Running and repairs of equipment expenses		**(217,226)**	(128,391)
Administrative expenses	30	**(73,058)**	(53,499)
Finance costs	17	**(17,828)**	(25,600)
Depreciation and amortisation	11 & 12	**(616,088)**	(621,289)
		(1,557,594)	(1,478,841)
Operating surplus		**430,318**	270,019
Net foreign exchange gains		**10,333**	44,336
Loss of disposal on infrastructure, plant and equipment		**(8,541)**	(464)
Net surplus for the year		**432,110**	313,891

The notes on pages 90 to 137 form an integral part of these financial statements.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE (CONTD)

	Notes	2023 Rs'000	2022 Rs'000
***Other comprehensive income*:**			
Items that will not be reclassified subsequently to surplus or deficit:			
Actuarial (losses)/gains recognised	19	**(264,228)**	34,826
Items that will be reclassified subsequently to surplus or deficit:			
(Decrease)/increase in fair value of available-for-sale financial assets	15(b)	**(52,839)**	34,386
Other comprehensive (loss)/income for the year		**(317,067)**	69,212
Total surplus for the year		**115,043**	383,103

The notes on pages 90 to 137 form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS/ EQUITY FOR THE YEAR ENDED 30 JUNE

	Capital account Rs'000	Capital reserve Rs'000	Reserve fund Rs'000	Revaluation Surplus Rs'000	Investment fair value reserve Rs'000	Accumulated surplus Rs'000	Total Rs'000
At 01 July 2022	**48,059**	**12,200,880**	**2,135,084**	**7,438,964**	**431,494**	**45,175**	**22,299,656**
Release on disposal of infrastructure, plant and equipment	-	-	-	(72,240)	-	72,240	-
Dividends (Note 33)	-	-	(150,000)	-	-	(150,000)	(300,000)
Transactions with shareholder	-	-	(150,000)	-	-	(150,000)	(300,000)
Surplus for the year	-	-	-	-	-	432,110	432,110
Other comprehensive income:							
Actuarial loss recognised	-	-	(264,228)	-	-	-	(264,228)
Decrease in fair value of available for-sale financial assets	-	-	-	-	(52,839)	-	(52,839)
Total surplus for the year	-	-	(264,228)	-	(52,839)	432,110	115,043
Transfer from accumulated surplus to reserve fund	-	-	350,000	-	-	(350,000)	-
At 30 June 2023	48,059	12,200,880	2,070,856	7,366,724	378,655	49,525	22,114,699

The notes on pages 90 to 137 form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS/ EQUITY FOR THE YEAR ENDED 30 JUNE (CONTD)

	Capital account Rs'000	Capital reserve Rs'000	Reserve fund Rs'000	Revaluation Surplus Rs'000	Investment fair value reserve Rs'000	Accumulated surplus Rs'000	Total Rs'000
At 01 July 2021	48,059	12,200,880	4,808,258	7,443,728	397,108	18,520	24,916,553
Release on disposal of infrastructure, plant and equipment	-	-	-	(4,764)	-	4,764	-
Dividends (Note 33)	-	-	(3,000,000)	-	-	-	(3,000,000)
Transaction with shareholder	**-**	**-**	**(3,000,000)**	**-**	**-**	**-**	**(3,000,000)**
Surplus for the year	-	-	-	-	-	313,891	313,891
Other comprehensive income:							
Actuarial gains recognised	-	-	34,826	-	-	-	34,826
Increase in fair value of available for-sale financial asset	-	-	-	-	34,386	-	34,386
Total surplus for the year	-	-	34,826	-	34,386	313,891	383,103
Transfer from accumulated surplus to reserve fund	-	-	292,000	-	-	(292,000)	-
At 30 June 2022	**48,059**	**12,200,880**	**2,135,084**	**7,438,964**	**431,494**	**45,175**	**22,299,656**

The notes on pages 90 to 137 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE

	Notes	2023 Rs'000	2022 Rs'000
Cash from operations	34	**1,089,630**	1,040,459
Interest received		**9,229**	37,346
Interest paid		**(17,064)**	(27,077)
Net cash from operating activities		**1,081,795**	1,050,728
Cash flows from investing activities			
Purchase of infrastructure, plant and equipment, net of assets under construction, land and building and intangible assets		**(339,083)**	(307,993)
Proceeds from sale of infrastructure, plant and equipment		**8,766**	2,540
Loan repayments received		**36,037**	33,516
Dividends received		**33,431**	22,779
Net movement on other financial assets		**(407,789)**	2,034,407
Net cash (used in)/from investing activities		**(668,638)**	1,785,249
Cash flows from financing activities			
Receipt of grants		**79,608**	-
Repayment of borrowing		**(216,449)**	(206,519)
Dividends paid		**(150,000)**	(3,000,000)
Net cash used in financing activities		**(286,841)**	(3,206,519)
Net increase in cash and cash equivalents		**126,316**	(370,542)
Cash and cash equivalents, beginning of year		**355,194**	725,736
Cash and cash equivalents, end of year	6	**481,510**	355,194

The notes on pages 90 to 137 form an integral part of these financial statements.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FIGURES FOR THE YEAR ENDED 30 JUNE

	Budget 2023 Rs'000	Actual 2023 Rs'000	Difference Rs'000
Operating revenue			
Vessel dues	670,528	743,737	(73,209)
Traffic dues	261,313	274,984	(13,671)
Container dues	517,872	490,517	27,355
Concession fees	155,750	155,750	-
	1,605,463	1,664,988	(59,525)
Non-operating revenue			
Investment income	21,377	26,081	(4,704)
Finance income	25,000	36,482	(11,482)
Rental income	183,272	244,326	(61,054)
Other non-operating revenue	18,700	16,035	2,665
	248,349	322,924	(74,575)
Operating expenses			
Employee benefit expenses	(683,326)	(605,656)	(77,670)
Sundry operating expenses	(17,128)	(27,738)	10,608
Running and repairs of equipment expenses	(235,288)	(217,226)	(16,821)
Administrative expenses	(199,612)	(73,058)	(126,554)
Finance costs	(21,659)	(17,828)	(3,831)
Depreciation and amortisation	(640,000)	(616,088)	(23,912)
	(1,797,013)	(1,557,594)	(238,180)
Operating surplus	56,799	430,318	(373,519)
Net foreign exchange gains	3,000	10,333	(7,333)
Loss on disposal of infrastructure, plant and equipment	-	(8,541)	8,541
Net surplus for the year	59,799	432,110	(372,311)

The notes on pages 90 to 137 form an integral part of these financial statements.

1. General information

Mauritius Ports Authority, the "Authority" or "MPA", is a state-owned enterprise, domiciled in the Republic of Mauritius.

The Ports Act 1998 has established the Mauritius Ports Authority as the sole national Port Authority to operate as a landlord port, to regulate and control the port sector and to provide marine services. Its registered address is H.Ramnarain Building, Mer Rouge, Port Louis, Republic of Mauritius.

2. Significant accounting policies

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

2.1 Basis of preparation

The financial statements of Mauritius Ports Authority comply with the Statutory Bodies (Accounts and Audit) Act 1972 and have been prepared in accordance with International Public Sector Accounting Standards ("IPSAS") as issued by International Public Sector Accounting Standards Board ("IPSASB"). The Authority has adopted IPSAS as required by Section 75 of the revised Financial Reporting Act 2004. Where there is no applicable IPSAS, the alternative accounting standards applied are the International Financial Reporting Standards ("IFRS"). These financial statements have been presented in Mauritian Rupee and all values are rounded to the nearest thousand (Rs '000) except where otherwise stated.

The financial statements have been prepared on an accrual basis and under the historical cost convention except that:

(i) land and buildings are carried at revalued amounts;

(ii) infrastructure, plant and equipment (excluding furniture and equipment) are carried at revalued amounts;

(iii) investment properties are stated at fair value; and

(iv) available-for-sale financial assets and relevant financial assets and liabilities are stated at fair value.

2.2 Application of new and revised IPSAS

In the current financial year, the following revised Standards issued by IPSASB that became mandatory for the first time for the financial year beginning 01 July 2022:

FRS 48: *Services Performance Reporting* – This Standard will provide users of financial statements with sufficient contextual information to understand why the entity exists, what it intends to achieve in broad terms over the medium to long term and how it goes about this. It also provides information about what the entity has done during the reporting period in working towards its broader aims and objectives.

2. Significant accounting policies (Contd)

2.3 Standards and amendments to existing standards that are not yet effective and have not been adopted early by the Authority

At the date of authorisation of the financial statements, the following IPSASs were in issue but not effective for financial statements beginning on 01 July 2022:

IPSAS 41: *Financial Instruments* will replace IPSAS 29: *Financial Instruments*: *Recognition and Measurement* as from 01 January 2023 and the objective is to establish new requirements for classifying, recognising and measuring financial instruments.

