EMTEL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

EMTEL LIMITED AND ITS SUBSIDIARIES

ANNUAL REPORT
31 DECEMBER 2023

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CORPORATE INFORMATION

CHAIRMAN & NON-EXECUTIVE DIRECTOR
Mr. Bashirali A Currimjee
(Retired as Managing Director on 24th April 2024)

EXECUTIVE DIRECTORS
Mr. Krishnaduth Goomany, *appointed on 24th April 2024*
Mr. M. Sahoud Edoo, *appointed on 24th April 2024*

NON-EXECUTIVE DIRECTORS
Mr. Anil C Currimjee
Mr. Azim F Currimjee
Mr. M Iqbal Oozeer
Mr. Sarvjit Singh Dhillon
Mr. Mukesh H Bhavnani
Mr. Mazahir F E Adamjee, *retired on 31st December 2023*

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Peter J Lewis, *effective date of appointment: 31st May 2024*
Ms. Priscila Balgobin-Bhoyrul, *effective date of appointment: 31st May 2024*
Ms. Charlotte M V Govin, *effective date of appointment: 31st May 2024*
Ms. Shirin R Gunny, *effective date of appointment: 31st May 2024*

SECRETARY
Currimjee Secretaries Limited
38, Royal Street
Port Louis
REPUBLIC OF MAURITIUS

REGISTERED OFFICE
38, Royal Street
Port Louis
REPUBLIC OF MAURITIUS

PRINCIPAL PLACE OF BUSINESS
Emtel World
10 Cybercity, Ebène 72201
REPUBLIC OF MAURITIUS

EXTERNAL AUDITORS
PricewaterhouseCoopers
PWC Centre
Avenue de Telfair, Telfair,
80829, Moka
REPUBLIC OF MAURITIUS

MAIN BANKERS
Mauritius Commercial Bank Limited
Absa Bank (Mauritius) Limited
SBM Bank (Mauritius) Limited
AfrAsia Bank Limited

DIRECTORS' REPORT

The Board of Directors is pleased to present the Annual Report of Emtel Limited and its subsidiaries (the “Group”) for the year ended 31 December 2023.

Principal Activity

The principal activity of the Company is in the operation and provision of mobile telephony, fixed telephone, broadband and enterprise solutions to residential and corporate customers in the Republic of Mauritius, including Rodrigues & Agalega. The Company's subsidiaries are engaged in investment holding within the media sector, offering subsription television services via satellite and internet platforms, Fintech mobile payment applications, and operating data center hosting services.

Review of the Business

The year 2023 was an eventful one for the Group and the Company (“Emtel Group”). The Company has embarked on a new era of transformation and is witnessing a defining moment in the Company’s history, the media business is surviving the local challenges and pursing its growth strategy, the fintech business is expanding as expected and the hosting of satellite farm business has started its operations in August 2023.

The Company delivered an excellent performance in pursuit of its ambitious strategy to expand its 5G footprint over the island and strengthen its position on the market. The Company launched 5G technology in July 2022 and 78% of the population had 5G coverage at the end of the year 2023.

On the other hand, MC Vision Ltd has been heavily impacted by the depreciation of the local currency and is pursuing its business strategy to increase its subscriber base and is closely working with the media partners to source qualitative contents at affordable costs, review the business model and continue to be closer to all market segment requirements to deliver the best TV offer in the Mauritian market.

Emtel MFS Co Ltd and Emtel Technopolis Ltd are both startup operations and are pursuing their strategies well and are giving expected results.

The Group's turnover has increased by 2.2% to **Rs 4,491 million** (2022 – Rs 4,394 million) and the Company's turnover has increased by 5.7% to **Rs 3,425 million** (2022 - Rs 3,240 million) in the financial year ended 2023. The Group has registered a net profit after tax of **Rs 314 million** (2022 - Rs 510 million) and the Company **Rs 465 million** (against Rs 478 million in 2022) for the financial year ended 2023. The Company has not received any dividend income for year 2023 and 2022 from its subsidiary EmVision Ltd. The Directors have declared dividends of **Rs 546 million** (compared to Rs 532 million in 2022) for the year ended 31 December 2023.

The Group has invested **Rs 1,950 million** (2022 - Rs 1,713 million) and the Company **Rs 1,824 million** (2022 - Rs 1,479 million) in capital expenditure. The investment were mainly in (i) deployment of 5G technology equipment (ii) modernization of old equipment (iii) extension of the inland fibre and (iv) setting up of the satellite farm infrastructure.

The financial position of the Group and Company are as follows:

	THE GROUP		**THE COMPANY**	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Profit before tax	**453,156**	625,674	**622,723**	593,315
Current assets	**965,669**	1,424,576	**816,985**	1,212,245
Current liabilities	**3,826,600**	2,510,913	**3,436,628**	2,145,970
Net assets	**115,937**	304,200	**1,256,518**	1,338,369

DIRECTORS' REPORT (CONTINUED)

Review of the Business (Continued)

Management continued the “Living the Brand” philosophy which was started in 2021. This initiative is geared to improve employee engagement and enhance customer experience.

Outlook and prospects

The global geopolitical and economic outlook remains uncertain. However, the Mauritian economy has rallied, driven by the revival of tourism along with local spending, and is certainly poised for further growth in 2024.

The Company and Group will persue the strategies put in place since 2022 which has given positive results.

Financial Statements and auditor's report

The financial statements of the Company for the year ended 31 December 2023 are set out on pages 52 to 113. The auditor’s report on these financial statements is on pages 47 to 51.

Directors

The names of the Directors who held office as at the date of this report are set out on page 2.

Statement of Directors' Responsibilities in respect of the Financial Statements

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

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

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

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

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

DIRECTORS' REPORT (CONTINUED)

Auditors

The fees payable to the External auditors, for audit and other services were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Statutory audit services	**4,930**	3,136	**3,042**	2,028
Other services	**3,641**	2,382	**2,866**	1,600
TOTAL	**8,571**	5,518	**5,908**	3,628

The other services for the Group and Company for the year ended 31 December 2023 relate to tax consulting services, debt capital restructuring, the audit of financial information of MFS Trust and consultancy services for Mobile Financial Services.

The auditors, PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution proposing their re-appointment will be submitted to the Annual Meeting.

ACKNOWLEDGEMENT

On behalf of the Board, we wish to express our sincere appreciation and gratitude to Management and staff for their hard work, dedication, commitment and loyalty to the Company.

We also wish to thank our fellow members of the Board for their support and contribution.

Authorised for issue by the Board of Directors on 26th April 2024.

DocuSigned by:
Mr. Bashirali A Currimjee
6402F0E96A7E443...
DIRECTOR

DocuSigned by:
Mr. Anil C Currimjee
9134B8A4F3B14EA...
DIRECTOR

EMTEL LIMITED

CORPORATE GOVERNANCE REPORT 2023

Introduction

Emtel Limited ('Emtel' or 'the Company') is a public interest entity under the provisions of the Financial Reporting Act and the Board endorses the eight principles espoused by the National Code of Corporate Governance of Mauritius 2016 ('the Code'). The Company, incorporated on 3rd July 1987 as a private company, was converted into a public company on 24th April 2024.

Over the years, Emtel has directed investment flows to ensure it remains ahead of the technological curve by strengthening its infrastructure, technical expertise, distribution channels and customer relationships. The Company continues to leverage these assets to explore new areas of growth beyond traditional telecommunication services. Emtel has diversified into a range of business-to-business ("B2B") and business-to-consumer ("B2C") solutions and began servicing various customer segments (enterprises, home, smart cities), penetrated the Fintech space and built the foundations of a technology park that will serve as a springboard for future innovation and Research and Development. Underpinned by its diversified and innovative business model, Emtel is accelerating its transformation into a leading ICT solutions and service provider in the market, to the benefit of the Mauritian economy and society.

Entrenched by a culture of compliance and governance, Emtel has adopted a new Constitution on 24th April 2024 and has carried out a comprehensive review of the composition of its Board of Directors with the appointments of Messrs Krishnaduth Goomany and M. Sahoud Edoo as Executive Directors of Emtel effective 24th April 2024 and the appointments of Mmes Priscila Balgobin-Bhoyrul, Charlotte M. V. Govin and Shirin R. Gunny and Mr Peter J. Lewis as Independent Directors of Emtel, effective on 31st May 2024. Following this review, the Board of Directors of Emtel satisfies the statutory requirements.

Led by an established Senior Management team with over 25 years of deep industry expertise on average and driven by the Company's five core values, namely Integrity, Foresight, Responsibility, Passion and Openness, the Board remain committed to uphold an effective corporate governance framework across the Company and to safeguard the interests of its stakeholders.

After a transformational journey at the helm of Emtel, Mr Bashirali A Currimjee has retired as Managing Director of Emtel in April 2024. We extend our gratitude and deepest appreciation to Mr Bashirali for his unwavering 37-year dedication and service to Emtel as Managing Director which was marked by his wisdom, wealth of experience, arduous ethic and discipline and has been the substance to the invaluable growth of the Company. Mr Bashirali will continue to serve the Company as the Chairman of the Board of Directors.

We are also bidding farewell to Mr Mazahir F. E. Adamjee who has been a Non-Executive Director at Emtel since 2016 and has retired on 31st December 2023. We extend our gratitude for his contributions and insights also as member of the Audit & Risk Committee of Emtel. The Board expresses his warmest thanks to Mr Mazahir for his commitment and dedication to the Company.

EMTEL LIMITED

CORPORATE GOVERNANCE REPORT 2023

Introduction (Continued)

This Report sets out how Emtel undertakes to achieve governance excellence and upheld the key corporate governance practices in accordance with the Code. All material information on the Company and its governance framework, as recommended to be disclosed on the website as per the Code, is available to shareholders and stakeholders through the Annual Report & Financial Statements filed at the Registrar of Companies. The Company is constructing a new website which will be launched during the year.

1: Governance Structure

Statement of Accountabilities

The Company is led by a committed and unitary Board which assumes the responsibility for leading and controlling the organisation and ensuring that all legal and regulatory requirements are met.

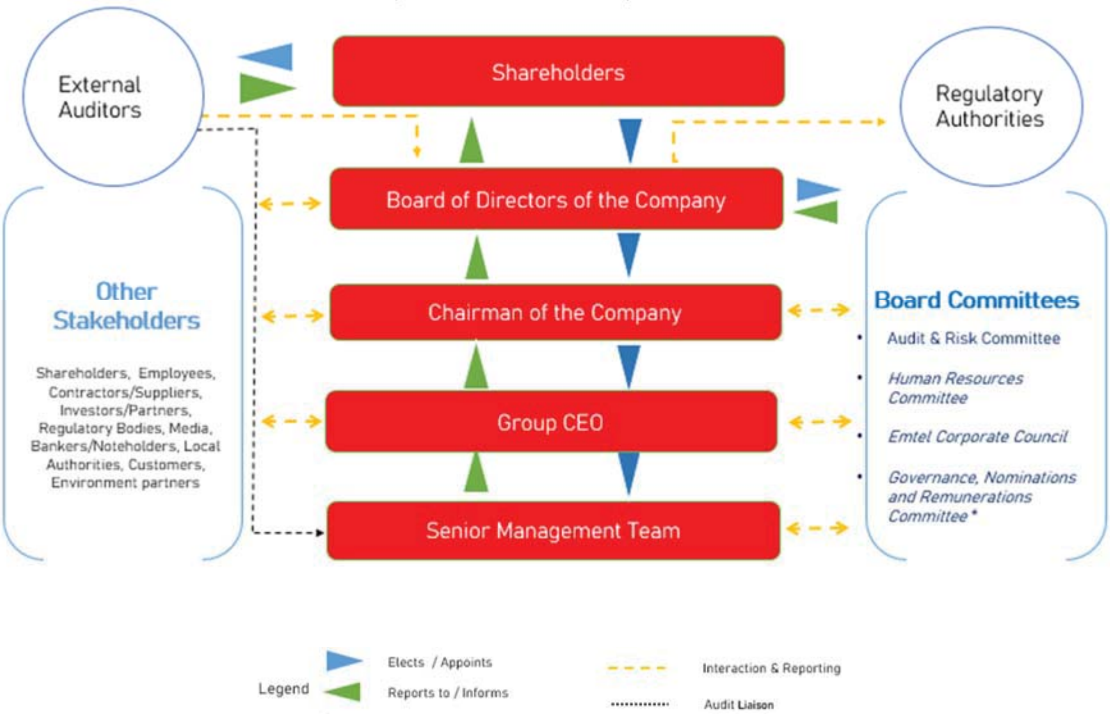
The Board is guided by the provisions of the Company's constitutive documents including the Company's Constitution, adopted on 24th April 2024 and prevailing legislation, rules and regulations such as the Companies Act 2001, the Financial Reporting Act 2004 and the Code.

A Board Charter, including the position statements of the key senior governance positions, setting out the objectives, roles and responsibilities and composition of the Board of Directors is being formulated and will be adopted during the year 2024.

The Company has adopted an Equal Opportunity policy and a Diversity and Inclusion policy which advocate for gender parity at all levels within the Company.

In line with the Code, the Board has:

- Adopted a Code of Conduct and a Whistleblowing Policy;
- established a Delegation of Authority Framework, defining the decision-making authority and financial limits (where relevant) for the Board, the Emtel Corporate Council and the Company's Group Chief Executive Officer; and
- Approved a Governance Framework (as illustrated below).



EMTEL LIMITED

CORPORATE GOVERNANCE REPORT 2023

1: Governance Structure (Continued)

Key Senior Governance Positions and Responsibilities

The Board operates under the Chairmanship of Mr. Bashirali A Currimjee.

Mr. Krishnaduth Goomany was appointed as Group Chief Executive Officer in January 2021 and Mr. Bashirali A Currimjee has an advisory role to the Group Chief Executive Officer and he supports and oversees the latter's functions.

The job descriptions of the Chairman, the Group Chief Executive Officer and the Company Secretary have not been confined within written position statements. Their key duties and responsibilities are set out below:

Chairman

The Chairman is responsible for leading the Board and facilitating the effective and constructive contribution of Directors and encouraging their active engagement to ensure the effectiveness of the Board in all aspects of its role. His main responsibilities include:

- Setting the Board agenda and ensuring that adequate time is granted to discuss all agenda items particularly strategic issues;
- Ensuring that the Directors receive complete and adequate information in a timely manner;
- Ensuring effective communication with Shareholders;
- Encouraging constructive relations within the Board and between the Board and Management;
- Facilitating the effective contribution of the Directors; and
- Promoting high standards of Corporate Governance.

The Chairman has an advisory role to the Chief Executive Officer and he supports and oversees the

1: Governance Structure (Continued)

Key Senior Governance Positions and Responsibilities (Continued)

Group Chief Executive Officer

The role and responsibilities of the Group Chief Executive Officer are centered towards the overall management of the Company's and its subsidiaries operations, its include:

- Dissemination of the Company's values and ensuring that they are lived by all employees;
- Formulating and assisting the Board to establish the Company's long term strategic direction, strategic plan and risk profile for approval;
- Implementing, administering and achieving the Company's objectives, goals, plans and budgets;
- Developing the Company's Strategic Plan, Annual Operating Plan, Capital Budget, Operating Budget, Long Term Budget and Project Specific budget for approval by the Board;
- Managing resources efficiently and effectively in the best interest of the Company;
- Approving the delegation and limits of authority of all direct reportees and supervise, guide and mentor all direct reportees and other employees;
- Ensuring that an appropriate, sound and effective prudent compliant risk management and compliance framework and supporting policies and controls are in place and observed to safeguard the Company's and stakeholders' interests and that these are regularly reviewed.

Company Secretary

The Company Secretary is responsible for:

- Ensuring that the Company complies with its Constitution, all relevant statutory and regulatory requirements and rules established by the Board;
- Providing the Board as a whole and the Directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Company;
- Developing the agenda of the Board and Board Committee meetings in consultation with the Chairman;
- Circulating agendas and any supporting papers in a timely manner;
- Taking minutes of meetings and circulating the draft minutes to all concerned parties;
- Ensuring that the procedure for the appointment of Directors is properly carried out; and
- Assisting in the proper induction of Directors, including assessing the specific training needs of Directors / executive Management.

1: Governance Structure (Continued)

Board of Directors' Profiles

The profiles of the Directors as at date of the Report are set out below. Details of their other directorships are available at the Company's registry.

Mr. Bashirali A Currimjee, G.O.S.K. – Mauritian Citizen & Resident – Chairman & Non-Executive Director

Committee Membership: Chairman of HR Committee & Emtel Corporate Council.

Qualifications:

- B.A. Arts, Major in Economics and Government, Tufts University, USA.
- OPM, Harvard Business School, USA.

Experience:

- Managing Director of Emtel Limited from 1987 – April 2024.
- Currently Director of Currimjee Jeewanjee and Company Limited and Chairman of MC Vision Ltd.
- Former Chairman in various companies within the Currimjee Group.
- Former President of Mauritius Chamber of Commerce and Industry, Association of Mauritian Manufacturers and Joint Economic Council (now Business Mauritius).
- Former Director of the Bank of Mauritius.
- Former Director of SBM Bank (Mauritius) Ltd.
- Honorary Consul General of the Republic of Turkey in Mauritius from 1985 to 2016.
- Held key executive positions within the Currimjee Group.

Directorship in listed and public companies: None.

Mr Anil C Currimjee – Mauritian Citizen & Resident - Non-Executive Director

Committee Membership: HR Committee and Emtel Corporate Council.

Qualifications:

- B.A. Liberal Arts, Williams College, Massachusetts, USA.
- MBA, London Business School, UK.

Experience:

- Chairman of Currimjee Jeewanjee and Company Limited.
- Director of a number of companies within the Currimjee Group.
- President of Business Mauritius
- Honorary Consul General of Japan in Mauritius from 2004 to 2016.
- Former President of the Mauritius Chamber of Commerce & Industry.
- Former Director of The Mauritius Commercial Bank Ltd.

Directorship in other listed and public companies: African Rainbow Capital Investments Limited and Sanlam Africa Core Real Estate Investments Limited.

1: Governance Structure (Continued)

Board of Directors' Profiles (Continued)

Mr Azim F Currimjee – Mauritian Citizen & Resident - Non-Executive Director

Committee Membership: HR Committee.

Qualifications:

- B.A. Mathematics, Williams College, Massachusetts, USA.
- MBA, Trinity College, Dublin, Ireland.

Experience:

- Has held key executive positions in the Food and Beverages Cluster of the Currimjee Group for the last 20 years and is currently the Managing Director of Quality Beverages Limited, which is listed on the Stock Exchange of Mauritius.
- Director of a number of companies within the Currimjee Group.
- Director of Air Mauritius Ltd.
- Chairman of the Business Regulatory Review Council, set up under the aegis of Ministry of Finance, Economic Planning and Development of Mauritius.
- Chairman of Joint Business Council Mauritius- India.
- President of the Mauritius Chamber of Commerce and Industry ('MCCI') 2016 to 2018. He also held this position during 2007 and 2008.
- Over 10 years' experience in the textile industry.
- Former Manufacturing Director of Bonair Group of Companies.
- Former Vice-President of COMESA Business Council.
- Former Vice-President of Economic Development Board of Mauritius.
- Former Director of SBM Holdings, SBM Mauritius and SBM Kenya.
- Former Chairman of SBM India.

Directorship in other listed and public companies: Soap & Allied Industries Limited.

Mr M Iqbal Oozeer – Mauritian Citizen & Resident – Non-Executive Director

Committee Membership: Chairman of the Audit & Risk Committee.

Qualifications:

- Fellow Member of the Association of Chartered Certified Accountants, UK.
- Attended a number of professional courses at Alliance Manchester Business School, Euromoney and INSEAD.

Experience:

- Currently Managing Director of Currimjee Jeewanjee and Company Limited.
- Chairman of numerous companies within the Currimjee Group.
- Former Chief Finance Officer of Currimjee Jeewanjee and Company Limited.
- Has held key executive positions in Currimjee Jeewanjee and Company Limited for over thirty years.

1: Governance Structure (Continued)

Board of Directors' Profiles (Continued)

- Accountant at Elf Antargaz (Maurice) Ltée from 1987 to 1988.
- Audit Assistant at Kemp Chatteris Deloitte from 1982 to 1986.