IPSAS 42: *Social Benefits* will be effective as from 01 January 2023 and the objective is to help users of financial statements to assess the nature of social benefits provided by an entity, the features of the operation of social benefit scheme and the impact of social benefits on the entity's financial performance, financial position and cash flows.

IPSAS 46: *Measurement*, which brings measurement guidance together in a single standard, and introduces a public sector specific current value measurement basis for assets held for their operational capacity and provides additional generic guidance on fair value. IPSAS 46 will be effective for periods beginning as from 01 January 2025.

IPSAS 43 – *Leases*, the new standard no longer requires the classification of leases as either finance leases or operating leases and requires the recognition of assets and liabilities of related to the rights and obligations created by leases. IPSAS 43 will be effective for periods beginning as from 1 January 2025.

IPSAS 47: *Revenue*, which is a single standard to account for revenue transactions in the public sector. IPSAS 47 replaces the existing three revenue standards and presents accounting models which will improve financial reporting and support effective public sector financial management. IPSAS 47 will be effective for periods beginning as from 01 January 2026.

IPSAS 48: *Transfer Expenses*, which provides guidance on a major area of expenditure for governments and other public sector entities. IPSAS 48 fills a gap which had previously led to ambiguity and inconsistency of accounting policies in the public sector. IPSAS 48 will be effective for periods beginning as from 01 January 2026.

2.4 Property, plant and equipment

Property, plant and equipment is initially recorded at cost.

Some classes of property, plant and equipment held for the operational activities or for administrative purposes are stated at revalued amounts less subsequent depreciation. Revalued amounts are fair value determined out by external independent valuers once every 5 years or more frequently if market factors indicate a material change in fair value. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The remaining classes of property, plant and equipment are stated at historical cost less depreciation.

2. Significant accounting policies (Contd)

2.4 Property, plant and equipment (Contd)

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Increases in the carrying amounts arising from revaluation are credited directly to revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that reverses a revaluation decrease of the same class of assets previously recognised in surplus or deficit.

Properties in the course of construction for operational activities, rental or administrative purposes or for purposes not yet determined are carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs are capitalised. Depreciation on these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount of the assets and are recognised in surplus or deficit. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to accumulated surpluses or deficits.

Depreciation is calculated on the straight-line method to write down the cost or revalued amounts to their residual values over their estimated useful lives.

The annual rates are as follows:

	% annual rates
Buildings and Infrastructure	2.5 - 100
Navigational Aids	1.7 - 20
Tugs and Floating Crafts	5 – 100
Furniture and Equipment	20
Plant and Equipment	5.26 - 25
Cargo Handling Equipment	7.14 - 16.66
Marine Radio Equipment	10 - 20
Mooring Buoys and Ancillary Equipment	10 - 20
Motor Vehicles and Fire Fighting Equipment	7.69 - 100
Electrical Installation	10 - 25
Computer and Security Equipment	20

2. Significant accounting policies (Contd)

2.4 Property, plant and equipment (Contd)

Land is not depreciated.

Subsequent expenditures related to an item of property, plant and equipment are added to its net book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenditures are expensed as and when incurred.

Projects under which assets are not ready for their intended use are shown separately in the statement of financial position as 'Assets under construction'.

2.5 Intangible assets

Intangible assets comprise computer software and are amortised over a period of 5 years.

The method of amortisation reflects the pattern in which the economic benefits of the intangible assets are consumed or otherwise used up and where such pattern cannot be reliably determined, a straight-line amortisation method is used.

All intangible assets are subject to impairment testing at each reporting date.

2.6 Investment properties

All of the Authority's property interests, held to earn rentals or for capital appreciation purposes or both and not occupied by the Authority, are accounted for as investment properties and are measured using the fair value model. Investment properties are revalued based on fair value determined by external independent valuers once every 5 years or more frequently if market factors indicate a material change in fair value. Gains and losses arising from changes in the fair value of investment properties are included in surplus or deficit in the year in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in surplus or deficit in the year in which the property is derecognised.

2.7 Financial assets

Categories of financial assets

The Authority classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

2. Significant accounting policies (Contd)

2.7 Financial assets (Contd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment. The Authority's loans and receivables comprise cash and cash equivalents, other financial assets, loans receivable and most of its trade and other receivables.

Available - for - sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months at the end of the reporting date.

Recognition and measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the Authority commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets.

Available-for-sale financial assets are subsequently carried at their fair values. Loans and receivables are carried at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are accounted at cost.

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in investment fair value reserve through the statement of changes in net assets/equity. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of financial performance as gains and losses on financial assets.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active and for unlisted securities, the Authority establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flows analysis, and option pricing models refined to reflect the issuer's specific circumstances.

2. Significant accounting policies (Contd)

2.7 Financial assets (Contd)

Impairment of financial assets

The Authority assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- probability that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial assets because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Authority's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through surplus or deficit to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised directly in net assets/equity are reclassified to surplus or deficit.

Any increase in fair value subsequent to an impairment loss is recognised directly in the net assets/equity under the heading of investments revaluation reserve. Impairment losses recognised in surplus or deficit for an available-for-sale investment shall not be reversed through surplus or deficit.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

2. Significant accounting policies (Contd)

2.7 Financial assets (Contd)

Derecognition of financial assets

The Authority derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Authority retains substantially all the risks and rewards of ownership of a transferred financial asset, the Authority continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in net assets/equity is recognised in surplus or deficit.

On derecognition of a financial asset other than in its entirety, the Authority allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised directly in net assets/equity are recognised in surplus or deficit. A cumulative gain or loss that had been recognised directly in net assets/equity is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.8 Long term receivables

Long term receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment. The carrying amount of the asset is reduced by the difference between the asset's carrying amount and the present value of estimated cash flows discounted using the current market rate of return of similar financial assets.

If there is objective evidence that an impairment loss has occurred, same is recognised in surplus or deficit. Long term receivables without fixed maturity terms are measured at cost.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2. Significant accounting policies (Contd)

2.10 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in surplus or deficit.

2.11 Retention monies

Retention monies are amount retained by the Authority on construction contracts awarded to external contractors and which are not paid until the satisfaction of conditions specified in the contract for the payment of such amounts or until defects have been rectified.

Retention monies are recognised on the basis of percentage of completion method, as certified by civil engineers and are accounted based on retention percentage stipulated in the contract.

The retention monies payable are accounted under trade and other payables with a corresponding entry accounted in 'Assets under construction'.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits, together with other short term, highly liquid investments maturing within 90 days from reporting date that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

All fixed deposits with initial maturity more than 3 months are recognised separately under 'Other financial assets'.

2.13 Trade and other payables

Trade and other payables and accruals are liabilities to pay for goods or services that have been received or supplied or formally agreed with the suppliers. Trade and other payables are stated at their fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in surplus or deficit over the period of the borrowings using the effective interest method.

2. Significant accounting policies (Contd)

2.15 Employment benefits

The Authority provides post-employment benefits through various defined contribution and defined benefit plans.

Defined contribution plans

The Authority pays fixed contributions into a defined contribution scheme administered by SICOM for employees who joined the MPA after 01 January 2013. The Authority has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

Defined benefit plans

Under the Authority's defined benefit plans, the amount of pension benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Authority, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation ("DBO") at the reporting date less the fair value of plan assets.

Management estimates the DBO on an annual basis and hires SICOM Ltd to carry out this exercise. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Service cost on the Authority's defined benefit plan is included in employee benefit expenses. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is also included in employee benefit expenses. Gains and losses resulting from remeasurements of the net defined benefit liability are included in other comprehensive income.

State plan

Social benefit contributions are expensed in the statement of financial performance in the period in which they fall.

Short-term employee benefits

Short-term employee benefits are included in employee benefits expenses.

2. Significant accounting policies (Contd)

2.16 Foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupees ("MUR" or "Rs."), the currency of the primary economic environment in which the Authority operates ("functional currency"). The financial statements are presented in Mauritian rupees, which is the Authority's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the investment fair value reserve.

2.17 Impairment of assets

At each reporting date, the Authority reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Authority estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of financial performance, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2. Significant accounting policies (Contd)

2.17 Impairment of assets (Contd)

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the statement of financial performance, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.18 Revenue recognition

Revenue comprises the fair value for the sale of services, net of rebates and discounts.

Sales of services are recognised in the accounting year in which the services are rendered (by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of total services to be provided).

The Authority has entered into a concession agreement with the Cargo Handling Corporation Limited whereby the latter provides cargo services at Terminals I, II and III as a cargo operator. Concession fees are receivable annually.

Other revenues earned by the Authority are recognised on the following bases:

- Rental income - on an accruals basis in accordance with the substance of the relevant agreements.
- Interest income - on a time-proportion basis using the effective interest method. When a receivable is impaired, the Authority reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.
- Dividend income - when the shareholder's right to receive payment is established.
- Other income - in the accounting period in which it is receivable.

2.19 Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of past events. It is probable that the Authority will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. Significant accounting policies (Contd)

2.20 Funds and reserves

Capital account

Capital account represents investments in the form of capital by the Government of Mauritius.

Other reserves

Other reserves include the following:

- Capital reserve - Comprises gains & losses on revaluation on investment properties and other reserve.
- Reserve fund - This reserve represents funds transferred from accumulated surplus (which constitutes of Port Development Reserve, General Reserve and Insurance Reserve).
- Revaluation reserve - Comprises gains and losses from revaluation of property, plant and equipment.
- Investment fair value reserve - Comprises gains and losses on fair valuation of available-for-sale financial assets.

2.21 Surpluses and deficits

Accumulated surpluses include all current and prior years' results, net of transfer made to reserve fund.

2.22 Dividend distribution

Dividend distribution to the Government of Mauritius is recognised as a liability in the Authority's financial statements in the year in which the dividends are declared, but not yet paid.

2.23 Leases

Leases are classified as finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases (net of any incentives received from the lessor) and are charged to surplus or deficit on a straight-line basis over the period of the lease.

The Authority as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2. Significant accounting policies (Contd)

2.24 Related parties

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

2.25 Grants

Grants are not recognised until there is reasonable assurance that the Authority will comply with the conditions attaching to them. Grants are recognised in surplus or deficit on a systematic basis over the periods in which the Authority recognises as expenses the related cost for which the grants are intended to compensate. Specifically, grants whose primary condition is that the Authority should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to surplus or deficit on a systematic and rational basis over the useful life of the related assets.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Authority with no future related cost are recognised in surplus or deficit in the period in which they become receivable.

2.26 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in surplus or deficit in the period in which they are incurred.

2.27 Operating expenses

Operating expenses are recognised in deficit or surplus upon utilisation of the service or as incurred.

2.28 Comparatives

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

3. Financial risk management

The Authority is exposed to various risks in relation to financial instruments. The Authority's financial assets and liabilities by category are summarised below.

	2023 Rs'000	2022 Rs'000
Financial assets		
Cash and cash equivalents	**481,510**	355,194
Other financial assets	**1,160,305**	730,958
Loans receivables	**8,081**	44,511
Available-for-sale financial assets	**618,841**	671,465
Trade and other receivables*	**213,442**	237,386
Total financial assets	**2,482,179**	2,039,514
Financial liabilities		
Borrowings	**329,127**	547,884
Trade and other payables**	**295,712**	187,003
Provision for other liabilities	**88,321**	88,453
Total financial liabilities	**713,160**	823,340

**exclude prepayments*
*** exclude income tax deduction, deposits, rent billed in advance and retention money*

Financial risk factors

The Authority's activities expose it to a variety of financial risks, including:

- Foreign exchange risk;
- Credit risk;
- Price risk;
- Liquidity risk; and
- Interest rate risk.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the Authority's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

3. Financial risk management (Contd)

3.1 Foreign exchange risk

The Authority is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Euro ("EUR") and United States Dollar ("USD").

The Authority has set up a policy that requires management to manage its exchange risk exposures with treasury.

The Authority aims at keeping sufficient cash in foreign currencies to repay its debts denominated in that same currency and also to finance major capital projects payable in foreign currencies.

The Authority's currency profile is as follows:

	2023			2022		
	MUR Rs'000	USD Rs'000	EUR Rs'000	MUR Rs'000	USD Rs'000	EUR Rs'000
Assets						
Cash and cash equivalents	**402,949**	**73,244**	**5,317**	255,341	97,441	2,412
Other financial assets	**201,576**	**958,729**	**-**	643	730,315	-
Loans receivable	**8,081**	**-**	**-**	9,279	35,232	-
Available-for-sale financial assets	**614,575**	**4,267**	**-**	666,720	4,745	-
Trade and other receivables	**213,442**	**-**	**-**	237,386	-	-
	1,440,623	**1,036,240**	**5,317**	1,169,369	867,733	2,412

	2023			2022		
	MUR Rs'000	USD Rs'000	EUR Rs'000	MUR Rs'000	USD Rs'000	EUR Rs'000
Liabilities						
Borrowings	**-**	**329,127**	**-**	-	547,884	-
Trade and other payables	**294,602**	**1,099**	**11**	182,315	4,688	-
Provision for other liabilities	**88,321**	**-**	**-**	88,453	-	-
	382,923	**330,226**	**11**	270,768	552,572	-

At 30 June 2023, if the rupee had weakened/strengthened by 3% against the USD/EUR with all other variables held constant, surplus income for the year would have reduced/increased by Rs. 20. million (2022: Rs. 9.527 million).

3.2 Credit risk

Credit risk is the risk of financial loss to the Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

3. Financial risk management (Contd)

Financial risk factors (Contd)

3.2 Credit risk (Contd)

The Authority's credit risk is primarily attributable to its receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Authority's management based on prior experience and the current economic environment.

The Authority has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Authority has policies in place to ensure that rendering of services are made to customers with an appropriate credit history.

The table below shows the balance of the major counterparties at the reporting date.

	2023 **Rs'000**	2022 Rs'000
Cargo Handling Corporation Limited	**26,238**	12,982
Mediterranean Shipping & Co. Ltd	**18,689**	19,905
Mauritius Shipping Corporation Ltd	**14,527**	8,494
Maersk Mauritius Ltd	**12,621**	6,372
Mauritius Freeport Development Co Ltd	**12,527**	2,555
Total Energies Marketing Mauritius Ltd	**9,426**	11,089
Inchape Shipping Services Ltd	**8,059**	4,528
Indian Oil (Mauritius) Ltd	**8,034**	14,828
Port Agency Services (Mauritius) Ltd	**7,190**	8,447
CMA CGM (Mauritius) Ltd	**7,047**	9,559
Chantier Naval de l'Ocean Indien Ltd	**6,217**	6,217
Hung Min Shipping Ltd	**5,669**	5,669
Mauritius Chemical and Fertilizer Limited	**5,292**	1,149
Samcargo Services Ltd	**3,561**	3,561
Central Electricity Board	**2,871**	8,828
	147,968	124,183

The Authority considers that no credit risk is associated with the loans receivable since payments are received as per terms of repayment.

Concerning the available-for-sale financial assets, the Authority has invested in a diversified portfolio and these investments are measured at fair value. Management considers the credit risk to be manageable.

The credit risk for cash and cash equivalents and other financial assets are considered negligible, since the counterparties are reputable banks with high quality external credit rating.

3. Financial risk management (Contd)

Financial risk factors (Contd)

3.3 Price risk

The Authority is exposed to price risk in relation to its equity investments which are measured at fair value based on their quoted prices or generally acceptable valuation techniques.

Sensitivity analysis

The table below summarises the impact of increase/decrease in the fair value of the investments on the net assets/equity.

The analysis is based on the assumption that the fair value had increased/decreased by 5%.

Impact on net assets/equity

	2023 Rs'000	2022 Rs'000
Available-for-sale financial assets	30,942	33,573

3.4 Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Authority aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Authority's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting date to the contractual maturity date.

30 June 2023	6 months or less Rs'000	6 - 12 months Rs'000	2 - 5 years Rs'000	Total Rs'000
Trade and other payables	**295,712**	**-**	**-**	**295,712**
Provisions for other liabilities	**88,321**	**-**	**-**	**88,321**
Borrowings	**-**	**220,371**	**108,756**	**329,127**
Total	**384,033**	**220,371**	**108,756**	**713,160**

3. Financial risk management (Contd)

Financial risk factors (Contd)

3.4 Liquidity risk (Contd)

30 June 2022	6 months or less Rs'000	6 - 12 months Rs'000	2 - 5 years Rs'000	Total Rs'000
Trade and other payables	187,003	-	-	187,003
Provisions for other liabilities	88,453	-	-	88,453
Borrowings	-	221,733	326,151	547,884
Total	275,456	221,733	326,151	823,340

3.5 Interest rate risk

All the interest-bearing assets and liabilities have fixed interest rate except cash and cash equivalents.

Therefore, the Authority's exposure to interest rate risk is limited to its cash and cash equivalents.

At 30 June 2023 the Authority's interest bearing financial instruments included cash at bank (excluding fixed deposits which earns interest at a fixed rate) amounting to Rs. 175.515 million (2022: Rs. 205.194 million). The rate may increase or decrease depending on the prime lending rate.