Directorship in other listed and public companies: Compagnie Immobilière Limitée, Island Life Assurance Co. Ltd and Quality Beverages Limited

Mr Sarvjit Singh Dhillon – British Citizen & Non-Resident - Non-Executive Director

Committee Membership: Emtel Corporate Council.

Qualifications:

- B.A. Hons. In Accounting and Finance, Middlesex University, UK.
- Chartered Management Accountant, Chartered Institute of Management Accountants, UK.
- MBA with specialization in Human Resource Management & Advanced Marketing, University of Birmingham, UK.
- Stanford Executive Program, Stanford Graduate School of Business, USA

Experience:

- Advisor to the Bharti Global and other companies.
- Active investor in various entrepreneurial projects.
- Recipient of the CNBC TV18 CFO Award for the "Best Performing CFO in the Telecommunication Sector".
- Over thirty years of experience of general and financial management experience in multinational and Indian corporations, of which twenty years have been with the Bharti Group.
- Former Executive at Pitney Bowes Corporation (USA) and British Telecom Plc (UK).
- Former Group CFO of Bharti Enterprises.

Directorship in other listed and public companies: None

Mr Mukesh H Bhavnani – Indian Citizen & Mauritian Resident - Non-Executive Director

Committee Membership: Audit & Risk Committee.

Qualifications:

- Bachelor in Commerce (Hons), LLB; ACS

Experience:

- Current director of Bharti Airtel companies including Airtel Tanzania PLC, Airtel Africa Mauritius Limited, Indian Continent Investment Limited, Network i2i Limited and others.
- 45 + years of work experience including at the Corporate Management level, covering advice, implementation and monitoring strategic decisions on Legal and commercial matters in India, Africa, Middle East, Europe, and North Africa.
- Former employee of Godrej Soaps, Coca-Cola, Sony, Essar, Vedanta, Bharti Airtel

Directorship in other listed and public companies: None

1: Governance Structure (Continued)

Board of Directors' Profiles (Continued)

Mr Krishnaduth Goomany – Mauritian Citizen & Resident – Group Chief Executive Officer & Executive Director (appointed on 24th April 2024)

Qualifications:

- Degree in Electronic and Electrical Engineering, University of Birmingham, UK
- Master's degree in Telematics, University of Surrey, UK
- MBA, Heriot-Watt University
- Fintech, Innovation & Transformation in Financial Services - National University of Singapore
- CEng (Chartered Engineer of the Engineering Council, UK)
- MIET (Member of the Institution of Engineering & Technology, UK)
- RPEM (Registered Professional Engineer with the Council of Registered Professional Engineers, Mauritius)
- Cybersecurity: Managing Risk in the Information Age, Harvard University

Experience:

- Has 32 years of experience in the telecommunication industry and deep understanding of local market.
- Formerly held Senior Management roles at Mauritius Telecom, Cellplus Mobile Communications Ltd and Comviva Technologies Ltd.
- Consultant in the Company from August 2014 – May 2015, Chief Operations Officer as from June 2015.
- Deputy Chief Executive Officer as from April 2018, CEO Designate as from August 2020.
- Appointed Group Chief Executive Officer in January 2021.

Mr Sahoud M Edoo – Mauritian Citizen & Resident – Group Chief Financial Officer & Executive Director (appointed on 24th April 2024)

Qualifications:

- Fellow Member of the Association of Chartered Certified Accountants.
- Postgraduate Diploma in Leadership - Emeritus Institute of Management, USA
- MBA Essentials, The London School of Economics and Political Science
- MIPA (Member of the Mauritius Institute of Professional Accountants)

Experience:

- Has 28 years' experience in the Telecom sector.
- Previously worked for the Company for 15 years prior to joining Millicom International Cellular Group where he worked for 5 years in three different countries in Africa.
- Former CFO, Millicom Tanzania Ltd.
- Joined as CFO for Emtel Ltd in November 2015.
- Also appointed as CFO for MC Vision as from September 2020.

1: Governance Structure (Continued)

Board of Directors' Profiles (Continued)

Mr. Mazahir F E Adamjee – Mauritian Citizen & Resident - Non-Executive Director resigned on 31st December 2023

Committee Membership: Member of Audit & Risk Committee

Qualifications: Fellow Member of the Institute of Chartered Accountants in England and Wales.

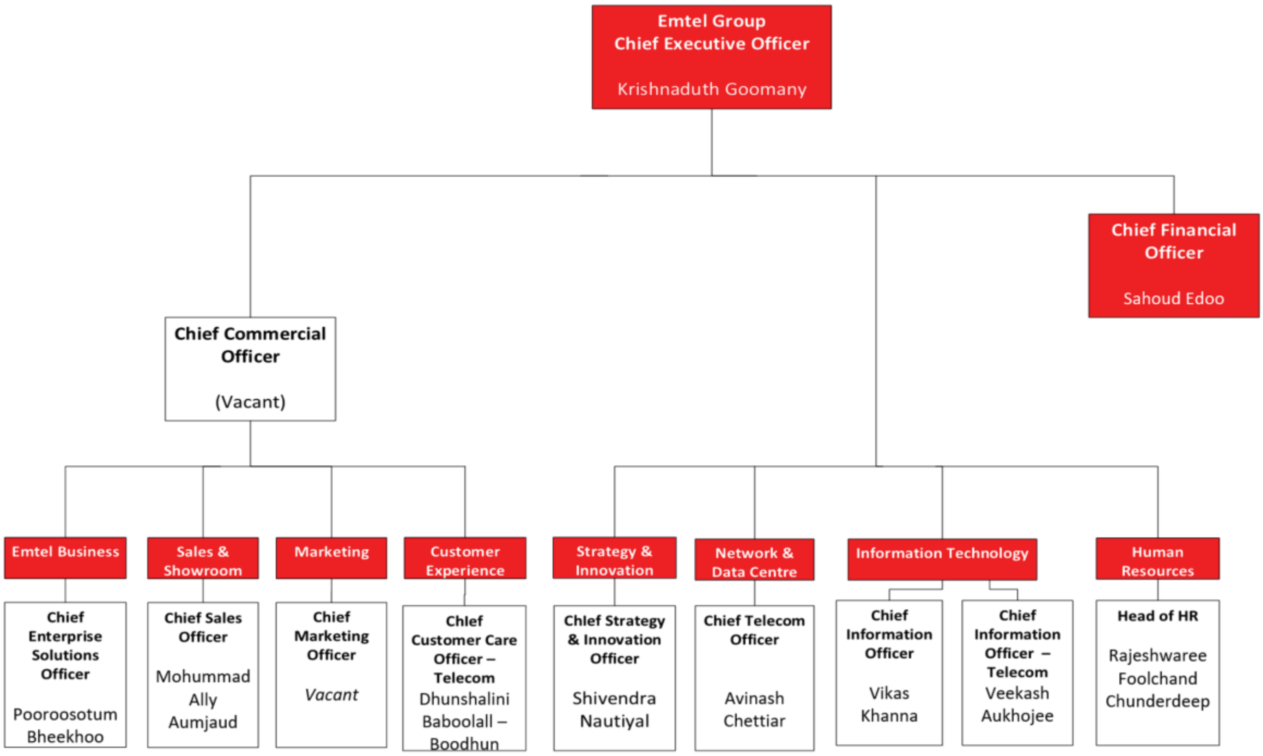
Experience:

1. Former Deputy Managing Director and Director of Currimjee Jeewanjee and Company Limited.
2. Former Chairman of Mauritius Export Processing Zone Association.
3. Former Director of Bramer Banking Corporation Ltd.
4. Former Managing Director of Bonair Group of companies.
5. Former Managing Director of Quality Beverages Limited, a company listed on the Stock Exchange of Mauritius Ltd.
6. Former Director of National Investment Trust Ltd.
7. Held key executive positions within the Currimjee Group.
8. Non-Executive Director in numerous companies within the Currimjee Group.

Directorship in other public and listed companies: None.

Organisational Chart of Senior Management Team

The organisational chart as at the date of this report is as follows:



EMTEL LIMITED

CORPORATE GOVERNANCE REPORT 2023

1: Governance Structure (Continued)

Profile of Senior Management Team

Mr Shivendra Nautiyal - Chief Strategy and Innovation Officer (CSIO)

Qualifications:

- Diploma in Electronics and Communications with specialisation in Telecommunications.
- Building Future Leaders Program, Wharton Business School, University of Pennsylvania, USA.

Experience:

- Has over 27 years' experience in the Technical Network field.
- Former Chief Technical Officer (CTO), Digicel Suriname.
- Joined the Company as Chief Technical Officer (CTO) in September 2016.
- Effective January 2023, appointed as 'Chief Strategy and Innovation Officer' to head a new unit 'Strategy & Innovation'. He will continue to support Network team on strategic technical issues and strategic directions pertaining to Emtel and MC Vision Limited.

Mr Vikas Khanna - Chief Information Officer (CIO)

Qualifications:

- MBA, IT with specialisation in Telecommunication, All India Association, India.

Experience:

- Has over 24 years' experience in the Telecom IT operations and Service Delivery field.
- Joined the Company as CIO in November 2016.
- Effective January 2023, Vikas has been assigned new responsibilities to drive strategic projects like the digitalization processes across Emtel, MC Vision Limited & Currimjee Jeewanjee Group companies and is also responsible for the creation of strategy for Data Science and Analytics. He will continue to provide guidance and support as required to IT Team on Strategic IT Projects and directions.

Mrs Rajeshwaree (Priya) Foolchand-Chunderdeep – Head of Human Resources

Qualifications:

- BSc (Hons) Management, with specialisation in Human Resource Management.
- MSc Human Resource Studies.
- MBA Essentials, The London School of Economics and Political Science

Experience:

- Has 21 years' experience in the HR field, mainly in international banks based locally and in financial services sector.
- Prior to joining Emtel, was Head of HR at Standard Chartered Bank Mauritius for 5 years.
- Previously worked for Standard Bank Mauritius, Standard Bank Trust Company Mauritius and the BAI group (financial services cluster).
- Joined the Company in September 2017.

1: Governance Structure (Continued)

Profile of Senior Management Team

Mr Pooroosotum ('Prakash') Bheekhoo – Chief Enterprise Solutions Officer

Qualifications:

- Executive MBA.
- MBA Marketing.
- Bachelor in Engineering (Electronics & Communications Engineering).
- Registered Professional Engineer.

Experience:

- Has 26 years of experience in telecoms industry.
- Former Head of Business Development & Sales at Kathrein Africa Ltd.
- Joined the Company in July 2018.

Mrs Dhunshalini (Brinda) Baboolall-Boodhun - Chief Customer Care Officer (CCCO) – Telecom

Qualifications:

- MBA.
- BSc (Hons) Accounting.
- Certificate in Alternative Dispute Resolution by ADR Group and Commonwealth Telecommunication Organisation
- MBA Essentials, The London School of Economics and Political Science

Experience:

- Has overall 28 years of experience in Emtel.
- Joined Emtel as Assistant Customer Service Manager in August 1995.
- Promoted to Operations Manager in January 1997.
- Promoted to Deputy Chief Customer Care Officer in August 2020.
- Promoted to Chief Customer Care Officer - Telecom in January 2021.

Mr Avinash Chettiar- Chief Technical Officer (CTO) – Telecom

Qualifications:

- BSc (Hons) Information Technology.
- Diploma in Telecommunication at City & Guilds (2004).
- International Diploma in Computer Studies (2008).
- Management Development Program, Wharton Business School - University of Pennsylvania, USA
- MBA Essentials, The London School of Economics and Political Science

Experience:

- Has overall 26 years of experience in Emtel.
- Joined the Company in February 1998 as Technician.
- Promoted to 'Manager-Operation & Maintenance' in January 2012.
- Assigned additional responsibilities in the absence of CTO in July 2016.

1: Governance Structure (Continued)

Profile of Senior Management Team (Continued)

- Promoted to 'Deputy – CTO' in January 2019
- Promoted to CTO - Telecom in January 2021.

Mr Veekash Aukhojee - Chief Information Officer (CIO) – Telecom

Qualifications:

- MSC Computational Science.
- BA Mathematics.
- Diploma in Information Technology, NIIT, Delhi, India
- Management Development Program, Wharton Business School - University of Pennsylvania, USA
- MBA Essentials, The London School of Economics and Political Science

Experience:

- Has overall 22 years of experience in Telecom.
- Joined Emtel in September 2007 as Operations Executive.
- Promoted to Head of IT & Billing projects in January 2011 and IT Manager in March 2016.
- Assigned additional responsibilities in the absence of CIO in May 2016.
- Promoted to Deputy – CIO in January 2019.
- Promoted to CIO - Telecom in January 2021.

Mr Mohummad Ally Aumjaud – Chief Sales Officer (CSO)

Qualifications:

- Bachelor in Science in Physics and Mathematics, University of Newcastle upon Tyne, UK.

Experience:

- 12 years of experience in distribution/ FMCG at Pepsi & New Zealand Milk.
- 18 years of experience in Telecom.
- Joined Emtel in February 2005 as Retail Sales Manager.
- Appointed as Territory Manager in July 2008.
- Re-designated to Manager – Distribution in October 2013.
- Re-designated to Manager – Showroom in June 2017.
- Appointed as Chief Sales Officer in April 2022.

2: The Structure of the Board and its Committees

Size and Composition of the Board

For the year under review, the Board was comprised of seven (7) Directors, including one (1) Executive Director and six (6) Non-Executive Directors. The Directors came from different industries and backgrounds with strong business, international and management experience which are crucial given the nature and scope of activities of the Company and the Board Committees.

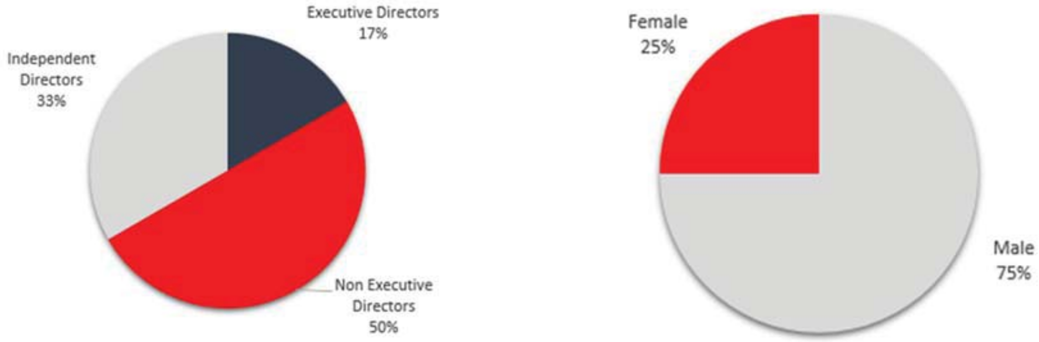
2: The Structure of the Board and its Committees (Continued)

Size and Composition of the Board (Continued)

On 31st December 2023, Mr Mazahir F. E. Adamjee resigned as Director of Emtel.

In April 2024, Mr Bashirali A. Currimjee has retired as Managing Director of Emtel and shall continue to serve the Company as the Chairman of the Board of Directors.

With the appointments of Messrs Krishnaduth Goomany and M. Sahoud Edoo as Executive Directors on 24th April 2024 and the appointments of Mmes Priscila Balgobin-Bhoyrul, Charlotte M. V. Govin and Shirin R. Gunny and Mr. Peter J. Lewis as Independent Directors effective 31st May 2024, the Company shall be led by a unitary Board of twelve (12) Directors in the following category: six (6) Non-Executive Directors including the Chairman, two (2) Executive Directors and four (4) Independent Non-Executive Directors, effective as from 31st May 2024. The Board is satisfied with the size, having an adequate balanced composition with the requisite range of skills, expertise, and experience to carry out their duties properly.



Board Composition and Gender representation effective 31st May 2024.

Company Secretary

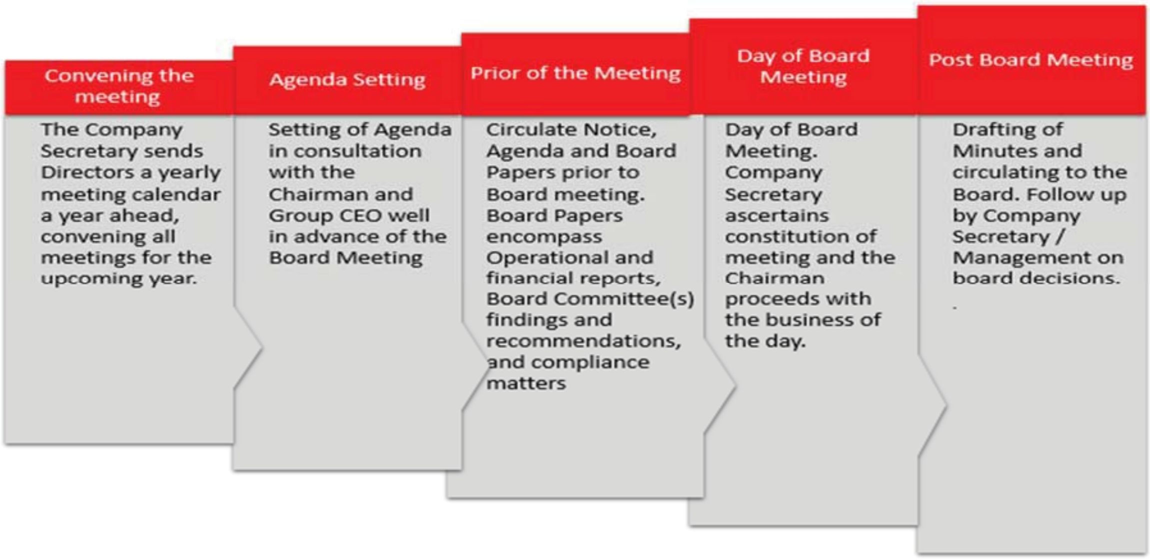
Currimjee Secretaries Limited is the Company Secretary and is represented by Mr. Ramanuj Nathoo, having the requisite qualifications to assume the position.

Board Responsibilities

The Board is responsible for leading and controlling the Company for meeting all legal and regulatory requirements and for acting in the best interest of its Shareholders.

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

Board Meetings Process



Board Committees normally precede Board Meetings and additional Committee meetings may be convened, if required. A similar process as set out above is followed. The agenda for the Committee meetings are set in consultation with the respective Committee Chairperson, the Group CEO, the Group CFO and the Secretary.

Board Focus Areas

Three (3) Board Meetings were held during the year under review. Board Meetings were organized both in-person and by videoconference to give the opportunity to all Directors to attend and participate.

The key items discussed at the Board Meetings held during the year are set out below:

- Approval of the Annual Report for the year ended 31 December 2022.
- Quarterly review of the Company's performance v/s budget (including operational/financial highlights).
- The reports from the Chairman of Board Committees, with respect to the main deliberations at these Committee meetings.
- Declaration and payment of dividends for the year ended 31 December 2023.
- Update on major projects.
- Approval of capital expenditures.
- Approval of banking facilities.
- Presentation of the Company's budget for the years 2024 – 2026.
- Review of Governance Structure.

Board Committees

The Board has delegated some of its powers and responsibilities to its Board Committees, namely the Audit & Risk Committee, the Human Resources Committee and the Emtel Corporate Council to assist it in the execution of its duties. The Board Committees operate within defined terms of reference outlining their objectives, composition, functioning, responsibilities and reporting requirements.

EMTEL LIMITED

CORPORATE GOVERNANCE REPORT 2023

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

Board Committees (Continued)

In line with the recent changes in the Company's Governance Structure, the compositions of the Board Committees are being reviewed in accordance with the requirements of the Code.

Audit & Risk Committee ('ARC')

- **Composition**

  In the absence of Independent Director(s) on the Board of the Company, the ARC was chaired by M Iqbal Oozeer, a Non-Executive Director.