Interest rates of 4.8% to 4.93% p.a are receivable on MUR treasury certificates while interest rates between 4.5% to 5.5% p.a are receivable on USD fixed deposit accounts.

4. Capital risk management

The Authority's objectives when managing capital are:

- to safeguard the Authority's ability to continue as a going concern, so that it can continue to provide returns for its member and benefits for other stakeholders, and
- to provide an adequate return to its member by pricing services commensurately with the level of risk.

The Authority sets the amount of capital in proportion to risk. The Authority manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Authority may adjust the amount of dividends paid to the Government or sell assets to reduce debt.

The Authority monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents and other short-term financial assets. Adjusted capital comprises all components of equity (i.e capital account, capital reserve, reserve fund, investment fair value reserve, accumulated surpluses and revaluation surplus).

4. Capital risk management (Contd)

During the year ended 30 June 2023, the Authority's strategy, which was unchanged from prior years was to maintain the least amount of debt. The gearing ratios as at 30 June 2023 and 30 June 2022 were as follows:

	2023 Rs'000	2022 Rs'000
Total debt	**329,127**	547,884
Less: cash and cash equivalents (*including other financial assets*)	**(1,641,815)**	(1,086,152)
Net debt	**(1,312,688)**	(538,268)
Total net assets/equity	**22,114,699**	22,299,656
Net debt-to-adjusted capital ratio	**-**	**-**

5. Critical accounting estimates and judgements

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Authority makes estimates and assumptions concerning the potential future events. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions made by the Authority that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed as follows.

Impairment of available-for-sale financial assets

The Authority follows the guidance of IPSAS 29 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Authority evaluates, among other factors, the duration and extent to which the fair value of an investment is less than their carrying value taking into consideration factors such as industry and sector performance, changes in technology and the financial health of and near-term business outlook for the operational and financing cash flow.

Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

5. Critical accounting estimates and judgements (Contd)

Pension benefits (Contd)

The Authority determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Authority considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 19.

Revaluation of land and buildings and investment properties

The Authority carries its investment properties at fair value, with changes in fair value being recognised in surplus or deficit. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised directly to revaluation surplus. The Authority engaged independent valuation specialists to determine fair value. For the investment properties, the valuer used a valuation technique based on a discounted cash flow model as there is a lack of comparable market data because of the nature of the property.

The determinable fair value of the investment properties is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of the investment properties, are further explained in Note 13.

Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Authority using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Authority would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Investments held in Froid des Mascareignes Limited

The Authority holds 30% of the share capital of Froid des Mascareignes Limited. Seafood Hub Ltd holds the majority of the share capital of the company and has control over its operating and financial policies. Given that the core activities of the Authority are different from those of Froid des Mascareignes Limited, the Authority does not exercise significant influence over the operating and financial policies of the company.

Thus, the investment in Froid des Mascareignes Limited has been treated as investment in available-for-sale financial assets and accounted for under IPSAS 29: *Financial Instruments: Recognition and Measurement.*

5. Critical accounting estimates and judgements (Contd)

Asset lives and residual values

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

Depreciation policies

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

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

Revenue recognition

The percentage of completion method is utilised to recognise revenue on long-term contracts. Management exercises judgement in calculating the deferred revenue reserve which is based on the anticipated cost of repairs over the life cycle of the equipment applied to the total expected revenue arising from maintenance and repair contracts.

In addition, management exercises judgement in assessing whether significant risks and rewards have been transferred to the customer to permit revenue to be recognised.

Impairment of assets

Property, plant and equipment and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value added and, if lower, the assets are impaired to the present value.

5. Critical accounting estimates and judgements (Contd)

Impact of Russia/Ukraine conflict

In February 2022, a military conflict arose between Russia and Ukraine, with the latter being supported by countries in the NATO alliance as well as others around the globe, including imposition of financial and trade sanctions against Russia. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions, including significant volatility in commodity prices, supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

6. Cash and cash equivalents

	2023 Rs'000	2022 Rs'000
Cash in hand in:		
Mauritian Rupee ("MUR")	**122**	94
Cash at bank in:		
Mauritian Rupee ("MUR")	**96,832**	105,247
Euro ("EUR")	**5,317**	2,412
United States Dollar ("USD")	**73,244**	97,441
Fixed deposits (inclusive of interest receivable) :		
Mauritian Rupee ("MUR")	**305,995**	150,000
	481,510	355,194

7. Trade and other receivables

	2023 Rs'000	2022 Rs'000
Trade receivables	**117,231**	91,558
Amount owed by related party :		
Cargo Handling Corporation Ltd (Note 35)	**26,238**	13,890
Receivable from lessees of the Authority	**21,895**	81,015
	165,364	186,463
Allowance for credit losses (Note 7(d))	**(16,708)**	(14,943)
	148,656	171,520
Accrued revenue	**41,480**	40,892
Advances to employees	**22,836**	24,510
Prepayments	**11,607**	8,866
Other receivables	**450**	464
Total	**225,029**	246,252

7. Trade and other receivables (Contd)

(a) The net carrying amount of trade and other receivables is considered a reasonable approximation of the fair values.

(b) All of the Authority's trade and other receivables have been reviewed for indicators of impairment. Management believes that the provision of Rs. 16.708 million is adequate. An additional provision of Rs 1.8 million was made for the financial year under review in regard of idle vessels on the port.

(c) As of 30 June 2023, trade receivables of Rs. 14.227 million (2022: Rs. 63.449 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2023 Rs'000	2022 Rs'000
Over 3 months	**14,227**	63,449

(d) Movements of the provision for impairment of trade receivables are as follows:

	2023 Rs'000	2022 Rs'000
At 01 July	**14,943**	14,943
Addition during the year	**1,765**	-
At 30 June	**16,708**	14,943

(e) The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the end of the reporting date is the fair value of each class of receivable mentioned above. The Authority does not hold any collateral as security.

8. Loans receivable

	2023 Rs'000	2022 Rs'000
Non-current		
Loans to Mauritius Housing Company Ltd (Note 8(b))	**7,144**	8,338
Current		
Loans to Cargo Handling Corporation Limited (Note 8(a))	**-**	35,232
Loans to Mauritius Housing Company Ltd (Note 8(b))	**937**	940
	937	36,172
Total	**8,081**	44,510

8. Loans receivable (Contd)

(a) Loan receivable from Cargo Handling Corporation Limited represented advance for the purchase of cargo handling equipment. The loan had an interest at a rate of 3% per annum and was fully repaid during the year under review.

(b) Loans receivable from Mauritius Housing Corporation Ltd represent advances for the Authority's Housing Loan Scheme. The loans are unsecured and are repayable in 20 equal yearly instalments. The rates of interest have been reduced from 5% to 2.50% since January 2016.

(c) Non-current loans receivable can be analysed as follows:

	2023 Rs'000	2022 Rs'000
After one year and before five years:		
Mauritius Housing Company Ltd	**2,390**	2,529
After five years:		
Mauritius Housing Company Ltd	**4,754**	5,809
Total	**7,144**	8,338

9. Other financial assets

Other financial assets include fixed deposits placed with banks which will mature more than 90 days after the reporting date.

	2023 Rs'000	2022 Rs'000
Principal amount :		
Mauritian Rupee ("MUR")	**200,000**	-
United States Dollar ("USD")	**933,799**	726,010
Interest receivable :		
Mauritian Rupee ("MUR")	**1,576**	-
United States Dollar ("USD")	**24,930**	4,948
Total	**1,160,305**	730,958

10. Inventories

	2023 Rs'000	2022 Rs'000
Oil, lubricants and spare parts	**24,575**	23,441
Office supplies	**1,202**	1,299
Operating supplies	**569**	408
Uniforms	**117**	240
Goods in transit	**423**	229
	26,886	25,617
Provision for damaged and obsolete items	**(11,721)**	(11,721)
Total	**15,165**	13,896

The cost of inventories recognised as expense during the year under review amounted to Rs. 42.4 million (2022: Rs. 41.2 million) and are included in running and repairs of equipment expenses.

11. Intangible assets

	2023 Rs'000	2022 Rs'000
Cost		
At 01 July and 30 June	**36,621**	36,621
Amortisation		
At 01 July	**34,818**	33,691
Amortisation during the year	**1,127**	1,127
At 30 June	**35,945**	34,818
Carrying amount at 30 June	**676**	1,803

12. Infrastructure, plant and equipment, land and buildings

The accounting policy of the Authority is to revalue the infrastructure, plant and equipment, land and building by external independent valuers once every 5 years or more frequently if market factors indicate a material change in fair value. The last valuation was carried out in 2020.

12. Infrastructure, plant and equipment, land and buildings (Contd)

	COST/VALUATION				ACCUMULATED DEPRECIATION				NET BOOK VALUE
	At 01 July 2022	Additions	Disposals	At 30 June 2023	At 01 July 2022	Charge for the year	Disposals adjustments	At 30 June 2023	30 June 2023
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Infrastructure, plant and equipment									
Infrastructure	953,726	639	-	954,365	410,178	76,847	-	487,025	467,340
Navigational aids	87,197	-	-	87,197	14,195	2,534	-	16,729	70,468
Tugs and floating crafts	1,102,683	24,804	(49,520)	1,077,967	453,754	54,170	(33,013)	474,911	603,056
Quays	12,635,368	-	-	12,635,368	2,785,829	364,133	-	3,149,962	9,485,406
Furniture and equipment	41,775	942	-	42,717	39,459	1,340	-	40,799	1,918
Plant and equipment	258,849	35,846	-	294,695	79,338	21,717	-	101,055	193,640
Cargo handling equipment	4,201	-	-	4,201	2,288	276	-	2,564	1,637
Marine radio equipment	8,500	199	-	8,699	7,759	157	-	7,916	783
Mooring buoys and ancillary equipment	42,322	-	-	42,322	25,864	1,105	-	26,969	15,353
Motor vehicles and fire-fighting equipment	100,784	-	(1,600)	99,184	57,421	9,853	(800)	66,474	32,710
Electrical installation	51,626	-	-	51,626	42,757	2,891	-	45,648	5,978
Computer and security equipment	98,714	52,021	-	150,735	88,620	12,612	-	101,232	49,503
	15,385,745	114,451	(51,120)	15,449,076	4,007,462	547,635	(33,813)	4,521,284	10,927,792
Land and buildings									
Land	621,600	-	-	621,600	-	-	-	-	621,600
Buildings	710,217	762,914	-	1,473,131	251,816	67,326	-	319,142	1,153,989
	1,331,817	762,914	-	2,094,731	251,816	67,326	-	319,142	1,775,589
Total	16,717,562	877,365	(51,120)	17,543,807	4,259,277	614,962	(33,813)	4,840,426	12,703,381

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

12. Infrastructure, plant and equipment, land and buildings (Contd)

	COST/VALUATION					ACCUMULATED DEPRECIATION				NET BOOK VALUE
	At 01 July 2021	Additions	Disposals	Reclassification	At 30 June 2022	At 01 July 2021	Charge for the year	Disposals adjustments	At 30 June 2022	30 June 2022
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Infrastructure, plant and equipment										
Infrastructure	930,855	15,263	-	7,608	953,726	301,190	108,988	-	410,178	543,548
Navigational aids	85,403	1,794	-	-	87,197	11,591	2,604	-	14,195	73,002
Tugs and floating crafts	1,058,427	44,256	-	-	1,102,683	387,786	65,968	-	453,754	648,929
Quays	12,635,368	-	-	-	12,635,368	2,421,695	364,134	-	2,785,829	9,849,539
Furniture and equipment	40,961	814	-	-	41,775	36,563	2,896	-	39,459	2,316
Plant and equipment	255,886	2,963	-	-	258,849	59,837	19,501	-	79,338	179,512
Cargo handling equipment	4,201	-	-	-	4,201	2,014	274	-	2,288	1,913
Marine radio equipment	8,500	-	-	-	8,500	7,622	137	-	7,759	741
Mooring buoys and ancillary equipment	42,322	-	-	-	42,322	24,759	1,105	-	25,864	16,458
Motor vehicles and fire-fighting equipment	88,317	16,738	(4,271)	-	100,784	48,255	10,434	(1,268)	57,421	43,363
Electrical installation	51,626	-	-	-	51,626	39,866	2,891	-	42,757	8,869
Computer and security equipment	96,796	1,918	-	-	98,714	85,404	3,216	-	88,620	10,094
	15,298,662	83,746	(4,271)	7,608	15,385,745	3,426,581	582,148	(1,268)	4,007,462	11,378,284
Land and buildings										
Land	621,600	-	-	-	621,600	-	-	-	-	621,600
Buildings	716,076	1,749	-	(7,608)	710,217	213,802	38,014	-	251,816	458,402
	1,337,676	1,749	-	(7,608)	1,331,817	213,802	38,014	-	251,816	1,080,002
Total	16,636,338	85,495	(4,271)	-	16,717,562	3,640,383	620,162	(1,268)	4,259,277	12,458,286

12. Infrastructure, plant and equipment, land and buildings (Contd)

If the following assets were stated on historical cost basis, the amount would be as follows:

At 30 June 2023	Cost Rs'000	Accumulated depreciation Rs'000	Net book values Rs'000
Buildings & Infrastructure	1,812,632	1,020,686	791,946
Navigation aids	26,442	21,866	4,576
Tugs and floating crafts	943,753	513,522	430,231
Quays	9,702,111	3,653,951	6,048,160
Motor vehicles and fire-fighting equipment	88,132	73,590	14,542
Mooring buoys & other equipment	29,742	19,824	9,918
	12,602,812	5,303,439	7,299,373

At 30 June 2022	Cost Rs'000	Accumulated depreciation Rs'000	Net book values Rs'000
Buildings & Infrastructure	1,047,331	979,922	67,409
Navigation aids	26,442	21,176	5,266
Tugs and floating crafts	1,031,294	568,500	462,794
Quays	9,702,111	3,277,607	6,424,504
Motor vehicles and fire-fighting equipment	88,132	64,454	23,678
Mooring buoys & other equipment	18,471	18,471	-
	11,913,781	4,930,130	6,983,651

13. Investment properties

(a) Fair value model – Land

	2023 Rs'000	2022 Rs'000
At 01 July and 30 June	9,482,072	9,482,072

(b) The Authority has at 30 June 2017 recognised land to the extent of 236 hectares (ha) at its fair value in its financial statements. In the financial year ended 30 June 2018, the Authority has recognised additional land to the extent of 15.8 ha, thus totalling 251.8 ha. The valuation has been based on the fair value of Rs. 30 million per ha estimated by an external valuer - Property & Asset Valuation Ltd, Chartered Valuation Surveyors. The fair value of land was determined on a open-market basis by reference to market evidence of transaction prices of similar properties at 31 December 2014.

13. Investment properties (Contd)

(c) The accounting policy of the Authority is to fair value its investment properties by external independent valuers once every 5 years or more frequently if market factors indicate a material change in fair value. The last revaluation was carried out in 2020.

(d) Rental income from investment properties amounted to Rs. 244.326 million (2022: Rs. 207.897 million). No operating expenses were incurred towards the investment properties during the reporting year.

14. Assets under construction

(a) Assets under construction relate to capital expenditure on incompleted projects of the Authority and their associated retention monies. Included therein are the following projects:

	2023 Rs'000	2022 Rs'000
Construction of a Cruise Terminal Building	**-**	513,995
Remedial Works to mechanical & electrical installation - Oil Jetty	**83,588**	83,588
Retention monies	**4,128**	22,118
Installation of new Port Louis Vessel Traffic System	**-**	41,623
Breakwater Structures at Fort William	**16,385**	16,385
Oracle ERP & Associated Systems	**5,465**	-
Installation of CCTV System	**18,062**	-
Installation of San Storage	**2,867**	-
Upgrading of ex-Mauritrans & Development of Parking Facilities	**8,932**	-
	139,427	677,709

(b) The movement in assets under construction during the year is as follows:

	2023 Rs'000	2022 Rs'000
At 01 July	**677,709**	455,211
Additions during the year	**269,131**	238,325
Transfer to property, plant and equipment (Note 14 (b)(i))	**(807,413)**	(15,827)
At 30 June	**139,427**	677,709

(i) The costs of projects completed during the year are transferred and shown as additions during the year under infrastructure, plant and equipment.

15. Available-for-sale financial assets

(a) The Authority's investment in financial assets are classified as available-for-sale and include equity securities.

	2023 Rs'000	2022 Rs'000
At fair value		
Listed	**57,267**	65,272
Development & Enterprise Market	**100,699**	153,852
Unquoted	**460,875**	452,331
Total available-for-sale financial assets	**618,841**	671,465

With the exemption of one quoted entity which is denominated in United States Dollar, all other available-for-sale financial assets are denominated in Mauritian rupees.

(b) The movements in available-for-sale financial assets may be summarised as follows:

	2023 Rs'000	2022 Rs'000
At 01 July	**671,465**	637,079
Additions during the year	**215**	-
Net change in fair value	**(52,839)**	34,386
At 30 June	**618,841**	671,465

The Authority has more than 20% interest in the following entity which is unquoted at the reporting date.