  The Committee's composition during the year under review was as follows:
  - Mr M Iqbal Oozeer - Chairman
  - Mr Mukesh Bhavnani
  - *Mr Mazahir F E Adamjee, resigned on 31st December 2023.*

- **Main responsibilities**

  Monitoring the integrity of the financial statements & annual report and reviewing significant financial reporting issues and judgements therein.
  Reviewing the Company's internal controls related to financial reporting and disclosure controls and procedures and monitoring the effectiveness of the internal audit function.
  Reviewing the internal audit recommendations & monitoring their implementation.
  Recommending the Board in relation to the appointment, re-appointment & removal of the External Auditor.
  Agreeing with the External Auditor on their terms of engagement, the audit scope & fees (whether for audit or non-audit services).
  Assessing annually the independence & objectivity of the External Auditor, their expertise and resources and the effectiveness of the audit process.
  Advising the Board on the overall risk appetite, tolerance and strategy, ensuring that an overall risk management framework is in place and reviewing policies related to risk management.

- **Focus areas for year 2023**

  Review of Audited Financial Statements for financial year 2022.
  Review of client service report from external auditors and letter of representation.
  Appointment of external auditors for financial year 2023.
  Approval of external auditor's engagement letter and client service plan.
  Review of internal audit reports, approval of internal audit plan and monitor implementation of audit recommendations.

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

Board Committees (Continued)

Audit & Risk Committee ('ARC') - Continued

Review of the implementation of the Company's Enterprise Risk Management process.

Updates on information security matters.

Receive reports on the Company's revenue assurance framework, its implementation and effectiveness.

Human Resources ('HR') Committee

- **Composition**

  During the year 2023, The HR Committee was chaired by Mr Bashirali A Currimjee.

  The Committee's current composition is as follows:

  - Mr Bashirali A Currimjee – Chairman
  - Mr Anil C Currimjee
  - Mr Azim F Currimjee

- **Main responsibilities**

  Review and recommend for Board approval the HR Strategy, including key HR policies, plans and human resources requirement and monitor implementation of same.

- **Focus areas for year 2023**

  Review of HR dashboards and HR metrics.

  Talent Review and Performance Management Updates.

  Employee Engagement updates.

  Key staff movements/ Key recruitments.

  HR Focus Areas for year 2024.

Emtel Corporate Council ('ECC')

The Emtel Corporate Council was established for the strategic management and supervision of the Company's operations within a framework approved by the Board.

- **Composition**

  The Committee's composition during the year under review was as follows:

  - Mr Bashirali A Currimjee – Chairman
  - Mr Anil C Currimjee
  - Mr Sarvjit Singh Dhillon
  - Mr M Iqbal Oozeer, *appointed as member on 1st March 2024.*

- **Main responsibilities**

  Providing guidance to the Board on the establishment of the Company's values and vision.

  Recommending long-term strategic direction, plans and risk profile to the Board for approval.

  Monitoring of the Company's financial and non-financial performance and financial planning.

EMTEL LIMITED

CORPORATE GOVERNANCE REPORT 2023

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

Board Committees (Continued)

Emtel Corporate Council ('ECC') – Continued

Making recommendations to the Board on Board structure and Board governance matters.

Making recommendations on Human Resources planning, systems and management.

Reviewing and recommending to the Board for approval, the status of business risk exposures, its management and related action plans.

- **Focus areas for year 2023**

  Review and monitoring of financial and operational performance.

  Review of Big Ticket items.

  Update on major projects and initiatives.

  Approval of capital expenditures.

  Review of Treasury reports.

  Recommend dividend declarations to the Board for approval.

  Update on legal and regulatory matters.

Governance, Nominations and Remunerations Committee*

The Governance, Nomination and Remunerations ('GNR') Committee's functions are currently assigned by the Board of the Company to the GNR Committee set up at the level of Currimjee Jeewanjee and Company Limited ('CJ & CO LTD'), its Holding company.

The GNR Committee of CJ & CO LTD is thus mandated to advise the Board of Emtel Limited on corporate governance matters and on the application of the Code.

Attendance at Board Meetings and Board Committees

The table below gives the attendance records at the Company's Board and Committee meetings for the year ending 31st December 2023:

Directors & Committee Members	Category of Directors	Board Meeting	Audit & Risk Committee	Human Resources Committee	Emtel Corporate Council
Number of Meetings held during the year under review		**3**	**4**	**2**	**6**
Mr Bashirali A Currimjee	ED	3	n/a	2	6
Mr Anil C Currimjee	NED	2	n/a	2	6
Mr Azim F Currimjee	NED	2	n/a	2	n/a
Mr Mazahir F E Adamjee[1]	NED	3	4	n/a	n/a
Mr M Iqbal Oozeer	NED	3	4	n/a	n/a
Mr Sarvjit Singh Dhillon	NED	2	n/a	n/a	6
Mr Mukesh Bhavnani	NED	3	4	n/a	n/a

Note 1: Mr Mazahir F E Adamjee resigned as Director on 31st December 2023.

3: Director Appointment Procedures

Director's Appointment, Re-election, Induction and Orientation

The appointment, re-election and removal of Directors on the Board of Emtel is currently deputized to the GNR Committee of CJ & CO LTD, which recommends to the Board of Emtel, the Directors to be appointed and/or re-elected. All Directors are eligible for re-election at the Annual Meeting of Shareholders.

The nomination and appointment process of directors for the Board is as per below:

The Induction Pack for newly appointed Directors contains *inter-alia* the following documents to help the Director better understand the Company and the governance system in place for the effective discharge of his/ her duties:

- Corporate Details and high-level Company organigram;
- Governance Framework;
- Code of Conduct;
- Company Constitution; and
- Information on the Company's strategy, major projects and financials.

Professional Development of Directors

The Company provides regular updates to the Directors to best develop their knowledge and capabilities. Directors are kept abreast of trends in the business, competitive and regulatory environments regularly at Board meetings.

The Board values ongoing professional development and recognises the importance of all Directors receiving regular training to be able to serve effectively on, and contribute to, the Board and Board Committees.

Directors are further encouraged to undergo continual professional development to ensure that they can fulfill their obligations to the best of their ability and to continually improve the performance of the Board. They are given the opportunity to attend training workshops organised by external facilitators.

The Board also recognises and nurtures talent and has put in place a Talent Development Programme for key executives to ensure that opportunities are created to develop current and future leaders.

Succession Planning

The Board is responsible for the succession planning of Directors and maintains a database of prospective candidates for Board appointments.

3: Director Appointment Procedures (Continued)

The GNR Committee of CJ & CO LTD recommends succession plans for Directors. They ensure that when the replacement of the Chairman/ Directors is made, candidates with the requisite skills and experience are identified, considering the Company's current and future needs.

4: Director Duties, Remuneration and Performance

The Directors are fully appraised of their fiduciary duties as laid out in the Companies Act. All directors are expected to act in the utmost good faith and in the best interests of the Company, which includes the need to exercise care, skill and diligence so as to promote company success through independent judgment.

Conflict of Interest / Related Party Transactions

The Company's Constitution as adopted on 24th April 2024, requires that a director declares his/her interest in any transaction or proposed transaction with the Company. Such Director shall not vote on any matter approving any contract, arrangement or any other proposal in which he/she or his/her Associates have a material interest nor be counted in the quorum of the board's meeting, except in certain situations catered for under the Company's Constitution.

The Company Secretary maintains an interest register, which is available to Shareholders upon written request.

Information

The Chairman, with the assistance of the Senior Management Team, ensures that Directors are provided with relevant Board papers in a timely manner so that they can participate effectively in Board deliberations and decisions. Ongoing relevant information is also shared with Directors between two Board meetings to keep them abreast of developments.

The Directors also have access to the Company's Senior Management Team as and when required with the approval of the Chairman.

Information Technology ('IT') and Information Security Governance

The Company has implemented a framework on Information Technology and Information Security Governance and adopted operational policies pertaining to IT. It also follows the ISO 27001:2013 standard for its Data Centre.

The Company's key policies and their purposes are as follows:

- Information Security ('IS') and Information Security Management System ('ISMS') policy - The purpose of this policy is to establish a culture of security and trust for all employees. It also gives a brief introduction of the organisation, lists down the objectives of ISMS and describes the methodology adopted to establish ISMS. The policy encompasses the following activities: clear desk/ screen policy, acceptable use policy, password policy, logical access control, removable media and storage devices, BYOD (Bring Your Own Device) and data protection.
- IT General policy - This policy covers all the different activities and guidelines related to Information Technology, such as backup retention, email, maintenance and configuration, internet, wireless connectivity, computer network logins, operating systems computer network use and change management.

EMTEL LIMITED

CORPORATE GOVERNANCE REPORT 2023

4: Director Duties, Remuneration and Performance (Continued)

Information Technology ('IT') and Information Security Governance (Continued)

- Incident Management policy - The purpose of this policy is to provide an effective way to ensure a quick, effective and orderly response to incidents so as to minimise damages.
- Physical Access Control policy - The purpose of this policy is to regulate the provisioning, granting, controlling, monitoring and removing of physical access and ID card system also referred to as Proximity Card throughout the Company, including the offices at Ebène & Boundary Road, Rose Hill, Arsenal Data Centre, showrooms and cell sites.
- Business Continuity Management ('BCM') policy – The BCM policy describes the various steps to be taken by the Company to protect critical business processes and assets from the effects of major disasters and identify continuity plans for business resumption.
- Data Centre policy – The Data Centre provides a secure and controlled environment necessary to support the operations of customers and telecommunications equipment that stores, processes and transmits information.

The Company is committed to securing the confidentiality, integrity and availability of information for the day-to-day business activities and technical operations. The security of information and other assets is therefore regarded as fundamental for the successful business operation of Emtel's Data Centre. The Data Centre has adopted an Information Security Management System comprising of Information Security policies, procedures and processes to effectively protect data / information of Emtel's Data Centre and its customers from information security threats, whether internal or external, deliberate or accidental. The Data Centre is ISO 27001 certified with the Mauritius Standards Bureau for providing secured Data Centre operations and services.

All significant investments in information technology and expenditures, based on the business needs for the financial year, are provided for in the Company's annual budget and approved by the Board.

Data Protection

At Emtel, privacy matters. We respect the privacy of our data subjects and other interested parties with whom we have business interactions. We are committed to comply with all applicable data protection legislations. The Company is registered with the Data Protection Office as a Data Controller (Registration No. C1788) and a Data Processor (Registration No. P144); the Certificates of Registration were last renewed in August 2023 as per the Data Protection Act 2017 and shall be renewed in July 2026.

The Company had appointed Ernst & Young Ltd (Mauritius) to conduct an internal audit review with respect to compliance with the Mauritius Data Protection Act 2017. The objective of the internal audit was to assess the adequacy of the framework which has been implemented by Emtel, to comply with the requirements of the Data Protection Act 2017. It was reported that the Company has a relatively mature data protection framework, whereby a number of privacy requirements and practices are already embedded within the Company's process documentation. The framework is governed by a Data Privacy Committee which regroups specific department heads and the regulatory-mandated Data Protection Officer role is also formally designated.

4: Director Duties, Remuneration and Performance (Continued)

Data Protection (Continued)

With the enforcement of the new Information and Communication Technologies (Registration of SIM) Regulations 2023, our commitment towards data privacy was strengthened with a series of planned initiatives supported by the team of appointed Data Privacy Champions and the Data Privacy Committee. Due to the nature of its industry, Emtel processes personal data on a large scale and this poses significant privacy risks to its data subjects. The Company is establishing a rigorous data privacy framework which is a key expectation for players in the telecom sector due to its data intensive nature, over and above the compliance considerations which are mandatory.

The Company has published and communicated its Privacy Notice to all stakeholders and is available on the corporate website https://www.emtel.com/privacy-policy. The Company's Data Protection Officer can be contacted at dataprotection@emtel.com.

Board, Board Committee & Individual Director evaluation

No evaluation of the Board, Board Committees or individual Directors has been undertaken during the year under review.

Remuneration Policy

None of the Directors received any remuneration and benefits from the Company during the financial year ended 31st December 2023 (2022: Nil).

Mr Bashirali A. Currimjee, who was the Managing Director of the Company during the year under review, was not remunerated by the Company. He was deputed by Currimjee Jeewanjee and Company Limited, with which the Company has a Business Support Services Agreement. Any Director who is in full-time employment with CJ & CO LTD or any of its subsidiaries does not receive any additional remuneration for sitting on the Board of Directors of the Company.

The Directors have not received remuneration in the form of share options or bonuses associated with the Company's performance and there are currently no long-term incentive plans.

Directors' Service Contracts

None of the Directors received any remuneration and benefits from the Company during the financial year ended 31st December 2023 (2022: Nil).

None of the Directors has a service contract with the Company or any of its subsidiaries, except for Mr Sarvjit Singh Dhillon who provides consultancy services to the Company by virtue of a services agreement dated 1st January 2019.

EMTEL LIMITED

CORPORATE GOVERNANCE REPORT 2023

4: Director Duties, Remuneration and Performance (Continued)

Directors' & Officers' Liability Insurance

A liability insurance cover for Directors and Officers has been subscribed by the Company. The policy provides cover for the risks arising out of acts or omissions of the Directors and Officers of the Company in the performance of their duties, to the extent permitted by law.

Directors' interests in shares

The Directors of the Company do not have any direct interests in the Company; however, three (3) Directors' have indirect interests in the Company through Currimjee Limited, the ultimate holding company of Emtel Limited.

The Directors' indirect interests in the stated capital of the Company at 31st December 2023 were as follows:

Director	Indirect interests in the Company's shares %
Mr Bashirali A. Currimjee	0.08
Mr Anil C. Currimjee	3.53
Mr Azim F. Currimjee	5.74

5: Risk Governance and Internal Control

Risk Governance

Managing risks and uncertainties is essential to achieving our long-term success and strategic objectives. Risks are inherently dynamic; as the environment evolves, certain risks reduce or grow, while new ones emerge.

An effective Enterprise Risk Management framework has been established at Emtel in line with the Group's policy. It not only focuses on operational and business (including strategic and financial) risks, but also its regulatory, societal, human capital, health and safety risks. Emtel's ERM is a well-defined, three-step procedure comprising risk identification, risk mitigation, and monitoring and reporting.

- In the first step, a set of well-defined criteria helps to identify enterprise-level strategic risks that pose business and operational continuity, brand and market perception, the ability to generate resources for future expansion, etc. A dedicated risk owner is responsible for the main risks and sub-risks.
- In the next step, risk mitigation strategies are identified and deployed to eliminate exposure to potential risks and reduce their chance and negative impact. This includes the action plan and the assignment of the responsibilities to risk owners
- In the third stage, quarterly monitoring of key risks, as well as the effectiveness of the mitigation plan is carried out by the Audit and Risk Committee (ARC).

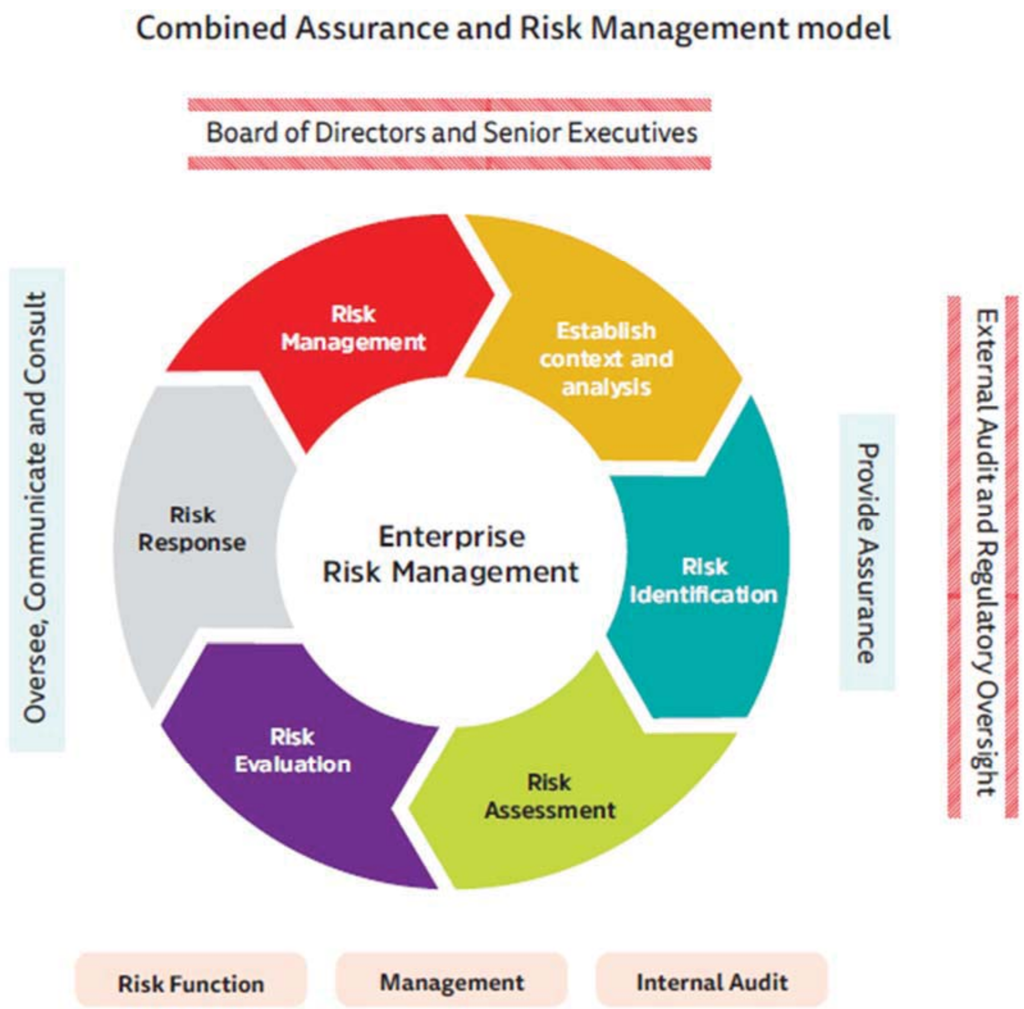
Risk Management Model

Emtel's Risk Management model aligns with CJ's group risk management strategy, which is equipped to identify, evaluate, respond to, and manage risks. The process comprises the adoption of a rigorous and collaborative approach across the entire organization, in which key individuals contribute by recognizing risks in their particular areas of responsibility and expertise and providing suitable responses to these risks.

5: Risk Governance and Internal Control (Continued)

Risk Management Model (Continued)

One of the key outputs of this process is the creation of a comprehensive Risk Register, which establishes the risk context and risk treatment plan for each key risk. As a result, risk management remains a priority and operational managers are adequately prepared to respond quickly to changing conditions. Refer to figure below for the CJ Risk Management Model adopted for Emtel.



Top 10 Risks identified by the Company

During the year, the Company has undertaken an initiative to perform an assessment of its Enterprise Risk Register, which has been updated on quarterly basis. The Top 10 risks and their corresponding mitigation measures are set out below:

EMTEL LIMITED

CORPORATE GOVERNANCE REPORT 2023

5: Risk Governance and Internal Control (Continued)

Top 10 Risks identified by the Company (Continued)

Risk Category	Sr. No	Risk	Brief Description	Mitigation Plan
Strategic	1	Failure to diversify into newer revenue streams	Mauritius has a highly saturated mobile market and due to limited scope of growth for mobility segment it is important for EMTEL to continue identifying new sources of revenue through continuous market scan, diversifying current product portfolio	An ongoing strategy to diversify Emtel's business is in place whereby the company have already expanded its foot prints in Space Economy, expedited 5G deployment, Plug N Play 5G media, etc. that will create new revenue sources and enhance customer engagement as well as retention. Business focus on driving data adoption through innovative products and offer's
Strategic	2	Hyper competitive market leading to loss of market share	Aggressive pricing strategies in market may result in churn of the existing customer base & will require aggressive pricing / margin reduction from EMTEL, ultimately impacting the profitability & market share	Emtel successfully launched the 5G eMBB with a revised pricing strategy that entailed a price increase and simplified, technology-agnostic packs The company on timey basis develop new strategies and take appropriate action to ensure increase in market share
Financial	3	Depreciation of local currency	The depreciation in local currency is increasing the cost of payments to suppliers, which could cause cost overrun	Demand for Forex has gone up due to increase in price. Spot and forward FX purchases are done to cover payments along with usage of forex overdraft to satisfy immediate needs
Strategic	4	Inconsistent Network quality leading to negative Customer Experience	Seamless connectivity is a crucial pillar of EMTEL's customer experience strategy. Better network quality and fewer lags will boost EMTEL's reputation and protect market share & revenues.	Network coverage expansion on identified and strategic locations Ongoing activity to improve customer experience by evaluating complaints and optimizing network in congested areas.
Strategic	5	Inability to leverage and deploy new age technologies viz. Data Science, Social Media Analytics, Behavioural analytics.	To better leverage consumer data, their journeys, monitor demand, and build strong customer relationships, building data science capabilities, internal up-skilling initiatives are required	Focus on scenario based simplified structured data analysis based on user requirements. Invest in technologies, infrastructure and skills to support innovation. Various use cases are being tested at Emtel using innovative technologies such as Generative AI, Data Science, etc. This will ensure that the company is aware of the new technologies and their impact on our business.
Financial	6	Limited fiber infrastructure & roll-out	Restricted fiber capabilities may lead to loss of first mover advantage as compare to competition and may impact growth and sustenance of market share	Fiber rollout and site connectivity are are happening as per the plan. Project is approved and deployment is being commenced post approval from authorities. Special projects to offer fiber connectivity to concentrated housing (MDU, social housing) and Enterprises (business parks, malls, etc.) are also underway.

5: Risk Governance and Internal Control (Continued)

Top 10 Risks identified by the Company (Continued)

Risk Category	Sr. No	Risk	Brief Description	Mitigation Plan
Strategic	7	Lack of end to end system integration	Stability and end-to-end integration of essential systems and platforms to assure EMTEL's go-to-market competitiveness and minimize potential leakage	Continuous enhancement of CRM system in order to resolve user friendliness issues. The backups of critical systems are performed in accordance with the backup plan. Enhance automation to eliminate misalignment Strengthen process & controls to minimize gaps till complete automation is achieved
Strategic	8	Global supply chain disruptions	Disruption in Supply Chain caused by Covid19, US-China relation and now with Ukraine-Russia war may impact the cost of operations	The company has implemented a proactive approach in its supply chain process to address potential disruptions such as shortages, closings of factories, and delays in unloading goods at ports
Operational	9	Cyber Security risk	Increased device, interface, and network interaction raises security risk, and IoT coalitions conceal service provider responsibilities for privacy and security. Cyberattacks on EMTEL's critical infrastructure and consumer data might disrupt service and impact brand image	• Implementation of a robust cybersecurity framework • Continuous monitoring and upgrade of our IT activities, infrastructure & cloud environment. • Reliable anti-virus software and firewalls are installed and updated regularly across all systems • External and internal IT audit
Strategic	10	Evolving Regulatory uncertainties	Uncertainty w.r.t requirements for license continuation, tax, spectrum auction or any new legislation impacting business operations	• Regular and adequate representation to relevant authorities • Compliance to licence and regulatory requirements

Internal Control

The Board is responsible for reviewing the internal control system and satisfy itself that the system is functioning effectively. Management is responsible for the design, implementation and monitoring of the internal control system. Appropriate policies, processes, and procedures incorporating relevant internal controls, have been designed and implemented, to provide reasonable assurance that the control objectives are attained.

Whilst retaining the overall responsibilities, the Board has delegated the authority for monitoring and reviewing the effectiveness of the Company's internal control and compliance systems to the Audit & Risk Committee. The Board also relies on the internal audit function to report on any weaknesses in the internal control systems, and make recommendations to Management and to the Audit & Risk Committee for appropriate actions.

5: Risk Governance and Internal Control (Continued)

Internal Control (Continued)

The Board acknowledges that a system of internal control can only provide reasonable but not absolute assurance against the occurrence of misstatements, human error, losses, fraud and other irregularities.

Whistleblower Policy

The Company aims at encouraging its Directors and anyone associated with the Company, who have concerns about any aspect of malpractices encountered within the Company to come forward and voice those concerns within a defined process with the confidence that they will be treated fairly. The policy ensures that the whistle-blower's identity is treated with utmost confidentiality.

6: Reporting with Integrity

The Board affirms its responsibility for:

- The preparation of accounts that fairly present the state of affairs of the organisation and the results of its operations and that comply with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the Companies Act.
- Selecting appropriate accounting policies based on reasonable and prudent judgements.
- In preparing the annual accounts, the Board adopts the going-concern basis of accounting and identifies any material uncertainties about the organisation's ability to continue over a period of at least 12 months from the date of approval of the financial statements.

The Board recognises that Environmental, Social and Good Corporate Governance ("ESG") is an evaluation of the Company's collective conscientiousness for social and environmental factors and has continued to integrate ESG into the Company's strategies.

Information regarding the Company's financial, environmental and performance outlook have been further disclosed below.

Health and Safety

The Company is committed to ensuring and maintaining the highest standards of safety and health for its employees, customers, contractors and visitors. It recognises that Health and Safety is of fundamental importance to its workforce and due recognition is given to related matters. Emphasis is laid on encouraging and inculcating a positive and robust health and safety culture with a view to ensure a safe and healthy working environment for all employees, customers, contractors and visitors. The Company complies with the Occupational Safety and Health Act 2005 and its subsidiary regulations.

With the support and assistance of the Company's part-time Safety and Health Officer, several initiatives are undertaken to promote health and safety, from new joiners' induction to safety at work to general awareness sessions and trainings. A Health and Safety Committee, chaired by the Chief Financial Officer, Mr Sahoud Edoo, is also held every two months. Action plans are discussed and monitored regularly to ensure that the issues raised are addressed properly and in a timely manner.

6: Reporting with Integrity (Continued)

Health and Safety (Continued)

The Company has moreover hired Médecin à domicile to have the services of a doctor once a week (half day) and posted to different locations, as required. In addition, the Company has Zumba session once per week organised for all staff. In October 2023, a Health Week was organised to create health awareness for employees. The importance of medical insurance scheme was again introduced by SWAN, talks by Médecin à domicile on breast cancer awareness, heart disease & hypertension, diabetes, stress & mental health, healthy lifestyle & nutrition and a yoga session was conducted to end the health week.

Corporate Social Responsibility (‘CSR’)

Emtel, We Care. We strive to bring a positive impact on our local communities and the environment within the Republic of Mauritius

The Company continues to advocate its social responsibilities towards the local communities and it has promoted community projects that not only spell its commitment towards the integration of social, environmental and economic dimensions, but also provide value-added solutions to societal and environmental challenges.

The Company’s CSR activities focused on five (5) main dimensions namely “Environment & Sustainability”, “Socio-Economic Development”, “Educational Support and Training”, “Dealing with Health Problems” and “Leisure and Sports”. Effective partnerships with the Currimjee Foundation and local NGOs have demonstrated positive results. For financial year 2022, the Company contributed Rs. 9.8 million to CSR projects, including the following key projects:

Socio-Economic Development

- As a responsible service provider, we put forward digital inclusiveness by providing value-in-kind support through free calls, Internet connectivity services and media to support NGOs in the good conduct of their projects and providing relief to vulnerable groups of society.
- Emtel has contributed to charity projects through collaboration with local Rotary Clubs to aid poverty alleviation and social integration initiatives.

Educational Support & Training

- Donation of school bags and educational materials to 750 special children in Mauritius, Rodrigues and Agalega in collaboration with Light of Hope, Rotary Club of Rodrigues and Association Pour Le Progres d’Agalega.
- Funding of an ICT Lab for children with disabilities for the Association Jeunes Inadaptes de Curepipe.
- Empowerment of women in Rodrigues and Agalega by providing sewing essentials in collaboration with Breast Cancer Care (Rodrigues) and Association Pour Le Progrès d’Agalega.

Leisure and Sports

- Collaborated with Lizie Dan La Main, Curepipe Handisports Association and the Currimjee Foundation to support Para-Athletes during international para-athletics championships.
- Supported local clubs in their projects, incl the Valley Stars Sports Club and the Mangalkhan Sports Club.

6: Reporting with Integrity (Continued)

Corporate Social Responsibility ('CSR') (Continued)

Dealing with Health Problems

- Conducted blood donation activities in Ebène Cybercity (Thalassemia Society of Mauritius and Mauritius Blood Donors Association) and in Rodrigues (Voluntary Blood Donors Association).
- Donation of food packs and groceries to T1 Diams members and Lakaz Warriors (Breast Cancer Care) patients.
- In the context of the Covid-19 pandemic, throughout 2022, the Company continued to take the following actions to ensure the smooth running of operation:
  - ✓ Tracking of positive cases across the Company;
  - ✓ Providing hand sanitisers across all premises;
  - ✓ Enabling Work from Home for all staff;
  - ✓ Transport arrangements for staff to avoid travelling by public transport until mid-2022;
  - ✓ Providing rapid tests as and when required;
  - ✓ Encouraging vaccines and booster doses.

Emtel is certified ISO 9001:2015 with the Mauritius Standards Bureau (MSB) for the sales, support, distribution and service of Information and Communication Technology products and services for both prepaid and post-paid customers through mobile and fixed technology. The Company has successfully completed its surveillance audit in October 2023 by the MSB and the certification (RF 164) is valid until December 2024.

The Company strives to provide the best experience to its customers through the provision of efficient, effective and innovative Information and Communication Technology products and services. It is committed to satisfying the needs and expectations of its interested parties, and will ensure continual improvement of its Quality Management System in compliance with the applicable legal and regulatory requirements and the ISO 9001 requirements.

The Company operates a Quality Management System driven by its philosophy of continual improvement towards an enhanced customer experience. Internal process audits are carried out by the Company's team of trained internal quality auditors, process documentation is reviewed on a continuous basis and a risk-based approach is adopted across the organisation.

Donations

The Company did not make any political donations during the year under review (year 2022: Nil). The Company supported several charitable institutions from the Company's CSR funds.

7: Audit

Internal Audit

The Company's Internal Audit Function is outsourced to Ernst & Young (EY) and approved by the Board on the recommendation of the Audit & Risk Committee.

As part of their delivery of internal audit services, the Internal Auditor has performed a risk assessment and considered additional risks that apply to the Company and which were not captured in the existing risk register and the list of top inherent risks ranked in terms of significance for the Company. An internal audit plan for a three-year period was then established in collaboration with top management, targeting the higher risk areas that lend themselves to internal audits, and approved by the Audit and Risk Committee.

The Internal Auditor's methodology aims ultimately to position the internal audit reviews to proactively drive strategic value to the organisation, by providing:

- Key insights that enable the business to focus on the risks that matter, and which aim to improve the quality and effect of work delivered.
- A robust mechanism to identify performance improvement opportunities (including robustness and efficiency of operations, quality of information for better decision making, optimising the use of available resources like technology).
- Strategic insights that improve business performance.
- Prioritisation of recommendations to facilitate implementation and sense of achievement.

Internal audit services are conducted in accordance with an Internal Audit Charter, aligned with the standards of the Institute of Internal Auditors' International Professional Practices Framework and adapted for the outsourced internal audit model, that has been approved by the Audit & Risk Committee.

As part of the audit, the Internal Auditor reviews the design and operating effectiveness of controls in operation at Emtel for the areas identified as part of the internal audit plan. Following the completion of internal audit engagements, salient internal audit observations are reported to Management in a closing meeting, followed by the issue of the internal audit reports. These reports are then presented at Audit & Risk Committee meetings, to communicate significant audit findings as well as Management's proposed action plans. Regular follow-up audits are also undertaken to monitor the progress on the implementation of internal audit recommendations by Management, which are then reported back to the Audit & Risk Committee. The Internal Auditor, works closely with and shares its internal audit findings with the external auditors.

The Internal Auditor reports independently to the Chairman of the Audit & Risk Committee and the Chairman of the Board on all internal audit matters, and is responsible for providing assurance to the Audit & Risk Committee

regarding the implementation, operation and effectiveness of the Company's internal control systems. In this respect, reliance is placed on the work undertaken by the Internal Auditor in line with an internal audit plan, as approved by the Audit & Risk Committee, which ensures that all significant areas of the Company's activities are duly covered in turn over a predetermined timeframe.

7: Audit (Continued)

Internal Audit (Continued)

The Internal Auditor has unrestricted access to the Company's records, the Chairman of the Company, the Chairman of the Audit & Risk Committee, Management and employees, for the effective performance of its duties.

During the financial year 2023, the following internal audit assignments were deployed for the Company: Compliance with Data Protection Act, Procurement to Pay and Revenue Assurance and Fraud Management. Follow up audits were also completed on Fixed Asset Management and HR and Payroll.

External Audit

PricewaterhouseCoopers was re-appointed as the External Auditor of Emtel for the financial year 2023, by the Shareholders in June 2023.

The Audit & Risk Committee has reviewed and reported to the Board on the clarity and accuracy of the financial statements. While conducting their reviews, the Committee considered the following:

- the accounting policies and practices applied;
- material accounting judgements and assumptions made by management or significant issues, or audit risks identified by the external Auditor; and
- compliance with relevant accounting standards and other regulatory financial reporting requirements, including the Code.

All significant issues raised by the external auditors during the audit are reviewed and monitored at the level of the Audit & Risk Committee until they are fully addressed.

The external auditors are free to meet the Audit & Risk Committee without the presence of management should they wish to do so. No such meeting was required during the year under review. Nonetheless, the Chairman of the Audit & Risk Committee regularly consults the External Audit Partner.

The Board is regularly informed of all material matters being discussed at the level of the Audit & Risk Committee.

The fees paid to the External Auditors are disclosed on pages 5.

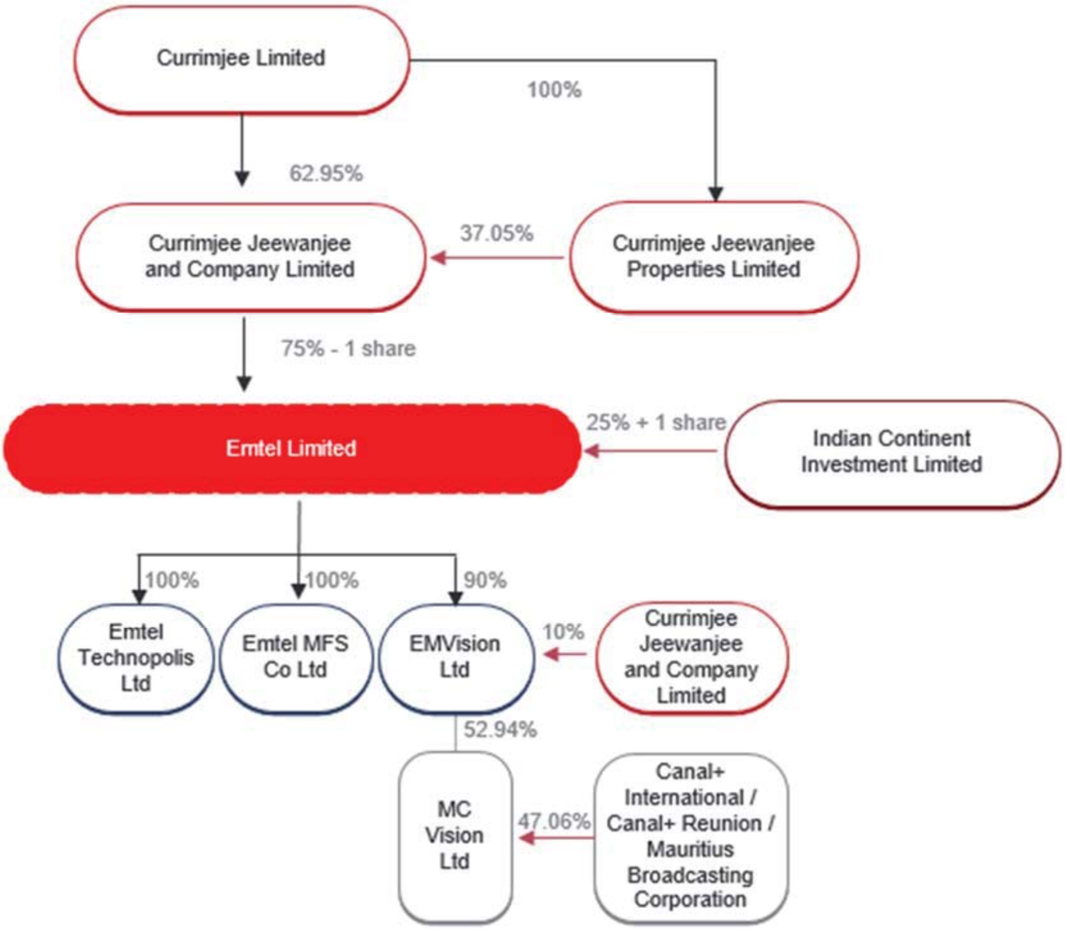
The Board ensures that the provision of non-audit services by the External Audit Firm are delivered by a team of officers that is completely independent from the external audit team, to ensure that the Auditor's objectivity and independence are safeguarded.

8: Relations with Shareholders and Other Key Stakeholders

Ownership Structure

For the year under review, the stated capital of the Company consisted of 15,180,000 Ordinary Shares of Rs 10 each. The shareholding structure of the Company at 31 December 2023 was as set out below.

On 24th April 2024, the shares issued by the Company has been divided, in the ratio of 30 Ordinary Shares for every 1 Ordinary Share held in Emtel. Following the share split, the total number of shares in issue of Emtel is 455,400,000 ordinary shares, with no change in stated capital.



Key Stakeholders

The Company is committed to responding to the needs and expectations of its key stakeholders and considers their interests. The Board ensures that information is delivered in an open, transparent, meaningful and regular manner to the stakeholders. It engages with its key Stakeholders, as set out in the diagram below, through existing communications platforms (Annual Report, Shareholders meetings, Website, Employee Engagement Surveys, Social Media, CJ News & Intranet, Communiqués).

8: Relations with Shareholders and Other Key Stakeholders (Continued)

Key Stakeholders (Continued)

Shareholders' Agreement

Following the adoption of the Constitution of Emtel on 24th April 2024, the Shareholders' Agreement between CJ & CO LTD and Indian Continent Investment Limited shall be discontinued.

Calendar of key events and publications

The calendar of key events for the year is as follows:

31 December 2023	June 2024	June 2024
Financial Year End	Circulation of Annual Report to Shareholders	Approval of Annual Report by Shareholders

Employee Share Scheme

There is no Employee Share Scheme in place at the Company's level.

Dividend Policy

The Company shall in every financial year distribute 95% of all free cash available each year upon satisfactorily passing the solvency test and after provision has been made for debt servicing, cash flow, business and investment requirements as well as capital expenditure and prudent financial provisioning. 95% of the remaining 5% of the Company's immediately previous financial year's free cash flow shall be paid out in the following financial year in addition to the dividend payable by the Company in such financial year, subject to the solvency.

8: Relations with Shareholders and Other Key Stakeholders (Continued)

Dividend Policy (Continued)

test being satisfied and after provision has been made for cash flow, capital expenditure and prudent financial provisioning.

The Company declared and paid total dividends of Rs 546 million during the year (year 2022: Rs 532 million).

Approved by the Board of Directors on 26th April 2024.

Names: ......DocuSigned by: Mr. Bashirali A Currimjee 6402F0E96A7E443...
Mr. Bashirali A Currimjee, G.O.S.K.
Chairman

....DocuSigned by: Mr. Anil C Currimjee 9134B8A4F3B14EA...
Mr. Anil C Currimjee
Director

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity ("PIE"): Emtel Limited

Reporting Period: 01 January 2023 to 31 December 2023

We, the Directors of **Emtel Limited**, confirm to the best of our knowledge that the Company has complied with all material obligations and requirements under the Code of Corporate Governance. Reasons for non-compliance, as applicable, have been explained in the Corporate Governance Report, save and except for the following:

Website disclosures

The Company is constructing a website which will be launched during the year 2024. The Board further believes that all material information on the Company and its governance framework, as recommended to be disclosed on the website as per the Code, is available to shareholders and stakeholders through the Annual Report & Financial Statements filed at the Registrar of Companies.

Profile of Directors

The Board has decided to only disclose other directorship(s) in public and listed companies. Details of other directorships are available at the Company's registry.

1 – Governance Structure

Board Charter

The Board is guided by the provisions of the Company's constitutive documents including the Company's Constitution and prevailing legislation, rules and regulations such as the Companies Act 2001, the Financial Reporting Act 2004 and the Code.

A Board Charter, including the position statement of the key governance positions, setting out the objectives, roles and responsibilities and composition of the Board of Directors shall be adopted during the year 2024.