Froid des Mascareignes Limited

The Authority holds 30% of the share capital of Froid des Mascareignes Limited. Seafood Hub Ltd holds the majority of the share capital of the company and has control over its operating and financial policies. Given that the core activities of the Authority are different from those of Froid des Mascareignes Limited, the Authority does not exercise significant influence over the operating and financial policies of the company.

Thus, the investment in Froid des Mascareignes Limited has been treated as investment in available-for-sale financial assets and accounted for under IPSAS 29: *Financial Instruments: Recognition and Measurement.*

16. Trade and other payables

	2023 Rs'000	2022 Rs'000
Accrued expenses	**144,016**	184,704
Deposits received	**478**	802
Rent billed in advance	**28,047**	36,144
Other payables	**3,819**	2,134
Retention monies (Note 16(i))	**81,046**	24,419
Dividend payable (Note 33)	**150,000**	-
	407,406	248,203

(i) Retention monies for the year ended 30 June 2023 represent amounts retained by the Authority on the construction contracts awarded to System Building Contracting Ltd - Oil Jetty project and CRBC for Cruise Terminal Building project.

Retention monies are recognised based on the retention percentage stipulated in the contracts and the amounts certified by the Authority's engineering department.

(ii) The carrying amounts of trade and other payables approximate their fair values.

17. Borrowings

	2023 Rs'000	2022 Rs'000
Non-current		
Loan - Agence Française de Développement	**108,756**	326,151
Current		
Loan - Agence Française de Développement	**220,371**	221,733
Total borrowings	**329,127**	547,884

(a) Agence Francaise de Développement ("AFD")

Loan of USD 42.5 million was obtained by the Authority from Agence Française de Développement for the extension of Mauritius Container Terminal, dredging and other associated works. Amounts of USD 5 million and USD 14.1 million were disbursed in the year 2013 and 2014 respectively and the balance of USD 23.4 million was received during the year ended 31 December 2015. The loan bears interest at the rates of 3.22% per annum and 3.59% per annum and is repayable in equal half yearly instalments over a period of 9 years. The project was completed in the financial year 2017/2018. At 30 June 2023, interest of Rs. 17.83 million has been recognised in the statement of financial performance (2022: Rs. 25.60 million). The loan is secured and guaranteed by the Government of Mauritius.

17. Borrowings (Contd)

(b) The exposure of the Authority's borrowings to interest rate changes and the contractual repricing dates are as follows:

	6 months or less Rs'000	6 – 12 months Rs'000	1 – 2 years Rs'000	3 – 5 years Rs'000	Total Rs'000
At 30 June 2023	**110,185**	**110,185**	**108,756**	**-**	**329,127**
At 30 June 2022	110,866	110,867	221,734	104,417	547,884

(c) Non-current borrowings can be analysed as follows:

	2023 Rs'000	2022 Rs'000
After one year and before two years	**108,756**	221,734
After two years and before five years	**-**	104,417
Total	**108,756**	326,151

(d) The carrying amounts of borrowings are not materially different from their fair values.

(e) The carrying amounts of the Authority's borrowings are denominated in United States Dollar ("USD").

18. Provisions for other liabilities

	2023		
	Passage benefits Rs'000	Sick leaves Rs'000	Total Rs'000
At 01 July	**35,427**	**53,026**	**88,453**
Paid during the year	**(15,178)**	**(14,973)**	**(30,151)**
Charge to statement of financial performance	**11,379**	**18,640**	**30,019**
At 30 June	**31,628**	**56,693**	**88,321**

	2022		
	Passage benefits Rs'000	Sick leaves Rs'000	Total Rs'000
At 01 July	31,834	57,549	89,383
Paid during the year	(10,345)	(19,113)	(29,458)
Charge to statement of financial performance	13,938	14,590	28,528
At 30 June	35,427	53,026	88,453

19. Retirement benefit obligations

	2023 Rs'000	2022 Rs'000
Pension benefits		
Amount recognised in the statement of financial position as non-current liabilities	**1,730,681**	1,405,497
Amount charged to surplus	**90,252**	88,157
Amount charged to other comprehensive income	**(264,228)**	34,826

(i) The Authority contributes to a defined benefit pension plan. The plan is a final salary plan, which provides benefits to the employees in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on employees' length of service and their salary in the final year leading up to retirement.

(ii) The assets of the fund are held independently and administered by the State Insurance Company of Mauritius Ltd ("SICOM").

(iii) The amounts recognised in the statement of financial position are as follows:

	2023 Rs'000	2022 Rs'000
Present value of funded obligations	**2,268,055**	2,070,713
Fair value of plan assets	**(537,374)**	(665,216)
Liability in the statement of financial position	**1,730,681**	1,405,497

(iv) The movements in the statement of financial position are as follows:

	2023 Rs'000	2022 Rs'000
At 01 July	**1,405,497**	1,376,732
Total expenses charged in the statement of financial performance	**90,252**	88,157
Other comprehensive income charge	**264,228**	(34,826)
Contributions paid	**(29,296)**	(24,566)
At 30 June	**1,730,681**	1,405,497

(v) The movement in the defined benefit obligations during the year is as follows:

	2023 Rs'000	2022 Rs'000
At 01 July	**2,070,713**	2,161,248
Current service cost	**27,640**	30,254
Interest cost	**102,500**	100,498
Benefits paid	**(184,581)**	(154,671)
Liability (gain)/loss	**251,783**	(66,616)
At 30 June	**2,268,055**	2,070,713

19. Retirement benefit obligations (Contd)

(vi) The movement in the fair value of plan assets during the year is as follows:

	2023 Rs'000	2022 Rs'000
At 01 July	**665,216**	784,517
Expected return on plan assets	**29,346**	33,662
Actuarial loss	**(12,445)**	(31,790)
Employer contributions	**29,296**	24,566
Employee contributions	**11,350**	9,528
Benefits paid	**(185,389)**	(155,267)
At 30 June	**537,374**	665,216

(vii) The amounts recognised in the statement of financial performance are as follows:

	2023 Rs'000	2022 Rs'000
Current service cost	**27,640**	30,254
Employee contributions	**(11,351)**	(9,528)
Fund expenses	**808**	596
Net interest expense	**73,155**	66,835
Total included in employee benefit expenses	**90,252**	88,157

(viii) The amounts recognised in other comprehensive income are as follows:

	2023 Rs'000	2022 Rs'000
Liability (gain)/loss	**(251,783)**	66,616
Asset loss	**(12,445)**	(31,790)
	(264,228)	34,826

(ix) The principal assumptions used for the purpose of the actuarial valuation were as follows:

	2023 %	2022 %
Discount rate	**5.8**	4.9
Future salary increases	**4.0**	3.5
Future pension increases	**3.5**	2.5

19. **Retirement benefit obligations (Contd)**

Sensitivity Analysis:

Based on the sensitivity analysis carried out for the year ended 30 June 2023, that pension plan is exposed to changes in the actuarial assumptions as follows as at reporting date:

- **Change in Discount Rate:**
If the discount rate would be 100 basis points higher/(lower), the defined obligation would decrease by Rs. 229.5 million (increase by Rs. 302.1 million), if all other assumptions were held unchanged;

- **Change in salary increase:**
If the expected salary growth would increase/(decrease) by 100 basis point, the defined obligation would increase by Rs. 80.4 million (decrease by Rs. 70.9 million), if all assumptions were held unchanged;

- **Change in life expectancy:**
If life expectancy would increase/(decrease) by one year, the defined benefit obligation would increase by Rs. 74.3 million (decrease by Rs. 73.8 million), if all assumptions were held unchanged.

(x) The assets in the plan and the expected rate of return were:

	2023		2022	
	Rs'000	%	Rs'000	%
Fixed interest securities and cash	**289,644**	**53.9**	385,825	58.0
Loans	**15,046**	**2.8**	19,291	2.9
Local equities	**75,233**	**14.0**	90,469	13.6
Overseas bonds and equities	**154,764**	**28.8**	166,304	25.0
Property	**2,687**	**0.5**	3,327	0.5
	537,374	**100.0**	665,216	100.0

(xi) The assets of the plan are invested mainly in government securities, equities and overseas bonds. The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the end of the reporting date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

(xii) The defined benefit pension plan exposes the Authority to actuarial risks such as interest rate risk, investment risk, longevity risk and salary risk.

(xiii) The Authority expects to pay Rs. 29.2 million in contribution to its post-employment benefit plans for the year ended 30 June 2023.

(xiv) The weighted average duration of the defined obligation is 12 years at the end of the reporting date.

20. Capital grant

Capital grant of USD 3.8 million equivalent to Rs. 115.6 million was received from EU-Africa Infrastructure Trust Fund for the project of extension and strengthening of the Mauritius Container Terminal. The project was completed and capitalised under "Infrastructure, plant and equipment" during the year ended 30 June 2018 with an expected life of 25 years. Therefore, 4% of the grant representing Rs. 4.623 million has been credited to the statement of financial performance under "Other non-operating revenue" during the year.