2 – The structure of the Board and its Committees

Executive Directors and Independent Directors

During the year under review, the Company had not appointed an Independent Director and the Board operated under the Chairmanship of Mr. Bashirali A Currimjee, who was also the Managing Director of the Company.

On 24th April 2024, Emtel has adopted a new Constitution and has carried out a comprehensive review of the composition of its Board of Directors with the appointments of Messrs Krishnaduth Goomany and M. Sahoud Edoo as Executive Directors of Emtel effective 24th April 2024 and the appointments of Mmes Priscila Balgobin-Bhoyrul, Charlotte M. V. Govin and Shirin R. Gunny and Mr. Peter J. Lewis as Independent Directors of the Company, effective on 31st May 2024. Following this review, the Board of Directors of Emtel satisfies the statutory requirements.

Chairman of the Audit & Risk Committee ('ARC')

In the absence of Independent Director(s) on the Board of the Company during the year under review, the ARC was chaired by M Iqbal Oozeer, a Non-Executive Director.

The Company is in the process of reviewing the ARC composition to comply with the requirements of the Code.

STATEMENT OF COMPLIANCE (CONTINUED)

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

4 - Director Duties, Remuneration and Performance

Board evaluation and development

Any evaluation of the Board, Board Committees or individual Directors have not been undertaken during the year under review.

SIGNED BY:

Names:	DocuSigned by: Mr. Bashirali A Currimjee 6402F0E96A7E443...	DocuSigned by: Mr. Anil C Currimjee 9134B8A4F3B14EA...
	Mr. Bashirali A Currimjee, G.O.S.K.	Mr. Anil C Currimjee
	Chairman	**Director**

Date: 26th April 2024

SECRETARY'S CERTIFICATE

UNDER SECTION 166(d) OF THE MAURITIUS COMPANIES ACT 2001

We certify that in terms of the compliance report as submitted and approved by the Board, the Company has filed with the Registrar of Companies, for the year ended 31 December 2023, all such returns as are required of the Company under the Companies Act 2001 of Mauritius.

CURRIMJEE SECRETARIES LIMITED
CORPORATE SECRETARY

Currimjee Secretaries Limited
Per Ramanuj Nathoo (Mr)
Secretary

Date: 26 April 2024

Independent Auditor’s Report

To the Shareholders of
Emtel Limited

Report on the Audit of the Consolidated and Company Financial Statements

Our Opinion

In our opinion, the consolidated and Company financial statements give a true and fair view of the financial position of Emtel Limited (the “Company”) and its subsidiaries (together the “Group”) and of the Company standing alone as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The financial statements of Emtel Limited set out on pages 47 to 113 comprise:

• the consolidated and company statements of financial position as at 31 December 2023;
• the consolidated and company statements of profit or loss and other comprehensive income for the year then ended;
• the consolidated and company statements of changes in equity for the year then ended;
• the consolidated and company statements of cash flows for the year then ended;
• the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for Opinion

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

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the “IESBA Code”). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Independent Auditor’s Report

To the Shareholders of Emtel Limited (Continued)

Report on the Audit of the Consolidated and Company Financial Statements (Continued)

Other Information

The directors are responsible for the other information. The other information comprises the company information, the directors' report, the corporate governance report, the statement of compliance and the secretary's certificate but does not include the consolidated and company financial statements and our auditor’s report thereon.

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

In connection with our audit of the consolidated and company financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and company financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Consolidated and Company Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and company financial statements in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and company financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Group’s and Company’s financial reporting process.

Independent Auditor's Report

To the Shareholders of Emtel Limited (Continued)

Report on the Audit of the Consolidated and Company Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated and Company Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and company financial statements, including the disclosures, and whether the consolidated and company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

To the Shareholders of
Emtel Limited (Continued)

Report on the Audit of the Consolidated and Company Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated and Company Financial Statements (Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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

Mauritian Companies Act 2001

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

(a) we have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as auditor and tax advisors of the Company and some of its subsidiaries;
(b) we have obtained all the information and explanations we have required; and
(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the annual 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 annual report, the Company has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

Independent Auditor's Report

To the Shareholders of
Emtel Limited (Continued)

Report on Other Legal and Regulatory Requirements (Continued)

Other Matter

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

DocuSigned by:
PricewaterhouseCoopers
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PricewaterhouseCoopers

DocuSigned by:
Sharvin Ballah
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Sharvin Ballah, licensed by FRC

26 April 2024

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Revenue from contracts with customers (Note 3)	**4,491,388**	4,393,506	**3,425,084**	3,240,350
Cost of operations	**(2,753,471)**	(2,610,654)	**(1,813,065)**	(1,714,669)
Gross profit	**1,737,917**	1,782,852	**1,612,019**	1,525,681
Selling and distribution expenses	**(456,837)**	(422,850)	**(380,240)**	(352,401)
Administrative expenses	**(699,946)**	(653,966)	**(519,992)**	(447,277)
Impairment loss on financial assets (Note 16)	**(12,049)**	(8,161)	**(4,445)**	(1,671)
Impairment loss on subsidiary	**-**	-	**-**	(82,125)
Other income (Note 4)	**13,439**	8,127	**12,690**	11,988
Other gains (Note 5)	**136,708**	119,279	**132,355**	105,197
Other losses (Note 5)	**(39,560)**	(10,223)	**(35,622)**	(934)
Operating profit (Note 6)	**679,672**	815,058	**816,765**	758,458
Finance income (Note 8)	**4,263**	2,105	**4,321**	2,014
Finance costs (Note 8)	**(230,779)**	(191,489)	**(198,363)**	(167,157)
Finance costs – net (Note 8)	**(226,516)**	(189,384)	**(194,042)**	(165,143)
Profit before tax	**453,156**	625,674	**622,723**	593,315
Income tax expense (Note 9)	**(138,655)**	(115,853)	**(157,472)**	(115,499)
Profit for the year	**314,501**	509,821	**465,251**	477,816
Profit attributable to:				
Owners of the parent	**361,401**	510,681		
Non-controlling interest	**(46,900)**	(860)		
	314,501	509,821		
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Changes in the fair value of equity investments at fair value through other comprehensive income	**22**	54	**22**	54
Revaluation of property, plant and equipment (Note 10)	**51,306**	-	**4,065**	-
Effect of deferred tax on revaluation of property, plant and equipment (Note 9(d))	**(309)**	-	**(309)**	-
Re-measurements of post-employment benefits obligations (Note 22)	**(9,313)**	21,535	**(5,807)**	9,556
Effect of deferred tax on re-measurement of post-employment benefits obligations (Note 9(d))	**1,590**	(3,661)	**987**	(1,626)
Other comprehensive income for the year	**43,296**	17,928	**(1,042)**	7,984
Total comprehensive income for the year	**357,797**	527,749	**464,209**	485,800
Total comprehensive income for the year attributable to:				
Owners of the parent	**406,239**	523,404		
Non-controlling interest	**(48,442)**	4,345		
	357,797	527,749		

The notes on pages 52 to 113 form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2023

	THE GROUP			THE COMPANY	
	2023	2022	2021	**2023**	2022
	Rs 000	Rs 000	Rs 000	**Rs 000**	Rs 000
ASSETS					
Non-current assets					
Property, plant and equipment (Note 10)	**5,142,928**	3,987,449	3,629,626	**4,351,665**	3,200,847
Right-of-use assets (Note 11)	**876,076**	976,961	752,062	**853,956**	946,228
Intangible assets (Note 12)	**218,132**	285,127	321,323	**200,157**	266,737
Investment in subsidiaries (Note 13)	**-**	-	-	**1,122,875**	1,122,875
Post employment benefit assets (Note 22)	**-**	1,728	-	**-**	-
Financial assets at fair value through OCI (Note 14(a))	**1,229**	1,207	1,153	**1,229**	1,207
Financial assets at amortised cost (Note 14(b))	**-**	-	-	**31,000**	-
	6,238,365	5,252,472	4,704,164	**6,560,882**	5,537,894
Current assets					
Cash and cash equivalents (Note 18)	**410,372**	831,774	197,342	**299,603**	671,313
Trade and other receivables (Note 16)	**403,162**	418,410	361,129	**387,567**	395,204
Inventories (Note 15)	**71,753**	94,010	63,172	**49,433**	65,346
Current tax receivables (Note 17)	**80,382**	80,382	80,382	**80,382**	80,382
	965,669	1,424,576	702,025	**816,985**	1,212,245
Total assets	**7,204,034**	6,677,048	5,406,189	**7,377,867**	6,750,139
EQUITY					
Stated capital (Note 19)	**151,800**	151,800	151,800	**151,800**	151,800
Fair value reserves	**1,209**	1,187	1,133	**1,209**	1,187
Revaluation reserves	**71,681**	20,375	265,854	**24,440**	20,375
Common control reserves (Note 30)	**(1,030,768)**	(1,030,768)	(1,030,768)	**-**	-
Retained earnings	**922,252**	1,113,401	876,377	**1,079,069**	1,165,007
Non controlling interest	**(237)**	48,205	43,860	**-**	-
Total equity	**115,937**	304,200	308,256	**1,256,518**	1,338,369
LIABILITIES					
Non-current liabilities					
Borrowings (Note 20)	**2,030,351**	2,622,782	2,576,024	**1,506,601**	2,102,782
Lease liabilities (Note 11)	**816,587**	900,738	685,338	**802,153**	880,203
Deferred tax liabilities (Note 21)	**311,529**	253,770	263,882	**275,348**	198,170
Post-employment benefits obligations (Note 22)	**28,633**	20,153	52,609	**26,222**	20,153
Asset retirement obligations (Note 23)	**74,397**	64,492	69,237	**74,397**	64,492
	3,261,497	3,861,935	3,647,090	**2,684,721**	3,265,800
Current liabilities					
Borrowings (Note 20)	**1,809,846**	896,243	340,211	**1,711,805**	840,832
Lease liabilities (Note 11)	**145,876**	150,123	125,113	**137,365**	139,659
Trade and other payables (Note 24)	**1,598,644**	1,132,728	643,395	**1,394,700**	915,427
Contract liabilities (Note 25)	**201,141**	205,953	213,756	**121,665**	124,186
Provisions for solidarity levy (Note 9(c))	**53,192**	50,344	47,324	**53,192**	50,344
Current income tax liabilities (Note 9(b))	**17,901**	75,522	43,985	**17,901**	75,522
Dividend payables (Note 26)	**-**	-	37,059	**-**	-
	3,826,600	2,510,913	1,450,843	**3,436,628**	2,145,970
Total liabilities	**7,088,097**	6,372,848	5,097,933	**6,121,349**	5,411,770
Total equity and liabilities	**7,204,034**	6,677,048	5,406,189	**7,377,867**	6,750,139

Authorised for issue by the Board of directors on 26th April 2024 and signed on its behalf:

DocuSigned by:
Mr. Bashirali A Currimjee
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DocuSigned by:
Mr. Anil C Currimjee
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The notes on pages 52 to 113 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

THE GROUP	Stated capital	Revaluation reserves	Common control reserves	Fair value reserves	Retained earnings	Total owners	Non controlling interest	Total equity
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 1 January 2022	151,800	265,854	(1,030,768)	1,133	876,377	264,396	43,860	308,256
Comprehensive income								
Profit for the year	-	-	-	-	510,681	510,681	(860)	509,821
Items that will not be reclassified to profit or loss								
Changes in the fair value of financial assets (Note 14(a))	-	-	-	54	-	54	-	54
Re-measurements of post-employment benefits obligations (Note 22)	-	-	-	-	15,264	15,264	6,271	21,535
Effect of deferred tax on re-measurement of post-employment benefits obligations (Note 9(d))	-	-	-	-	(2,595)	(2,595)	(1,066)	(3,661)
Total comprehensive income	-	-	-	54	523,350	523,404	4,345	527,749
Dividends paid to owners	-	-	-	-	(531,805)	(531,805)	-	(531,805)
Recycling of revaluation reserves to retained earnings	-	(245,479)	-	-	245,479	-	-	-
At 31 December 2022	151,800	20,375	(1,030,768)	1,187	1,113,401	255,995	48,205	304,200

	Stated capital	Revaluation reserves	Common control reserves	Fair value reserves	Retained earnings	Total owners	Non controlling interest	Total equity
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 1 January 2023	**151,800**	**20,375**	**(1,030,768)**	**1,187**	**1,113,401**	**255,995**	**48,205**	**304,200**
Comprehensive income								
Profit for the year	**-**	**-**	**-**	**-**	**361,401**	**361,401**	**(46,900)**	**314,501**
Items that will not be reclassified to profit or loss								
Changes in the fair value of financial assets (Note 14(a))	**-**	**-**	**-**	**22**	**-**	**22**	**-**	**22**
Revaluation Adjustment (Note 10)	**-**	**51,306**	**-**	**-**	**-**	**51,306**	**-**	**51,306**
Effect of deferred tax on revaluation adjustment (Note 9(d))	**-**	**-**	**-**	**-**	**(309)**	**(309)**	**-**	**(309)**
Re-measurements of post-employment benefits obligations (Note 22)	**-**	**-**	**-**	**-**	**(7,771)**	**(7,771)**	**(1,542)**	**(9,313)**
Effect of deferred tax on re-measurement of post-employment benefits obligations (Note 9(d))	**-**	**-**	**-**	**-**	**1,590**	**1,590**	**-**	**1,590**
Total comprehensive income	**-**	**51,306**	**-**	**22**	**354,911**	**406,239**	**(48,442)**	**357,797**
Dividends paid to owners	**-**	**-**	**-**	**-**	**(546,060)**	**(546,060)**	**-**	**(546,060)**
At 31 December 2023	**151,800**	**71,681**	**(1,030,768)**	**1,209**	**922,252**	**116,174**	**(237)**	**115,937**

The notes on pages 52 to 113 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

THE COMPANY

	Stated capital Rs 000	Revaluation reserves Rs 000	Fair value reserves Rs 000	Retained earnings Rs 000	Total equity Rs 000
At 1 January 2022	151,800	265,854	1,133	965,587	1,384,374
Comprehensive income					
Profit for the year	-	-	-	477,816	477,816
Items that will not be reclassified to profit or loss					
Changes in the fair value of financial assets (Note 14(a))	-	-	54	-	54
Revaluation adjustment (Note 10)	-	(245,479)	-	245,479	-
Re-measurements of post-employment benefits obligations (Note 22)	-	-	-	9,556	9,556
Effect of deferred tax on re-measurement of post-employment benefits obligation (Note 9(d))	-	-	-	(1,626)	(1,626)
Total comprehensive income	-	(245,479)	54	731,225	485,800
Transactions with owners					
Dividends (Note 26)	-	-	-	(531,805)	(531,805)
Total transactions with owners	-	-	-	(531,805)	(531,805)
At 31 December 2022	151,800	20,375	1,187	1,165,007	1,338,369

	Stated capital Rs 000	Revaluation reserves Rs 000	Fair value reserves Rs 000	Retained earnings Rs 000	Total equity Rs 000
At 1 January 2023	**151,800**	**20,375**	**1,187**	**1,165,007**	**1,338,369**
Comprehensive income					
Profit for the year	**-**	**-**	**-**	**465,251**	**465,251**
Items that will not be reclassified to profit or loss					
Changes in the fair value of financial assets (Note 14(a))	**-**	**-**	**22**	**-**	**22**
Revaluation adjustment (Note 10)	**-**	**4,065**	**-**	**-**	**4,065**
Effect of deferred tax on revaluation adjustment (Note 9(d))	**-**	**-**	**-**	**(309)**	**(309)**
Re-measurements of post-employment benefits obligations (Note 22)	**-**	**-**	**-**	**(5,807)**	**(5,807)**
Effect of deferred tax on re- measurement of post-employment benefits obligation (Note 9(d))	**-**	**-**	**-**	**987**	**987**
Total comprehensive income	**-**	**4,065**	**22**	**460,122**	**464,209**
Transactions with owners					
Dividends (Note 26)	**-**	**-**	**-**	**(546,060)**	**(546,060)**
Total transactions with owners	**-**	**-**	**-**	**(546,060)**	**(546,060)**
At 31 December 2023	**151,800**	**24,440**	**1,209**	**1,079,069**	**1,256,518**

The notes on pages 52 to 113 form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Cash generated from operations (Note 29)	**1,883,352**	1,666,975	**1,838,480**	1,683,680
Taxation paid (Note 9)	**(125,843)**	(87,825)	**(125,843)**	(87,825)
Corporate Social Responsibility contribution (Note 9)	**(11,211)**	(9,982)	**(11,211)**	(9,982)
Interest paid	**(209,701)**	(164,503)	**(185,550)**	(153,572)
Interest received	**4,226**	2,105	**4,297**	2,014
Contributions made for post-employment benefits obligations (Note 22)	**(11,914)**	(28,671)	**(6,977)**	(16,107)
Net cash generated from operating activities	**1,528,909**	1,378,099	**1,513,196**	1,418,208
Cash flows from investing activities				
Payments made for the purchase of property, plant and equipment (Note 10)	**(1,620,518)**	(1,068,924)	**(1,495,220)**	(834,191)
Payments for purchase of intangible assets (Note 12)	**(4,783)**	(14,517)	**(541)**	(2,124)
Net proceed from disposal of property, plant and equipment	**6,703**	484,947	**1,349**	442,841
Loan to subsidiary	**-**	-	**(31,000)**	-
Net cash used in investing activities	**(1,618,598)**	(598,494)	**(1,525,412)**	(393,474)
Cash flows from financing activities				
Proceeds from borrowings	**3,320,000**	2,925,000	**3,265,000**	2,505,000
Repayment of borrowings	**(3,012,500)**	(2,331,875)	**(2,997,500)**	(2,281,875)
Bond issue transaction costs	**(1,065)**	(1,125)	**(1,065)**	(1,125)
Lease payments (Note 11)	**(157,148)**	(139,826)	**(147,022)**	(129,133)
Dividends paid (Note 26)	**(546,060)**	(568,864)	**(546,060)**	(531,805)
Net cash used in financing activities	**(396,773)**	(116,690)	**(426,647)**	(438,938)
Net (decrease)/ increase in cash and cash equivalents	**(486,462)**	662,915	**(438,863)**	585,796
Cash and cash equivalents at beginning of the year	**772,290**	125,893	**611,829**	30,453
Exchange losses on cash and cash equivalents	**(9,839)**	(16,518)	**(2,533)**	(4,420)
Cash and cash equivalents at end of the year (Note 18 & 20)	**275,989**	772,290	**170,433**	611,829

The notes on pages 52 to 113 form an integral part of the financial statements.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information adopted in the preparation of the consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Consolidated financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Executive Committee (IFRS IEC) applicable to companies reporting under IFRS. The consolidated and separate financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and with the Mauritius Companies Act 2001.

The consolidated and separate financial statements have been prepared on a historical cost basis, except for the revaluation of freehold land and buildings, financial assets at fair value through other comprehensive income and the post-employment benefits obligations, where the plan assets of the post-employment benefits obligations and the financial assets are measured at fair value.

Changes in accounting policy and disclosures

The financial statements were presented for the Company in prior years since the Company took advantage of the exemption under 'IFRS 10 - Consolidated financial statements' from the requirements to prepare consolidated financial statements as Emtel Ltd and its subsidiaries were included by a full consolidation in the consolidated financial statements of its intermediary holding company, Currimjee Jeewanjee Company Limited.

In the current year, the Company has opted to prepare consolidated financial statements in accordance with 'IFRS 10 – consolidated financial statements'. The financial statements contain consolidated financial information of the Company and its subsidiaries for the current year and prior years as comparative information.

Going Concern

The directors have assessed the principal and emerging risks and considered it appropriate to adopt the going concern basis of accounting when preparing the consolidated and separate financial statements. The directors took into account the Group's and Company's overall financial position and based on its financial forecast, the Group and Company would generate sufficient cash to sustain its operations.

At 31 December 2023, the Group and Company had (i) net assets **Rs 116 million** (2022: Rs 304 million) and **Rs 1,257 million** (2022: Rs 1,338 million) respectively, (ii) net current liabilities **Rs 2,861 million** (2022: Rs 1,086 million) and **Rs 2,620 million** (2022: Rs 934 million) respectively and have made a profit for the year of **Rs 315 million** (2022: Rs 510 million) and **Rs 465 million** (2022: Rs 478 million) respectively.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Going Concern (Continued)

The directors have started to negotiate the re-financing of their short term debt which is due in the next twelve months with their banking institutions and have also managed to extend some of its capital expenditure equipment creditor repayments by six months which will be settled through the normal operating cash flow of the business. It is planned to raise a total medium term loan of Rs 2.3 billion in 2024 to reduce the short term liabilities. The Group and the Company have also access to overdraft and money market line facilities amounting to Rs 571 million for the Group and Rs 543 million for the Company respectively. Any other current liabilities due will be settled through the normal cashflow generated by the business as it has done in the past.

The directors are therefore satisfied that the Group and Company have the adequate resources and access to financing facilities with financial institutions to continue in business for the foreseeable future. The directors are not aware of any material uncertainties that may cast significant doubt upon the Group and Company ability as a going concern.

Consolidation of subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the reporting period to 31 December 2023 on the basis outlined below.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date that control ceases (disposal date).

The Group controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

When assessing whether control exists, the Group considers all existing substantive rights that result in the current ability to direct relevant activities.

All intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated on consolidation. Unrealised losses are considered an impairment indicator of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to align any difference in accounting policies with those of the Group.

The Company accounts for investments in subsidiaries at cost, less accumulated impairment losses.

Non-controlling interests

On an acquisition-by-acquisition basis, non-controlling interests in the acquiree may initially be measured either at fair value, or at the non-controlling shareholders' proportion of the net identifiable assets acquired and liabilities and contingent liabilities assumed.

Non-controlling shareholders are treated as equity participants; therefore, all acquisitions of non-controlling interests or disposals by the Group of its interests in subsidiaries, where control is maintained subsequent to the disposal, are accounted for as equity transactions.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Non-controlling interests (Continued)

Consequently, the difference between the fair value of the consideration transferred and the carrying amount of a non-controlling interest purchased or disposed of, is recorded in equity.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group’s equity.

Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

1.1 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Group’s accounting policies.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the areas involving a higher degree of judgement or complexity are as follows:

1.1.1 Depreciation charge on property, plant and equipment and right of use assets

Depreciation is calculated on the basis of the depreciation rates set out in the accounting policy note on property, plant and equipment, on page 60. The depreciation rates have been estimated according to the respective property, plant and equipment useful lives and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The useful lives are reviewed on an annual basis with the effect of any changes in estimate accounted for on a prospective basis.

1.1.2 Fair value measurement on property, plant and equipment

Property, plant and equipment, except for freehold land and buildings and site improvements are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Freehold land is stated at revalued amounts and buildings are stated at revalued amounts less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at each financial year end. It is the Group’s policy to revalue its freehold land and buildings at least every three years. The basis used is market value derived using the Market-based valuation approach and independent valuers are used for such exercises. Please refer to Note 2 and 10 for disclosure in relation to the fair value assumptions used.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.1 Critical accounting estimates and judgments (Continued)

1.1.3 Lease term

At inception of a contract, the Group and Company assess whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The lease term is recognised through the non-cancellable period in the contract. Where leases include additional optional periods after an initial lease term, the Company applies significant judgement in determining whether these optional periods would be exercised which takes into consideration the cost of replacing the assets, its strategic geographical location and its future economic benefits.

1.1.4 Provision for Asset Retirement Obligations

Management has estimated the costs of dismantling, removing antennas and restoring the leased sites to their original conditions. These costs have been provided in full in the financial statements. This assumes that the effect of the inflationary increase and fluctuation in bond rates on the costs will be reduced on discounting such costs to their present values.

1.1.5 Post-employment benefits obligations

The present value of the post-employment benefits 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, inflation rate, salary growth rate, pension growth rate, medical growth rate and withdrawal rate. Any changes in these assumptions will impact the carrying amount of post-employment benefits obligations.

Critical assumptions are made by the actuary in determining the present value of post-employment benefits obligations. These assumptions are set out in Note 22.

1.1.6 Current tax receivables

The Mauritius Revenue Authority (MRA) had raised an assessment on the Company with respect to the income tax rate used for income tax years of assessments 2006/2007 and 2007/2008. The total amount claimed by the MRA has been paid under protest inclusive of the penalties and interest.

According to the Company's legal advisors appointed to handle this matter, they believe that it is highly probable that the Company will have a positive outcome. Based on significant judgment that has been applied by the Company's directors, following advice from its legal advisor, no tax liability has been accounted with respect to this assessment. Given that the Company has already paid the amount of Rs 80.4 million to the MRA, this represents an asset (current tax receivable) for the Company. The Company has lodged an application for permission to appeal that judgement to the Judicial Committee of the Privy Council. The Case was fixed by the Court for MERITS to the 6th November 2023, however, the Case has been postponed for 27 May 2024.

In preparing the financial statements, the directors, in the process of applying the Group and Company's accounting policies, did not make any judgement other than those involving estimates that could have a significant effect on the amounts recognised in the financial statements.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.1 Critical accounting estimates and judgments (Continued)

1.1.7 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of its fair value less cost to sell and value in use. The value in use is derived using assumptions and estimates on cash flow projections. Key assumptions used are weighted average cost of capital and terminal growth rate in the cash flow projections.

1.2 Application of new and revised international financial reporting standards

1.2.1 New standards, amendments to existing standards and interpretation issued and effective for the first for the financial year beginning on 1 January 2023.

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023:

- Amendments to IAS 1 ‘Presentation of Financial Statements’
- Amendments to IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 International Tax Reform
- IFRS 17 ‘Insurance Contracts’

The Group has assessed all of the new standards, interpretations by the International Accounting Standards Board (“IASB”) that are relevant to their operations and effective for accounting periods beginning 1 January 2023. There are no new standards and amendments to standards and interpretations that are effective for annual period beginning on 1 January 2023 that would relevant or have a material impact on the Company’s financial statements.

1.2.2 New standards, amendments and interpretations issued but effective for financial year beginning after 1 January 2024 and not been early adopted by the Company.

As at 31 December 2023, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2023.

- Amendments to IAS 1 - Non-current liabilities with covenants
- Amendment to IFRS 16 – Leases on sale and leaseback
- Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)
- Amendments to IAS 21 Lack of Exchangeability (Amendments to IAS 21)

These new accounting standards and interpretations have not been early adopted by the Group and Company and are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.3 Accounting policies and disclosures

1.3.1 Subsidiaries

Subsidiaries are all entities over which the Group and Company have control. The Group and Company control an entity when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Investments in subsidiaries are recognised at cost (which includes transaction costs) in the separate financial statements of the Company.

Subsequently, where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the recoverable amount of an investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

1.3.2 Common control transactions

Transactions in which combining entities are controlled by the same party or parties before and after the transaction and where that control is not transitory are referred to as common control transactions. The Group's accounting policy for the acquiring entity would be to account for the transaction at book values as reflected in the consolidated financial statements of the selling entity.
The excess of the cost of the transaction over the acquirer's proportionate share of the net assets value acquired in common control transactions, will be allocated to the common control reserve in equity.

1.3.3 Foreign currency translation

(i) Functional and presentation currency - Items included in the financial statements of the Group and Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Mauritian rupee, which is the functional currency of the Group and Company. The financial statements are presented in thousands of Mauritian rupees (Rs 000), unless otherwise stated.

(ii) Transactions and balances - Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. 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 profit or loss.

(iii) Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit or loss within 'other gains / losses.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.3 Accounting policies and disclosures (Continued)

1.3.4 Revenue recognition

The Group derives revenue from the provision of telecommunication services, such as rendering of services which includes: mobile revenue, roaming and interconnect, enterprise revenue, tower rental, deferred revenue, sales of telephone and equipment, the provision of subscription television direct to home satellite broadcasting, mobile financial services and revenue from site hosting and support services. Revenue is recognised to the extent the Group and Company have delivered goods or rendered services under an agreement, provided the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group and Company. Revenue is measured at the fair value of the consideration received or receivable, exclusive of sales taxes and discounts.

- Rendering of services

(i) Mobile revenue

The Group provides telecommunication services to its subscribers to have access to services such as unlimited data packs, post-paid bundle plan and voice and short message service packs both on pre-paid and post-paid.

Post-paid revenue is measured at the fair value of the consideration received or receivable for services provided and equipment sales, net of discounts and valued added tax. Revenue is recognised based on their performance obligations at it corresponding transaction price.

Revenue from connection activities are recognised when it is earned, upon activation.

Revenue from calls is recognised at the time the call is made over the Company’s network.

Revenue from SMS is recognised when the SMS is submitted. Revenue from data is recognised on a data usage basis.

(ii) Roaming and interconnect

The Company has entered into international roaming agreement with foreign operators which allows network access to the mobile subscribers of one operator to the another operator. The roaming revenue generated is recognised when the services are rendered. Revenue for interconnection of voice and short message service traffic between other telecommunication operators is recognised at the time the transit occurs in the Company’s network

(iii) Enterprise revenue

The Company offers a “One-stop ICT solution Provider” to the enterprise business such as Data Centre and Cloud Services, Business Communications, Security and Network services. Revenue from enterprise services is recognised when the Company has performed the related service over its contractual period.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.3 Accounting policies and disclosures (Continued)

1.3.4 Revenue recognition (Continued)

(iv) Tower rental

Revenue derived from tower rental on sharing arrangement with other operators are recognised over the contractual period and upon its performance of its contractual obligation.

(v) Deferred revenue

Prepaid revenue from sales of airtime and data and payment are received upfront. The revenue is recognised based on actual usage by the customers and the remaining balance is accounted as deferred revenue.

(vi) Revenue from subscriptions of television

The Group's revenue comprises of revenue from external customers for the provision of subscription television direct to home satellite broadcasting and re-broadcasting services comprises the invoiced value for subscription fees, rental income and connection fees, net of value added tax and trade discounts. Subscription fees and rental income are recognised as turnover upon the performance of services and customer acceptance over time. Connection, installation fees and technical intervention are recognised as turnover when a subscription is taken as they are incidental to the sale of a subscription at a point in time.

A contract liability is presented in the statement of financial position where a customer has paid an amount of consideration prior of the entity performing by transferring the related service to the customer.

(vii) Mobile financial services revenue

The Group provide a digital payment platform that enable individual customers to transact directly from their bank account on their smartphone in a secured manner. The Group's revenue comprises of commission and are recognised when the service has been provided.

(viii) Revenue from site hosting and support services

Revenue comes from hosting and support fees, recognized in the income statement when contractual obligations are met and economic benefits are probable

- Sales of telephone and equipment

Revenue from the sale of equipment and related accessories, whether the sales is on stand-alone basis or with bundle services, is recognised when the equipment is delivered to the end-customer and its significant risks and rewards of ownership are transferred.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.3 Accounting policies and disclosures (Continued)

1.3.5 Property, plant and equipment

Freehold land and buildings including buildings on leasehold land are shown at fair value, based on a periodic but at least triennial valuation by external independent valuers, less subsequent depreciation for buildings. Valuations are performed every three years to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the assets, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of freehold land and buildings and buildings on leasehold land are credited to other comprehensive income and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives. The annual rates used are:

Buildings	2.5% - 5%
Infrastructure assets	2.5% - 5%
Technical equipment	6.7% - 33%
Motor vehicles	20%
Furniture, fixtures and fittings	20%
Office equipment	20% - 50%

Depreciation starts as from the date the asset is available for use as intended by the directors. No depreciation is charged in the month of disposal.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains / (losses) in profit or loss. On disposal of revalued assets, the surplus on revaluation remaining in revaluation reserve for these assets is transferred to retained earnings.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.3 Accounting policies and disclosures (Continued)

1.3.6 Intangible assets

(i) Licences

Acquired licences are shown at historical cost. Licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licences over their estimated useful lives, which range between 3 to 15 years.

(ii) Indefeasible Rights of Use ("IRU")

Capacity purchased on an Indefeasible Rights of Use ("IRU") basis is shown under "non-current assets" as intangible assets on the face of the statement of financial position.

The IRU is amortised on a straight-line basis over the contract period, ranging from 3 years to 15 years from the effective date of the IRUs brought into use.

(iii) Software

Software comprises of purchased software and developed software. Purchased software relate to costs associated with acquiring and implementing computer software programs that are clearly associated with an identifiable and unique product which will be controlled by the Group and Company and will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets and are amortised on a straight line basis over a period of 3 to 5 years which is the estimated useful life. Costs associated with the maintenance of existing purchased software programs are expensed as incurred. Developed software comprises of a mobile payment application that works seamlessly with any bank or mobile network and is amortised on a straight line basis over a period of 5 years.

1.3.7 Financial assets at fair value through other comprehensive income

Investments that are non-derivatives have been designated as financial assets at fair value through other comprehensive income at initial recognition.

Financial assets at fair value through other comprehensive income are initially recognised at fair value plus transaction costs. Gains and losses arising from changes in the fair value of securities classified as financial assets at fair value through other comprehensive income are recognised in other comprehensive income.

1.3.8 Leases

The lease arrangement the Group and Company have entered includes land and building, warehouse, showrooms and motor vehicles. The management assesses the contract to identify whether the right to control the use of an identified asset for a period of time in exchange for consideration has been transferred to the Group and Company. Control exists if the Group or the Company obtains substantially all of the economic benefit from the use of the asset, and has the ability to direct its use, for a period of time.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.3 Accounting policies and disclosures (Continued)

1.3.8 Leases (Continued)

An identified asset exists where an agreement explicitly or implicitly identifies an asset or a physically distinct portion of an asset which the lessor has no substantive right to substitute.

The Group and Company recognise right-of-use assets and lease liabilities at the lease commencement date for most leases. The right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date less any lease incentives received

The lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Right-of-use assets are subsequently adjusted for any re-measurement of lease liabilities and are subject to impairment testing.

The depreciation rate on right-of-use assets is computed on straight line basis over the duration of the leases varying between 2 to 20 years.

In instances where lease agreements contain lease and non-lease components, they are generally accounted for separately. Therefore, non-lease components are accounted for as operating expenses and are recognised in profit or loss as they are incurred. For certain instances where it is impractical to separate the lease from the non-lease component, the Company will account for them as a single lease component.

However, the Group and Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases with a lease terms of 12 months or less. The Group and Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the following lease payments to be made over the lease term:

- Fixed payments (including in-substance fixed payments), including non-recoverable payments that do not transfer a separate service, less any incentives receivable.

- Variable lease payments that are based on an index or rate, measured using the index or rate as at the lease commencement date.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the entity incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The incremental borrowing rate is determined at the interest rate which the entity has availed financing facilities through the local bank for acquiring assets of capital nature.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.3 Accounting policies and disclosures (Continued)

1.3.8 Leases (Continued)

The incremental borrowing rates for the Group and Company were determined as per the actual borrowing rate of loan contracted with bank and the amortisation schedule from lessor for motor vehicles.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. Interest costs are charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

It is remeasured when there is a change in future lease payments arising from a change in index or rate.

A number of lease contracts include the option to renew the lease for a further period or terminate the lease earlier. The majority of extension and termination options held are exercisable only by the entity and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group and Company apply judgement in assessing whether it is reasonably likely that options will be exercised. Factors considered include how far in the future an option occurs, the entity's business planning cycle, significance of related leasehold improvements and past history of terminating/not renewing leases.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

A number of leases entitle both the Group and Company and the lessor to terminate the lease without a termination penalty. In determining whether the Group and Company have an economic incentive to not exercise the termination option, the Group and Company consider the broader economics of the contract and not only contractual termination payments.

As at 31 December 2023, a number of lease contracts relating to land and building and colocation, include renewal options for a pre-defined renewal period. Due to the judgement exercised in relation to the determination of the lease term as outlined above, the Group and Company are exposed to potential future cash outflows relating to an indefinite period which have not been included in the lease liability because it is not reasonably certain that the leases will be extended beyond the estimated lease term.

1.3.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out ("FIFO") method and includes all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.3 Accounting policies and disclosures (Continued)

1.3.10 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for loss allowance.

The creation and release of provision for loss allowance on trade receivables has been included within administrative expenses' in the profit or loss. Amounts charged as loss allowance for doubtful debts account are generally written off, when there is no expectation of recovering additional cash.

1.3.11 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings under current liabilities.

1.3.12 Restricted cash

The restricted cash as disclosed in Note 18, relates to cash held by the Group and Company and subject to withdrawal restrictions and are therefore not available for general use by the Group and Company.

1.3.13 Share capital

Ordinary shares are classified as 'stated capital' in equity.

1.3.14 Borrowings

Borrowings are recognised initially at fair value, 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 profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan or other borrowing facilities are recognised as transaction costs of the loan or borrowing facilities to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.3 Accounting policies and disclosures (Continued)

1.3.15 Current and deferred tax

The tax expense for the period comprises current and deferred tax, solidarity levy and corporate social responsibility tax. Tax is recognised in profit or loss, except to the extent that it related to items

recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Net deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Net deferred tax liability is provided on taxable temporary differences arising from accelerated capital allowances, provision for loss allowance on trade receivables, provision for post-employment benefits obligations and on recognition of lease liability.

1.3.16 Asset Retirement Obligations

The provision relates to the estimated cost of dismantling and removing an item of property, plant and equipment and restoring the site on which the item is located to its original condition. The Group and Company provide for the anticipated costs associated with the restoration of leasehold property to its original condition at inception of the lease, including the removal of items included in plant and equipment that is erected on leased land.

The Group and Company only recognise these decommissioning costs for the proportion of its overall number of sites for which it expects decommissioning to take place. The expected percentage has been based on actual experience in the respective operations.

A provision is made for the present value of the estimated future decommissioning costs at the end of life of the site/expected lease term. When this provision gives rise to future economic benefits, an asset is recognised at a pre-tax rate that reflects current market assessments of the time value of money. The increase in the decommissioning provision due to the passage of time is recognised as a finance cost.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.3 Accounting policies and disclosures (Continued)

1.3.17 Post-employment benefits obligations

The Group and Company operate various post-employment schemes, including both defined benefit and defined contribution pension plans. The schemes are generally funded through payments to Island Life Assurance Co. Ltd, determined by periodic actuarial calculations.

(i) Pension obligations

A defined contribution plan is a pension plan under which the Group and Company pay fixed contributions into a separate entity.

The Group and Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a retirement benefit plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using 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 to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognised in profit or loss within employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Past-service costs are recognised immediately in profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

For defined contribution plans, the Group and Company pay contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group and Company have no further payment obligations once the contributions have been paid subject that the fund will at least cover the gratuity on retirement payable under the Workers' Right Act (WRA) 2019.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.3 Accounting policies and disclosures (Continued)

1.3.17 Post-employment benefits obligations (Continued)

(i) Pension obligations (Continued)

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in the future payments is available.

Where employees are not covered under any pension plan, the gratuity on retirement payable under the WRA 2019 are estimated and provided for.

Other employee benefits include items such as wages, salaries, social security contributions, travelling and medical insurance. These costs are charged to profit or loss when incurred.

Contributions to the Contribution Sociale Generalisee (CSG) and defined contribution pension plan are expensed to the statement of profit or loss and other comprehensive income in the period they fall due.

Prior to the implementation of the Portable Retirement Gratuity Fund (PRGF), the pension contribution benefits are unfunded. Moreover, employees who resigned as of 2020, are eligible for a portable gratuity benefit based on service with the employer as from 1 January 2020 and remuneration at exit (same benefit formula as for retirement/ death gratuity). It is assumed that employees not recovered under any pension scheme will join the PRGF (based on the eligibility criteria described in the Workers' Rights Act 2019). PRGF is also expensed to the statement of profit or loss and other comprehensive income in the period in which they fall due.

(ii) Other post-employment benefits obligations

The Group and Company provide post-retirement healthcare benefits to its retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group and Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and Company recognise termination benefits at the earlier of the following dates:

(a) when the Group and Company can no longer withdraw the offer of those benefits; and
(b) when the Group and Company recognised costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.3 Accounting policies and disclosures (Continued)

1.3.17 Post-employment benefits obligations (Continued)

(iii) Termination benefits (Continued)

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(iv) Bonus plans

The Group and Company recognise a liability and an expense for bonuses based on its financial performance. The Group and Company recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.3.18 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.3.19 Provisions

Provisions are recognised when the Group and Company have a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where the Group and Company expect a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.3.20 Dividend distribution

Dividend distribution to the Group's and Company's shareholders is recognised as a liability in the consolidated and separate financial statements in the period in which the dividends are declared and approved by the directors.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.3 Accounting policies and disclosures (Continued)

1.3.21 Dividend income

Dividend income is recognised when the right to receive payment is established and accounted under other income.