Furthermore, an amount of Rs 79.6 million was received from Government of Mauritius as refund of VAT element for project - Construction of Cruise Terminal Building at Les Salines. The project was completed and capitalised under Land and building. Therefore, 4% of the grant representing Rs 3.18 million has been credited to the statement of financial performance under "Other non-operating revenue" during the year.

As at 30 June 2023, the amount of capital grant stood at Rs. 164.253 million (2022: Rs. 92.452 million).

21. Reserves

	Capital Reserve Rs'000	Reserve Fund Rs'000	Revaluation Surplus Rs'000	Investment Fair Value Reserve Rs'000	Accumulated Surplus Rs'000	Total Rs'000
At 01 July 2022	12,200,880	2,135,084	7,438,964	431,494	45,175	22,251,597
Release on disposal of infrastructure, plant and equipment	-	-	(72,240)	-	72,240	-
Dividends (Note 33)	-	(150,000)	-	-	(150,000)	(300,000)
Transactions with shareholder	-	(150,000)	-	-	(150,000)	(300,000)
Surplus for the year	-	-	-	-	432,110	432,110
Other comprehensive income:						
Actuarial losses recognised	-	(264,228)	-	-	-	(264,228)
Decrease in fair value of available-for-sale financial assets	-	-	-	(52,839)	-	(52,839)
	-	(264,228)	-	(52,839)	432,110	115,043
Transfer from accumulated surplus to reserve fund	-	350,000	-	-	(350,000)	-
At 30 June 2023	12,200,880	2,070,856	7,366,724	378,655	49,525	22,066,640

21. Reserves (Contd)

	Capital Reserve Rs'000	Reserve Fund Rs'000	Revaluation Surplus Rs'000	Investment Fair Value Reserve Rs'000	Accumulated Surplus Rs'000	Total Rs'000
At 01 July 2021	12,200,880	4,808,258	7,443,728	397,108	18,520	24,868,494
Release on disposal of infrastructure, plant and equipment	-	-	(4,764)	-	4,764	-
Dividends (Note 33)		(3,000,000)	-	-	-	(3,000,000)
Transaction with shareholder	-	(3,000,000)	-	-	-	(3,000,000)
Surplus for the year	-	-	-	-	313,891	313,891
Other comprehensive income:						
Actuarial gains recognised	-	34,826	-	-	-	34,826
Increase in fair value of available-for-sale financial assets	-	-	-	34,386	-	34,386
	-	34,826	-	34,386	313,891	383,103
Transfer from accumulated surplus to reserve fund	-	292,000	-	-	(292,000)	-
At 30 June 2022	**12,200,880**	**2,135,084**	**7,438,964**	**431,494**	**45,175**	**22,251,597**

(a) Capital reserve

Capital reserve comprise the initial fair value of investment properties held to earn rentals. Thus, any increase/decrease in the fair value of the investment properties are accounted in capital reserve in these financial statements.

(b) Reserve fund

	2023 Rs'000	2022 Rs'000
Port Development Reserve	**1,035,428**	1,067,542
General Reserve	**621,257**	640,525
Insurance Reserve	**414,171**	427,017
	2,070,856	2,135,084

21. Reserves (Contd)

As per Clause 16(3) of the Ports Act 1998, the net surplus of the Authority shall be applied for the creation of a general reserve, specific reserves or the payment of dividends as the Authority may think fit and as the financial situation of the Authority will permit.

(c) Revaluation surplus

Revaluation surplus represents surplus arising on periodic revaluation of certain Infrastructure, plant and equipment, land and buildings.

(d) Investment fair value reserve

Investment fair value reserve represents the net surplus of fair value of investments over their costs.

22. Vessel dues

	2023 Rs'000	2022 Rs'000
Tug services	**311,250**	261,823
Net anchorage fees	**224,404**	193,631
Pilotage	**75,013**	60,098
Port dues	**98,024**	64,898
Miscellaneous fees	**30,021**	29,653
Net removal of garbage fees	**4,186**	4,346
Net seamen's welfare dues	**839**	162
	743,737	614,611

23. Traffic dues

	2023 Rs'000	2022 Rs'000
Bulk cargo/pipeline dues	**219,337**	217,760
Quay fees	**49,772**	34,577
Miscellaneous	**5,875**	11,115
	274,984	263,452

24. Container dues

	2023 Rs'000	2022 Rs'000
Quay Fees - Import	**312,471**	283,817
Quay Fees - Export	**77,115**	66,372
Transhipment	**97,632**	90,512
Repositioning of containers	**3,299**	3,752
	490,517	444,453

25. Investment income

	2023 Rs'000	2022 Rs'000
Investment income represents income from:		
Quoted investments	**5,577**	6,332
Unquoted investments	**20,504**	18,097
	26,081	24,429

26. Finance income

	2023 Rs'000	2022 Rs'000
Interest on:		
Fixed deposits	**34,573**	27,263
Advances to employees	**925**	1,142
Loans receivable	**984**	1,901
	36,482	30,306

27. Rental income

	2023 Rs'000	2022 Rs'000
Properties held to earn rentals	**244,326**	207,897

Rental income is derived from the lease of land in the Port Area. Under the Ports Act 1998, all land within a port shall vest and be deemed to be the property of the Authority. MPA has recognised the land at their fair values in the financial statements with effect from 01 January 2014.

28. Other non-operating income

	2023 Rs'000	2022 Rs'000
Insurance claims received	**7,153**	1,033
Pension contribution refunded by Cargo Handling Corporation Limited	**764**	590
Others	**311**	1,716
Release of capital grant (Note 20)	**7,807**	4,623
	16,035	7,962

29. Employee benefit expenses

	2023 Rs'000	2022 Rs'000
Salaries, wages and allowances	**493,906**	512,448
Pension costs - defined benefit plans (Note 19)	**90,252**	88,157
Social security costs	**21,498**	21,994
	605,656	622,599

30. Administrative Expenses

	2023 Rs'000	2022 Rs'000
Professional and legal fees	**15,377**	19,805
General overheads	**5,151**	3,449
Telephone and postage expenses	**2,821**	2,778
Insurance	**6,345**	5,524
Overseas travelling	**1,536**	1,793
Office supplies	**6,407**	7,276
Subscription fees	**1,558**	1,452
Employee welfare expenses	**10,342**	686
Board member fees	**1,951**	1,368
Provision for bad debts	**1,765**	-
Training	**13,861**	3,810
Other expenses	**5,944**	5,558
	73,058	53,499

31. Surplus for the year

	2023 Rs'000	2022 Rs'000
Surplus for the year is arrived at after charging:		
Depreciation and amortisation	**616,088**	621,289
Employee benefit expenses (Note 29)	**605,656**	622,599
Administrative expenses	**73,058**	53,499
Sundry operating expenses	**27,738**	27,463
Running and repairs of equipment expenses	**217,226**	128,391
Loss on disposal of infrastructure, plant and equipment	**8,541**	464
	1,548,307	1,453,705

32. Other comprehensive income

30 June 2023	Investment fair value Rs'000	Reserve fund Rs'000
Decrease in fair value of available-for-sale financial assets (Note 15(b))	**(52,839)**	-
Actuarial losses recognised (Note 19 (viii))	**-**	(264,228)
	(52,839)	(264,228)

30 June 2022	Investment fair value Rs'000	Reserve fund Rs'000
Increase in fair value of available-for-sale financial assets (Note 15(b))	**34,386**	-
Actuarial gains recognised (Note 19 (viii))	**-**	34,826
	34,386	34,826

33. Dividends

	2023 Rs'000	2022 Rs'000
Dividend declared and paid during the year	**150,000**	3,000,000
Dividend declared and payable at reporting date (Note 33(i))	**150,000**	-
Total	**300,000**	3,000,000

(i) During the year under review, pursuant to 20 June 2023, the Authority declared an additional dividend of Rs 150,000,000. The dividend is yet to be paid as at reporting date.