1.3.22 Interest Income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group and Company reduce the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

1.3.23 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty. Roaming and Interconnect debtors and creditors are treated separately in the statement of financial position.

1.3.24 Impairment of non-financial assets

Assets that have indefinite useful lives are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

1.3.25 Financial instruments

Financial instruments carried on the statement of financial position include financial assets at fair value through other comprehensive income, trade and other receivables, cash and cash equivalents, borrowings, lease liabilities and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(i) Financial assets

Classification

The Group and Company classify its financial assets in the following measurement categories:

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.3 Accounting policies and disclosures (Continued)

1.3.25 Financial instruments (Continued)

(i) Financial assets (Continued)

- Measurement subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Measurement at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group and Company have made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. See note 2 for details about each type of financial asset.

Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and Company have transferred substantially all the risks and rewards of ownership

Measurement

IFRS 9 divides all financial assets into two classifications - those measured at amortised cost and those measured at fair value. Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss (fair value through profit or loss, FVTPL), or recognised in other comprehensive income (fair value through other comprehensive income, FVTOCI). For debt instruments the FVTOCI classification is mandatory for certain assets unless the fair value option is elected. Whilst for equity investments, the FVTOCI classification is an election. Furthermore, the requirements for reclassifying gains or losses recognised in other comprehensive income are different for debt instruments and equity investments. The classification of a financial asset is made at the time it is initially recognised, namely when the entity becomes a party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Debt instruments

Subsequent measurement of debt instruments depends on the Group and Company business model for managing the asset and the cash flow characteristics of the asset. The Group and Company classify its debt instruments at amortised cost. This comprises assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired.

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1.3 Accounting policies and disclosures (Continued)

1.3.25 Financial instruments (Continued)

(ii) Debt instruments (Continued)

Interest income from these financial assets is included in finance income using the effective interest rate method.

(iii) Impairment of financial assets

The Group and Company assess the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

1.3.26 Capitalisation of borrowing costs

The Group and Company capitalise borrowing costs for construction of buildings and infrastructure as part of the cost of these assets. The construction takes over a year to get ready for its intended use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT

The Group and Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest-rate risk), credit risk and liquidity risk. The Group and Company's overall risk management programme seek to minimise potential adverse effects on the financial performance of the Company.

(a) Market risk

(i) Foreign exchange risk

The Group and Company have financial assets and financial liabilities denominated in various foreign currencies, mainly in Euro ("EUR") and US Dollar ("USD"). Foreign exchange risk arises from commercial transactions with its suppliers, recognised assets and liabilities. Consequently, the Group and Company is exposed to the risk that the carrying amounts of these foreign currency denominated assets and liabilities may change due to fluctuations in foreign exchange rates.

Management has set up a policy to address their foreign exchange risk against their functional currency. The Group and Company manages foreign currency exposures by forecasting its need for foreign currencies and retaining such amounts that will be necessary to settle purchases denominated in foreign currencies. Any excess foreign currencies are sold on the local market. The Group and Company also has a banking facility to negotiate better rates for spot or forward transactions.

At 31 December 2023, if the Mauritian rupee had strengthened/weakened by 5% against the US dollar with all other variables held constant, pre-tax profit and equity for the year would have been Group**:** higher/lower by **Rs 24,025,000** in 2023 (2022 – pre-tax profit would have been higher/lower by Rs 14,613,000); Company**:** higher/lower by **Rs 23,541,000** in 2023 (2022 – pre-tax profit would have been higher/lower by Rs 15,420,000), mainly as a result of foreign exchange differences on translation of US dollar- denominated trade receivables and bank balances, net of US dollar-denominated trade payables.

At 31 December 2023, if the Mauritian rupee had strengthened/weakened by 5% against the Euro with all other variables held constant, pre-tax profit and equity for the year would have been Group: higher/lower by **Rs 5,215,000** in 2023 (2022 – pre-tax profit would have been higher/lower by Rs 422,000); Company: higher/lower by **Rs 576,000** in 2023 (2022 – pre-tax profit would have been higher/lower by Rs 6,142,000), mainly as a result of foreign exchange differences on translation of Euro-denominated trade payables, net of Euro-denominated trade receivables and bank balances.

Currency profile

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

	Financial assets 2023 Rs 000	**Financial liabilities 2023 Rs 000**	Financial assets 2022 Rs 000	Financial liabilities 2022 Rs 000
United States dollar	**107,387**	**587,896**	83,740	376,008
Euro	**197,830**	**302,124**	249,063	257,496
Great Britain pound	**17**	**28**	17	17
Swiss franc	**3**	**3**	5	2
Mauritian rupee	**441,675**	**5,546,179**	789,678	5,132,010
	746,912	**6,436,230**	1,122,503	5,765,533

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

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

	Financial assets 2023 Rs 000	**Financial liabilities 2023 Rs 000**	Financial assets 2022 Rs 000	Financial liabilities 2022 Rs 000
United States dollar	**103,467**	**574,286**	61,127	369,535
Euro	**187,401**	**175,891**	222,057	99,208
Great Britain pound	**17**	**28**	17	17
Swiss franc	**3**	**3**	5	2
Mauritian rupee	**383,792**	**4,846,952**	697,748	4,479,859
	674,680	**5,597,160**	980,954	4,948,621

The following have been excluded from financial assets and financial liabilties:

	THE GROUP		**THE COMPANY**	
	Non-Financial assets		**Non-Financial assets**	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Prepayment	**55,327**	64,592	**39,097**	45,162
VAT receivable	**6,881**	46,142	**-**	37,528
Advance to suppliers	**5,643**	18,154	**5,622**	4,080
Current tax receivables	**80,382**	80,382	**80,382**	80,382
	148,233	209,270	**125,101**	167,152

	Non-Financial liabilities		**Non-Financial liabilities**	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
VAT payable	**42,939**	6,799	**33,329**	-
Provision of solidarity levy	**53,192**	50,344	**53,192**	50,344
Deferred tax liabilities	**311,529**	253,771	**275,348**	198,170
Post employee benefits	**28,633**	20,153	**26,222**	20,153
Current income tax liabilities	**17,901**	75,522	**17,901**	75,522
Contract liabilities	**201,141**	205,953	**121,665**	124,186
Prepaid bond issue cost	**(3,468)**	(5,226)	**(3,468)**	(5,226)
	651,867	607,316	**524,189**	463,149

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(ii) Price risk

The Company's exposure to equity securities price risk arises from investment held by the Company and classified in the statement of financial position as Financial assets at fair value through other comprehensive income (FVTOCI). Any movement in the price risk is not deemed to have a material impact on the financial statements.

(iii) Interest rate risk

The Group and Company's income and cash flows may be affected by changes in market interest rates. The Group's interest rate risk arises from bank loans (including overdraft) which are issued at variable interest rate and cash and cash equivalents (excluding restricted cash).

The Company's policy is to maximise returns on interest-bearing assets. The debts contracted are at fixed interest rates and are not exposed to interest rate risk.

	THE GROUP		**THE COMPANY**	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Gross debt – fixed interest rates	**3,603,452**	3,374,253	**3,121,874**	2,948,840
Gross debt – variable interest rates	**240,213**	150,000	**100,000**	-
Total debt	**3,843,665**	3,524,253	**3,221,874**	2,948,840
Debt exposed to interest rate risk	**6%**	4%	**3%**	0%

Based on the simulations performed, at 31 December 2023, if interest rate on the bank loans (including overdraft) had increased/(decreased) by 0.5%, with all other variables held constant, the pre-tax profit for the year would have increased/decreased for the Group by **Rs 1,201,000** (2022- Rs 750,000) and the Company by **Rs 500,000** (2022- Rs Nil), respectively.

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, Financial asset at amortised cost and credit exposures from trade and other receivables. Credit risk is managed on a company-wide basis.

For banks, the Group and Company transact only with highly reputable financial institutions. The credit quality of this financial asset can be assessed by the historical information about the financial strengths of the financial institutions the Group and Company are dealing with. In the opinion of the Group and Company, there is no associated risk as these are reputable institutions in the industry.

The credit rating of the main banks are as follows:

Banks	**Moody's Agency Credit Ratings**
Mauritius Commercial Bank Ltd	Baa2
Absa Bank (Mauritius) Limited (ABSA Group Ltd)	Baa3
SBM Bank (Mauritius) Ltd	Baa3

The Company extended a loan to its subsidiary in December 2023, Emtel MFS Co Ltd, with a duration of three years, subject to an interest rate aligned with the MCB Prime Lending rate. Management will conduct periodic evaluations to determine the subsidiary's capacity to fulfill its forthcoming obligations. As at 31 December 2023, the impact of expected credit losses were not material on the financial statements arising on the loan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for defined period of days past due. Refer to the ECL calculation disclosed in note 16.

The Company has policies in place to control the level of debts and to ensure that sales of products and services are made to customers with an appropriate credit history. Such policies include credit vetting before connection, monthly credit limit and disconnection of subscribers on non-payment of invoices.

The Group and the Company have evaluated the expected credit loss on other receivables, receivables from related parties and cash and cash equivalents. The probability of default is negligible, as there have been no instances of loss following default in prior years. This assessment is undertaken at each financial period ending 31 December.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group and Company treasury maintain flexibility in funding by maintaining availability under committed credit lines.

The Group and Company generate adequate cash flows from operations to service and finance its short term liabilities. The Group and Company have access to financing facilities which it can take and negotiate with its existing debt holders.

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

THE GROUP	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**After 5 years**	**Total**
	Rs 000	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
At 31 December 2023					
Borrowings	**1,912,610**	**590,586**	**1,169,693**	**532,134**	**4,205,023**
Lease liabilities	**196,030**	**180,186**	**366,687**	**531,778**	**1,274,681**
Asset retirement obligation	**6,858**	**4,646**	**15,556**	**73,397**	**100,457**
Trade and other payables	**1,555,705**	**-**	**-**	**-**	**1,555,705**
	3,671,203	**775,418**	**1,551,936**	**1,137,309**	**7,135,866**
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 31 December 2022					
Borrowings	1,019,927	774,909	1,332,937	868,136	3,995,909
Lease liabilities	207,716	190,287	407,297	587,614	1,392,914
Asset retirement obligation	1,981	7,313	16,177	80,528	105,999
Trade and other payables	1,125,929	-	-	-	1,125,929
	2,355,553	972,509	1,756,411	1,536,278	6,620,751

VAT payable of **Rs 42,939,000** (2022 – Rs 6,799,000) are excluded from Trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

THE COMPANY	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**After 5 years**	**Total**
	Rs 000	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
At 31 December 2023					
Borrowings	**1,796,948**	**452,880**	**909,833**	**322,030**	**3,481,691**
Lease liabilities	**186,208**	**173,242**	**357,909**	**531,778**	**1,249,137**
Asset retirement obligation	**6,858**	**4,646**	**15,556**	**73,397**	**100,457**
Trade and other payables	**1,361,371**	**-**	**-**	**-**	**1,361,371**
	3,351,385	**630,768**	**1,283,298**	**927,205**	**6,192,656**

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 31 December 2022					
Borrowings	942,276	660,039	1,065,653	643,539	3,311,507
Lease liabilities	194,098	178,338	392,297	587,614	1,352,347
Asset retirement obligation	1,981	7,313	16,177	80,528	105,999
Trade and other payables	915,427	-	-	-	915,427
	2,053,782	845,690	1,474,127	1,311,681	5,685,280

VAT payable of **Rs 33,329,000** (2022 – Rs Nil) are excluded from Trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(d) Capital risk management

The Group and Company's objectives when managing capital are to safeguard the Group and Company's ability to continue as going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and Company may adjust the amount of dividends paid to shareholders.

Consistent with others in the industry, the Group and Company monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including ‘current and non–current borrowings’ as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as ‘equity’ as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2023 and 2022 were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Total borrowings –excluding transaction costs (Note 20)	**3,843,665**	3,524,252	**3,221,874**	2,948,840
Less: Cash and cash equivalents (Note 18)	**(281,202)**	(772,290)	**(170,433)**	(611,829)
Net debt	**3,562,463**	2,751,962	**3,051,441**	2,337,011
Total equity	**115,937**	304,200	**1,256,518**	1,338,369
Total capital	**3,678,400**	3,056,162	**4,307,959**	3,675,380
Gearing ratio	**97%**	90%	**71%**	64%

The Company gearing ratio at 31 December 2023 is **71%** (2022: 64%) which is not in breach of the financial covenant imposed by the debt holders.

(e) Fair Value Estimation

The fair value of financial assets at FV through OCI that are traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price.

The carrying amounts of loans and receivables less impairment provision, cash and cash equivalents, borrowings, lease liabilities, trade and other payables and contract liabilities are assumed to approximate their fair values. The carrying values of financial liabilities also approximate their fair values.

- Fair values hierarchy

IFRS 13 requires the Group and Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

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

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair Value Estimation (Continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

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

The Group and Company have classified the financial assets at FVTOCI as level 1. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and financial assets at FVTOCI) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Freehold land and building are revalued every 3 years. The Group revalued its land and buildings in year 2023 by an independent professional valuer.

At 31 December 2023

	Level 1	**Level 2**	**Total**
	Rs 000	**Rs 000**	**Rs 000**
Financial assets at fair value through OCI			
- Equity shares	**1,229**	**-**	**1,229**
Non financial asset at fair value through OCI			
- Land and buildings	**-**	**404,543**	**404,543**
	1,229	**404,543**	**405,772**

At 31 December 2022

	Level 1	Level 2	Total
	Rs 000	Rs 000	Rs 000
Financial assets at fair value through OCI			
- Equity shares	1,207	-	1,207
Non financial asset at fair value through OCI			
- Land and buildings	-	27,262	27,262
	1,207	27,262	28,469

The Company is exposed to equity securities price risks. If the fair value of the investments increases/ decreases by 5%, other factors remaining unchanged, the Company’s profit for the year and financial assets (financial assets at fair value through OCI) would increase/decrease by **Rs 51,000** (2022 – Rs 50,000).

The sensitivity analysis of an increase/decrease by 1% in price per square meter, other factors remaining unchanged, on the the fair value Company’s freehold land and buildings, its profit for the year and its valuation of the land and buildings (revaluation reserves through OCI) would have increase/decrease by **Rs 4,045,000** (2022- Rs 273,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Financial instruments by category

At 31 December 2023

	THE GROUP				THE COMPANY			
Financial assets at amortised cost	**Financial asset at amortised cost**	**Financial asset at FVTOCI**	**Total**	**Expected credit loss**	**Financial asset at amortised cost**	**Financial asset at FVTOCI**	**Total**	**Expected credit loss**
	Rs 000	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
Assets as per statement of financial position								
Financial assets at FVTOCI	-	1,229	1,229	-	-	1,229	1,229	-
Financial assets at amortised cost	-	-	-	-	31,000	-	31,000	-
Trade and other receivables	335,311	-	335,311	69,569	342,848	-	342,848	47,365
Cash and cash equivalents	410,372	-	410,372	-	299,603	-	299,603	-
Total	745,683	1,229	746,912	69,569	673,451	1,229	674,680	47,365

	THE GROUP		THE COMPANY	
	Other financial liabilities at amortised cost	**Total**	**Other financial liabilities at amortised cost**	**Total**
	Rs 000	**Rs 000**	**Rs 000**	**Rs 000**
Liabilities as per statement of financial position				
Borrowings	3,843,665	3,843,665	3,221,874	3,221,874
Lease liabilities	962,463	962,463	939,518	939,518
Asset retirement obligation	74,397	74,397	74,397	74,397
Trade and other payables excluding non-financial liabilities	1,555,705	1,555,705	1,361,371	1,361,371
Total	6,436,230	6,436,230	5,597,160	5,597,160

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUE

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Financial instruments by category

At 31 December 2022

	THE GROUP				THE COMPANY			
Financial assets at amortised cost	Financial asset at amortised cost	Financial asset at FVTOCI	Total	Expected credit loss	Financial asset at amortised cost	Financial asset at FVTOCI	Total	Expected credit loss
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Assets as per statement of financial position								
Financial assets at FVTOCI	-	1,207	1,207	-	-	1,207	1,207	-
Trade and other receivables	289,522	-	289,522	106,194	308,434	-	308,434	81,374
Cash and cash equivalents	831,774	-	831,774	-	671,313	-	671,313	-
Total	1,121,296	1,207	1,122,503	106,194	979,747	1,207	980,954	81,374

	THE GROUP		THE COMPANY	
	Other financial liabilities at amortised cost	Total	Other financial liabilities at amortised cost	Total
	Rs 000	Rs 000	Rs 000	Rs 000
Liabilities as per statement of financial position				
Borrowings	3,524,252	3,524,252	2,948,841	2,948,841
Lease liabilities	1,050,861	1,050,861	1,019,862	1,019,862
Asset retirement obligation	64,492	64,492	64,492	64,492
Trade and other payables excluding non-financial liabilities	1,125,928	1,125,928	915,427	915,427
Total	5,765,533	5,765,533	4,948,622	4,948,622

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 REVENUE FROM CONTRACT WITH CUSTOMERS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Sale of telephone and equipment	**187,609**	224,102	**259,446**	313,009
Rendering of services	**4,303,779**	4,169,404	**3,165,638**	2,927,341
	4,491,388	4,393,506	**3,425,084**	3,240,350
Timing of revenue recognition				
At a point in time	**187,609**	224,102	**259,446**	313,009
Over time	**4,303,779**	4,169,404	**3,165,638**	2,927,341
	4,491,388	4,393,506	**3,425,084**	3,240,350
Total revenue generated by the provision of international roaming service to inbound roamers (include only inbound roaming)	**91,398**	71,622	**91,398**	71,622
	Minutes	Minutes	**Minutes**	Minutes
Number of minutes from incoming international calls terminating in Mauritius	**1,482,586**	1,528,259	**1,482,586**	1,528,259

4 OTHER INCOME

	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Management fee	**-**	-	**10,000**	10,000
Other income	**13,439**	8,127	**2,690**	1,988
	13,439	8,127	**12,690**	11,988

Other income mainly include income from LION for chairmanship fee, income from Arsenal Central Landing station and other miscellaneous income.

5 OTHER GAINS / (LOSSES)

	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Other gains				
Profit on disposal of property, plant and equipment	**133,491**	113,255	**131,205**	102,909
Property, plant and equipment and intangibles written back	**1,556**	-	**-**	-
Foreign exchange gain	**8**	6,024	**-**	2,288
Gain arising on derecognition of lease liabilties	**1,653**	-	**1,150**	-
	136,708	119,279	**132,355**	105,197
Other Losses				
Foreign exchange loss	**(11,315)**	(2,794)	**(7,398)**	-
Property, plant and equipment and intangibles written off	**(28,224)**	-	**(28,224)**	-
Loss on disposal of property, plant and equipment	**(21)**	(6,495)	**-**	-
Loss arising on derecognition of lease liabilties	**-**	(934)	**-**	(934)
	(39,560)	(10,223)	**(35,622)**	(934)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

6 OPERATING PROFIT

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
The following items have been charged in arriving at operating profit:				
Depreciation on property, plant and equipment (Note 10):				
Owned assets				
- Buildings	**486**	13,817	**299**	13,667
- Asset Infrastructure	**3,173**	543	**864**	543
- Technical equipment	**636,854**	575,028	**481,246**	426,210
- Motor vehicles	**47**	79	**2**	-
- Furniture, fixtures and fittings	**13,690**	10,110	**9,129**	6,053
- Office equipment	**104,705**	83,353	**101,366**	78,581
Depreciation on right-of-use assets (Note 11)	**171,175**	154,363	**160,970**	142,905
Amortisation of licence and IRU (Note 12)	**49,799**	51,205	**44,962**	47,138
Impairment loss on subsidiary	**-**	-	**-**	82,125
Advertising and promotion	**73,400**	66,336	**60,274**	46,226
Commission to dealers	**72,913**	69,221	**72,913**	69,221
Consultancy fees	**17,548**	12,481	**17,548**	12,256
Employee benefits expense (Note 7)	**585,262**	552,154	**477,179**	450,389
Cost of inventories expensed	**274,514**	329,322	**262,920**	307,587
Repairs and maintenance costs	**110,173**	111,596	**104,051**	108,335
Increase in loss allowance on trade receivables (Note 16)	**12,049**	8,161	**4,445**	1,671
Audit fees	**5,167**	3,284	**3,280**	2,200
Non-audit fees	**2,836**	2,639	**1,588**	1,417
Business support services fees (Note 28 (v))	**82,202**	77,768	**82,202**	77,768
Solidarity levy tax on turnover (Note 9)	**53,193**	50,368	**53,193**	50,368
Property, plant and equipment write off (Note 10)	**-**	6,494	**-**	2,745
Property, plant and equipment write back	**(1,556)**	-	**-**	-

The Group and Company cost of operations include mainly interconnect expenses, roaming costs, network operational expenses, cost of inventories expensed, channel costs, football rights, programme costs, satellite costs and licence costs.