34. Notes to statement of cash flows

	2023 Rs'000	2022 Rs'000
Cash from operations		
Surplus for the year	**432,110**	313,891
Adjustments for:		
Finance costs	**17,828**	25,600
Depreciation and amortisation	**616,088**	621,289
Investment income	**(26,081)**	(24,429)
Interest income	**(36,482)**	(30,306)
Capital grant	**(7,807)**	(4,623)
Loss on disposal of infrastructure, plant and equipment	**8,541**	464
Increase in provision for retirement benefit obligations	**60,956**	63,591
Net foreign exchange impact	**3,017**	26,691
Non-cash item (15(b))	**(215)**	-
	1,067,955	995,168
Changes in working capital:		
Inventories	**(1,269)**	4,098
Trade and other receivables	**13,873**	(26,928)
Trade and other payables and provision for other liabilities	**9,071**	68,121
Cash from operations	**1,089,630**	1,040,459

35. Related party transactions

	Sales of services Rs'000	Finance income Rs'000	Repayment of loans receivable Rs'000	Investment in shares Rs'000	Loans receivable Rs'000	Amount owned by related party Rs'000
Transactions - 2023						
Cargo Handling Corporation Limited	**155,750**	**710**	**34,884**	**-**	**-**	**26,238**
Transactions - 2022						
Cargo Handling Corporation Limited	155,750	1,690	32,602	-	35,232	13,890

Key management personnel compensation

	2023 Rs'000	2022 Rs'000
Salaries and short-term employee benefits	**10,461**	18,009
Post-employment benefits	**1,286**	1,033
	11,747	19,042

35. Related party transactions

Loan receivable from Cargo Handling Corporation Limited represents advance for the purchase of cargo handling equipment (rail mounted quay cranes). The loan was fully refunded during the year under review.

The Authority has a concession agreement with Cargo Handling Corporation Limited for an amount of USD 462,717 per month at a capped exchange rate of Rs. 28.05 per USD for the year ended 30 June 2023. The total amount of concession fee recognised during the year has been to the order of Rs. 155.750 million (2022: Rs. 155.750 million).

36. Future capital expenditure

The Board has approved capital expenditure for an aggregate amount of Rs. 3.5 billion for the next five years for new projects and those which are in progress. The main capital projects are:

- Procurement of Tugs & Floating Craft;
- Major overhauling works on tugs;
- Implementation of a new CCTV System in Port Area;
- Rehabilitation of road infrastructure in the Port Area; and
- Grid connected rooftop solar photo voltaic system.

37. Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	2023 Rs'000	2022 Rs'000
Infrastructure, Plant and Equipment	**105,773**	372,176

38. Contingencies

No provision has been made for any liability that may arise for damages through negligence, if any.

Legal claims

A lessee, Beta Cement Ltd, has commenced an action against the Authority on the ground that there has been breach of contract for failing to sign the deed for the grant of an industrial lease. The estimated pay-out is Rs. 417.352 million, should the action be successful. The plaint has been lodged before the Supreme Court of Mauritius on 09 September 2015. At this stage, it is not practicable to state the timing of the payment, if any.

The Authority has been advised by the legal counsel, the State Law Office that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been recognised in these financial statements.

Except for Pension Plans, no provision has been made in these financial statements for any liability that may arise under the Worker's Rights Act 2019.

As at the date of our report, we are not aware of any other potential claims entered against Mauritius Ports Authority which should be disclosed as contingent liabilities.

39. Operating lease arrangements

The Authority as lessor

	2023 Rs'000	2022 Rs'000
Rental income earned from leased properties	**244,326**	207,897

Operating lease contracts contain market review clause:

The lessees do not have an option to purchase the property at the expiry of the lease period.

40. Budgetary and classification basis

The estimates are based on certain assumptions such as past trends in cargo, container, vessel traffic, exchange rates, operating requirement of the Authority and future port development projects. The budgets are prepared on an accrual basis. In the approved budget, items are classified on the same basis as is adopted in the Financial Statements by economic nature.

41. Other risks faced by the Authority

Legal risk

Legal risk is the risk that the business activities of the Authority have unintended or unexpected legal consequences.

It includes risk arising from:

- Inadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty and uncertainty about the validity or enforceability of a contract in counterparty insolvency;
- Actual or potential violations of laws or regulations (including activity unauthorised for the Authority and which may attract a civil or criminal fine or penalty);
- Failure to protect the Authority's property (including its intellectual property); and
- The possibility of civil claims (including acts or other events which may lead to litigation or other disputes).

The Authority identifies and manages legal risk through effective use of its internal and external legal advisers.

Business risk

Business risk is the risk associated with operations and marketing activities of the Authority. Such risks can be associated with demand variability, sales price variability, competitor threat, operational leverage, portfolio risk and product development risk to the extent that they are independent of market risk. Business risk can also arise from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud or unforeseen catastrophes will result in unexpected losses. Business risk is closely monitored.

Operational risk

Operational risk is the risk of direct or indirect losses arising from inadequate or failed internal processes, people and technology and from external events. Management of operational risk is closely monitored.

Environment and strategy risks

Environment and strategy risks arise when there are forces that could either put the Authority out of business or significantly change the fundamentals that drive the Authority's overall objectives and strategies.

Environment risk may arise from:

- failure to understand customers' needs;
- failure to anticipate or react to actions of competitors; and
- overdependence on vulnerable suppliers.

41. Other risks faced by the Authority (Contd)

Environment and strategy risks (Contd)

An assessment of the environment and strategy risks also included on:

- Changes in laws/regulations and actions by the local regulators can result in increased pressures and significantly affect the Authority's ability to efficiently and competitively conduct business.
- Risks which make the industry less attractive as a result of changes in:
  - Key factors for competitive success within the industry, including significant opportunities and threats;
  - Capabilities of existing and potential competitors; and
  - Authority's strengths and weaknesses relative to present and future competitors.

42. Fair value estimation

42.1 Fair value estimation of financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Authority is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as available-for-sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2 otherwise they are included in level 3.

The following table shows the Levels within the hierarchy of financial assets measured at fair value on a recurring basis at 30 June 2023 and 30 June 2022:

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
At 30 June 2023				
Available-for-sale financial assets	**157,966**	**41,302**	**419,573**	**618,841**
At 30 June 2022				
Available-for-sale financial assets	219,134	42,104	410,227	671,465

42. Fair value estimation (Contd)

42.1 Fair value estimation of financial instruments (Contd)

There were no transfers between the levels during the years ended 30 June 2023 and 30 June 2022.

The Authority has investments in both quoted and unquoted companies. The investments are measured at fair value based on their quoted prices or generally acceptable valuation techniques. Where the fair value could not be determined, the investments are measured at cost.

Level 3 fair value measurements

	2023 Rs'000	2022 Rs'000
At 01 July	**410,227**	378,138
Fair value gains for the year	**9,346**	32,089
At 30 June	**419,573**	410,227

42.2 Fair value estimation for non-financial instruments

The following table shows the levels within the hierarchy of non-financial assets measured at fair value:

30 June 2023	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Infrastructure, plant and equipment	-	-	**10,927,792**	**10,927,792**
Land and buildings	-	-	**1,775,589**	**1,775,589**
Investment properties	-	-	**9,482,072**	**9,482,072**

30 June 2022	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Infrastructure, plant and equipment	-	-	11,378,284	11,378,284
Land and buildings	-	-	1,080,002	1,080,002
Investment properties	-	-	9,482,072	9,482,072

The accounting policy of the Authority is to revalue the infrastructure, plant and equipment, land and buildings by external independent valuers once every 5 years or more frequently if market factors indicate a material change in fair value. The last valuation was carried out in 2020.

42. Fair value estimation (Contd)

42.2 Fair value estimation for non-financial instruments (Contd)

For any class of asset, the most appropriate method has been chosen, taking into consideration:

- The terms and purpose of the valuation;
- The nature of the asset being valued;
- The method used by participants in a market transaction; and
- The availability of basic data pertaining to the asset.

Where appropriate, a combination of approaches may be used to arrive at the most accurate estimation of a fair value.

The Depreciated Replacement Cost (DRC) is the most common valuation approach for specialised buildings and infrastructure assets. The methodology includes defining the asset component level, establishing the asset register, assessing the replacement costs and useful economic lives, determining the appropriate depreciation method and testing the assets for physical and functional impairment.

Land properties and non-specialised buildings have been assessed using an income capitalised approach and then apportioned using a market-based approach to assess the land component.

Most of the buildings owned by MPA are considered as specialised by virtue of their uniqueness in that the probability of them being sold in the open market as individual items is remote, although they may have some intrinsic market value in being located within a commercial area. These buildings have been assessed using depreciated replacement cost and adjustments made on account of their market potential.

For all the other infrastructure assets of MPA, the depreciated replacement cost approach has been used. The valuation basis used for each class of property, plant and equipment is elaborated below:

The values placed on the individual items of plant & machinery and equipment have been based on the principles of "Fair Value - Installed" as per International Valuation Standards methodology and have been determined by implementing standard appraisal procedures described herein before, taking into consideration the following:

- Recent available purchase price;
- Comparable data gathered in the form of price quotations for similar items from suppliers; and
- Discussions with local representatives and installation contractors.

43. Events after reporting date

There have been no significant events after the reporting date which require disclosures or amendments to the financial statements.

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