7 EMPLOYEE BENEFITS EXPENSE

	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Wages and salaries	**390,965**	365,829	**302,986**	285,734
Social security cost	**22,917**	21,472	**18,567**	17,252
Pension cost – defined contribution plans	**15,056**	14,496	**15,056**	14,496
Pension costs – defined benefit plans (Note 22)	**12,811**	16,022	**7,239**	8,917
Other costs:				
Training costs	**4,675**	3,062	**4,441**	3,022
Bonus and commissions	**71,404**	60,766	**70,024**	60,766
Other commissions	**31,678**	34,752	**31,678**	34,726
Recruitment costs	**901**	876	**901**	876
Staff Welfare	**34,855**	34,879	**26,287**	24,600
	585,262	552,154	**477,179**	450,389

	2023	2022	**2023**	2022
	Number	Number	**Number**	Number
Number of employees at end of year	**606**	596	**462**	444

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

8 FINANCE COSTS – NET

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Finance income				
Interest income	**4,251**	2,105	**4,321**	2,014
Foreign exchange gain	**12**	-	**-**	-
	4,263	2,105	**4,321**	2,014
Finance costs				
Interest payable on:				
Bank overdrafts	**(458)**	(171)	**(153)**	(162)
Loans	**(63,992)**	(28,242)	**(40,541)**	(17,768)
Bonds	**(93,061)**	(99,150)	**(93,061)**	(99,150)
Interest and finance charges for lease liabilities	**(58,670)**	(42,977)	**(57,328)**	(41,226)
Amortisation of bond issue transaction costs	**(2,823)**	(3,224)	**(2,823)**	(3,224)
Unwinding of asset retirement obligations (Note 23)	**(1,924)**	(1,207)	**(1,924)**	(1,207)
Foreign exchange loss	**(9,851)**	(16,518)	**(2,533)**	(4,420)
	(230,779)	(191,489)	**(198,363)**	(167,157)
Finance costs - net	**(226,516)**	(189,384)	**(194,042)**	(165,143)

9 TAXATION

(a) Recognised in profit or loss

This note provides an analysis of the Company's tax expense, showing the amount recognised under the administrative expenses and income tax expense.

The schedule below shows the charge during the year:

	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Recognised under administrative expenses				
Solidarity levy charge on revenue	**53,193**	50,368	**53,193**	50,368
Recognised under income tax expense				
Income tax expense	**138,655**	115,853	**157,472**	115,499

Taxes paid during the year are as follows:

	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Income tax	**93,842**	62,624	**93,842**	62,624
Solidarity levy on profit	**32,184**	25,483	**32,184**	25,483
Adjustment for tax deduction at source	**(183)**	(282)	**(183)**	(282)
Income tax (net)	**125,843**	87,825	**125,843**	87,825
Corporate Social Responsibility	**11,211**	9,982	**11,211**	9,982
Taxation paid	**137,054**	97,807	**137,054**	97,807

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

9 TAXATION (CONTINUED)

(b) Income tax

The Company is liable to income tax on its profit, as adjusted for income tax purposes, at the rate of **17**% (2022 – 17%), including CSR of **2**% (2022 – 2%).

	THE GROUP		**THE COMPANY**	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Charge for the year:				
Based on profit for the year, as adjusted for tax purposes	**41,049**	85,733	**41,049**	85,733
Movement in deferred tax (Note 21)	**59,039**	(13,773)	**77,856**	(14,127)
Solidarity levy based on book profit	**33,796**	32,184	**33,796**	32,184
Corporate Social Responsibility (CSR) fund	**5,473**	11,432	**5,473**	11,432
Income tax and CSR adjustment for prior year	**(702)**	277	**(702)**	277
Income tax expense	**138,655**	115,853	**157,472**	115,499

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

9 TAXATION (CONTINUED)

The following tax rules were applicable during the year ended 31 December 2023:

• Solidarity levy

The Solidarity levy on telephony service providers was introduced in 2009 and has subsequently been extended further. In the Finance Act 2020, Solidarity levy has been made permanent whereby every profitable providers of fixed and mobile telephone services shall be liable to pay a solidarity levy of 5% of accounting profit (i.e. derived by an operator from all its activities and computed in accordance with IFRS) and 1.5% of turnover in respect of the preceding year.

THE GROUP

	Current tax liabilities	**Solidarity Levy based on profit**	**Corporate Social Responsibility**	**Total**
	2023	**2023**	**2023**	**2023**
	Rs 000	**Rs 000**	**Rs 000**	**Rs 000**
At 1 January	**30,625**	**32,184**	**12,713**	**75,522**
Charge for the year	**41,049**	**33,796**	**5,473**	**80,318**
Adjustment for prior year	**(619)**	**-**	**(83)**	**(702)**
Paid during the year	**(93,842)**	**(32,184)**	**(11,211)**	**(137,237)**
At 31 December	**(22,787)**	**33,796**	**6,892**	**17,901**

	Current tax liabilities	Solidarity Levy based on profit	Corporate Social Responsibility	Total
	2022	2022	2022	2022
	Rs 000	Rs 000	Rs 000	Rs 000
At 1 January	7,272	25,483	11,230	43,985
Charge for the year	85,733	32,184	11,432	129,349
Adjustment for prior year	244	-	33	277
Paid during the year	(62,624)	(25,483)	(9,982)	(98,089)
At 31 December	30,625	32,184	12,713	75,522

THE COMPANY

	Current tax liabilities	**Solidarity Levy based on profit**	**Corporate Social Responsibility**	**Total**
	2023	**2023**	**2023**	**2023**
	Rs 000	**Rs 000**	**Rs 000**	**Rs 000**
At 1 January	**30,625**	**32,184**	**12,713**	**75,522**
Charge for the year	**41,049**	**33,796**	**5,473**	**80,318**
Adjustment for prior year	**(619)**	**-**	**(83)**	**(702)**
Paid during the year	**(93,842)**	**(32,184)**	**(11,211)**	**(137,237)**
At 31 December	**(22,787)**	**33,796**	**6,892**	**17,901**

	Current tax liabilities	Solidarity Levy based on profit	Corporate Social Responsibility	Total
	2022	2022	2022	2022
	Rs 000	Rs 000	Rs 000	Rs 000
At 1 January	7,272	25,483	11,230	43,985
Charge for the year	85,733	32,184	11,432	129,349
Adjustment for prior year	244	-	33	277
Paid during the year	(62,624)	(25,483)	(9,982)	(98,089)
At 31 December	30,625	32,184	12,713	75,522

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

9 TAXATION (CONTINUED)

(c) Provision for solidarity levy

The provision relates to solidarity levy charge on revenue. The movement in provision is as follows:

	THE GROUP & COMPANY	
	2023	2022
	Rs 000	Rs 000
At 1 January	**50,344**	47,324
Charge for the year	**53,193**	50,344
Adjustment for prior year	**-**	24
Paid during the year	**(50,345)**	(47,348)
At 31 December	**53,192**	50,344

(d) The tax (charge)/ credit relating to components of other comprehensive income is as follows:

	THE GROUP			THE COMPANY		
	2023			2023		
	Before tax	**tax (charge) / credit**	**After tax**	**Before tax**	**tax (charge) / credit**	**After tax**
	Rs 000	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
Revaluation of land and building	**4,065**	**(309)**	**3,756**	**4,065**	**(309)**	**3,756**
Re-measurements of post-employment benefits obligations (Note 22)	**(9,311)**	**1,590**	**(7,721)**	**(5,807)**	**987**	**(4,820)**
Other comprehensive income	**(5,246)**	**1,281**	**(3,965)**	**(1,742)**	**678**	**(1,064)**

	2022			2022		
	Before tax	Tax (charge) / credit	After tax	Before tax	Tax (charge) / credit	After tax
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Re-measurements of post-employment benefits obligations (Note 22)	21,535	(3,661)	17,874	9,556	(1,626)	7,930
Other comprehensive income	21,535	(3,661)	17,874	9,556	(1,626)	7,930

A reconciliation between the effective rate of income tax of the Group **30.69%** (2022- 19.21%) and Company of **25.29%** (2022 – 17.71%) and the applicable income tax rate of **17%** (2022 – 17%) follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
(As a percentage of profit before tax)	**%**	%	**%**	%
Applicable income tax rate	**17.00**	17.00	**17.00**	17.00
Impact of:				
Non-tax deductible expenses	**1.93**	3.14	**1.41**	2.81
Income not subject to tax	**(0.10)**	(9.46)	**-**	(8.74)
Under / over provision on Deferred tax	**2.38**	-	**-**	-
Unrecognised deferred tax assets	**-**	1.35	**-**	-
Solidarity levy based on revenue – (Non deductible)	**2.00**	1.37	**1.45**	1.27
Solidarity levy based on book profit	**7.48**	5.81	**5.43**	5.37
Effective tax rate	**30.69**	19.21	**25.29**	17.71

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Land and buildings Rs 000	Infrastructure assets Rs 000	Technical equipment Rs 000	Motor vehicles Rs 000	Furniture, fixtures and fittings Rs 000	Office equipment Rs 000	Asset in progress Rs 000	Total Rs 000
Cost or valuation:								
At 1 January 2022	596,727	34,616	6,716,570	15,079	183,153	1,309,955	486,281	9,342,381
Additions	-	-	1,250,240	8	25,845	58,826	378,512	1,713,431
Disposals	(560,737)	(70)	(459,700)	(4,922)	(974)	(1,175)	-	(1,027,578)
Write off	(5,144)	-	(98,735)	-	(21,915)	(4,105)	(1,607)	(131,506)
Transfer	-	-	85,734	-	-	22,123	(107,857)	-
ARO adjustment	-	-	(6,492)	-	-	-	-	(6,492)
Transfer to inventories	-	-	-	-	-	-	(147)	(147)
Transfer to Intangible assets	-	-	-	-	-	-	(492)	(492)
Reclassification in class of assets	-	-	3,583	-	13,381	1,684	(18,648)	-
At 31 December 2022	**30,846**	**34,546**	**7,491,200**	**10,165**	**199,490**	**1,387,308**	**736,042**	**9,889,597**
Additions	**8,652**	**17,597**	**1,051,296**	**-**	**21,014**	**156,355**	**694,876**	**1,949,790**
Disposals	**-**	**-**	**(288,479)**	**(3,032)**	**(14,429)**	**(132,522)**	**(129)**	**(438,591)**
Write off	**-**	**-**	**(129,403)**	**-**	**(4,089)**	**(2,633)**	**-**	**(136,125)**
Revaluation of assets	**51,306**	**-**	**-**	**-**	**-**	**-**	**-**	**51,306**
Transfer	**318,538**	**65,861**	**221,813**	**-**	**2,037**	**50,895**	**(659,144)**	**-**
ARO adjustment	**-**	**-**	**7,049**	**-**	**-**	**-**	**-**	**7,049**
Transfer to inventories	**-**	**-**	**-**	**-**	**-**	**-**	**(4,631)**	**(4,631)**
Transfer to Intangible Assets	**-**	**-**	**-**	**-**	**-**	**-**	**(4,550)**	**(4,550)**
Reclassification in class of assets	**(2,994)**	**2,994**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2023	**406,348**	**120,998**	**8,353,476**	**7,133**	**204,023**	**1,459,403**	**762,464**	**11,313,845**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE GROUP	Land and buildings Rs 000	Infrastructure assets Rs 000	Technical equipment Rs 000	Motor vehicles Rs 000	Furniture, fixtures and fittings Rs 000	Office equipment Rs 000	Asset in progress Rs 000	Total Rs 000
Accumulated depreciation:								
At 1 January 2022	95,205	16,621	4,299,923	14,806	156,219	1,129,981	-	5,712,755
Charge for the year	13,817	543	575,028	79	10,110	83,353	-	682,930
Disposals adjustment	(103,349)	(36)	(258,237)	(4,901)	(967)	(1,035)	-	(368,525)
Write off	(2,522)	-	(98,173)	-	(21,521)	(2,796)	-	(125,012)
At 31 December 2022	**3,151**	**17,128**	**4,518,541**	**9,984**	**143,841**	**1,209,503**	**-**	**5,902,148**
Charge for the year	**486**	**3,173**	**636,854**	**47**	**13,690**	**104,705**	**-**	**758,955**
Disposals adjustment	**-**	**-**	**(204,649)**	**(3,032)**	**(14,422)**	**(132,207)**	**-**	**(354,310)**
Write off	**-**	**-**	**(129,272)**	**-**	**(3,995)**	**(2,609)**	**-**	**(135,876)**
Reclassification in class of assets	**(1,832)**	**1,832**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2023	**1,805**	**22,133**	**4,821,474**	**6,999**	**139,114**	**1,179,392**	**-**	**6,170,917**
Net book value:								
At 31 December 2023	**404,543**	**98,865**	**3,532,002**	**134**	**64,909**	**280,011**	**762,464**	**5,142,928**
At 31 December 2022	27,695	17,418	2,972,659	181	55,649	177,805	736,042	3,987,449

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT

THE COMPANY	Land and buildings Rs 000	Infrastructure assets Rs 000	Technical equipment Rs 000	Motor vehicles Rs 000	Furniture, fixtures and fittings Rs 000	Office equipment Rs 000	Asset in progress Rs 000	Total Rs 000
Cost or valuation:								
At 1 January 2022	591,583	34,616	5,464,937	6,935	142,116	1,267,944	175,866	7,683,997
Additions	-	-	1,121,052	8	25,393	57,784	274,461	1,478,698
Disposals	(560,737)	(70)	(444,326)	(3,360)	(328)	(865)	-	(1,009,686)
Write off	-	-	(329)	-	(1,976)	(2,835)	(1,607)	(6,747)
Transfer	-	-	85,734	-	-	22,123	(107,857)	-
ARO adjustment	-	-	(6,492)	-	-	-	-	(6,492)
Transfer to inventories	-	-	-	-	-	-	(147)	(147)
At 31 December 2022	**30,846**	**34,546**	**6,220,576**	**3,583**	**165,205**	**1,344,151**	**340,716**	**8,139,623**
Additions	**-**	**-**	**980,766**	**-**	**3,673**	**148,638**	**691,415**	**1,824,492**
Disposals	**-**	**-**	**(282,022)**	**(1,970)**	**(14,262)**	**(132,522)**	**-**	**(430,776)**
Write off	**-**	**-**	**(60,233)**	**-**	**(438)**	**(738)**	**-**	**(61,409)**
Revaluation of assets	**4,065**	**-**	**-**	**-**	**-**	**-**	**-**	**4,065**
Transfer	**-**	**-**	**218,115**	**-**	**1,566**	**41,474**	**(261,155)**	**-**
ARO adjustment	**-**	**-**	**7,049**	**-**	**-**	**-**	**-**	**7,049**
Transfer to inventories	**-**	**-**	**-**	**-**	**-**	**-**	**(4,631)**	**(4,631)**
Transfer to intangible assets	**-**	**-**	**-**	**-**	**-**	**-**	**(4,370)**	**(4,370)**
Reclassification	**(2,994)**	**2,994**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2023	**31,917**	**37,540**	**7,084,251**	**1,613**	**155,744**	**1,401,003**	**761,975**	**9,474,043**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE COMPANY	Land and buildings Rs 000	Infrastructure assets Rs 000	Technical equipment Rs 000	Motor vehicles Rs 000	Furniture, fixtures and fittings Rs 000	Office equipment Rs 000	Asset in progress Rs 000	Total Rs 000
Accumulated depreciation:								
At 1 January 2022	92,833	16,621	3,448,597	6,935	119,491	1,094,783	-	4,779,260
Charge for the year	13,667	543	426,210	-	6,053	78,581	-	525,054
Disposals adjustment	(103,349)	(36)	(253,625)	(3,360)	(328)	(838)	-	(361,536)
Write off	-	-	(329)	-	(1,973)	(1,700)	-	(4,002)
At 31 December 2022	**3,151**	**17,128**	**3,620,853**	**3,575**	**123,243**	**1,170,826**	**-**	**4,938,776**
Charge for the year	**299**	**864**	**481,246**	**2**	**9,129**	**101,366**	**-**	**592,906**
Disposals adjustment	**-**	**-**	**(201,151)**	**(1,970)**	**(14,255)**	**(132,207)**	**-**	**(349,583)**
Write off	**-**	**-**	**(58,548)**	**-**	**(435)**	**(738)**	**-**	**(59,721)**
Reclassification in class of assets	**(1,832)**	**1,832**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2023	**1,618**	**19,824**	**3,842,400**	**1,607**	**117,682**	**1,139,247**	**-**	**5,122,378**
Net book value:								
At 31 December 2023	**30,299**	**17,716**	**3,241,851**	**6**	**38,062**	**261,756**	**761,975**	**4,351,665**
At 31 December 2022	27,695	17,418	2,599,723	8	41,962	173,325	340,716	3,200,847

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Fair values of land and buildings

The revaluation surplus net of applicable deferred tax was credited to other comprehensive income and is shown in the revaluation reserves in shareholders' equity.

	THE GROUP		THE COMPANY	
Significant other observable inputs (Level 2)				
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Recurring fair value measurements				
Land	**49,486**	-	**2,245**	-
Building	**1,820**	20,375	**1,820**	20,375
	51,306	20,375	**4,065**	20,375

Level 2 fair values of land and buildings have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square meter.

During the year, the Group has incurred a write off totaling Rs 136.1 million and Company Rs 61.4 million of its assets with a depreciated value for the Group of Rs 135.9 million and Company Rs 59.7 million respectively. These assets consist mainly of decoders which were scapped, furniture and fittings, routers and IT equipment which were either damaged or obsolete.

Asset in progress for the Group and Company mainly includes technical equipment acquired by the Group and Company which were not ready for use at 31 December 2023.

Payments for the purchase of property, plant and equipment during the year are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Additions to property, plant and equipment	**1,949,790**	1,713,431	**1,824,492**	1,478,698
Unpaid at 1 January	**420,878**	64,273	**420,878**	64,273
Unpaid at 31 December	**(538,175)**	(420,878)	**(538,175)**	(420,878)
Trade-In arrangement	**(211,043)**	(287,012)	**(211,043)**	(287,012)
ARO provision for the year	**(932)**	(890)	**(932)**	(890)
Payments for purchase of property, plant and	**1,620,518**	1,068,924	**1,495,220**	834,191

As at 31 December 2023, if no revaluation was done on land and building, the historical cost would have been as follows:

	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Cost	**392,223**	30,846	**27,852**	30,846
Accumulated Depreciation	**(2,039)**	(3,150)	**(1,452)**	(3,150)
Net Book Value	**390,184**	27,696	**26,400**	27,696

The sensitivity analysis on depreciation, factoring in changes to the weighted average useful life, is outlined below:

		2023	2022	**2023**	2022
	Change in Assumption	**Impact**		**Impact**	
	%	**Rs 000**	Rs 000	**Rs 000**	Rs 000
Increase in weighted average useful life	1	**64,657**	62,687	**46,513**	45,333
Decrease in weighted average useful life	1	**(49,482)**	(49,029)	**(34,655)**	(34,831)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

11 LEASES

This note provides information for leases where the Group and Company are a lessee.

Amounts recognised in the statements of financial position

Right-of-use assets	THE GROUP				THE COMPANY			
	Land & building	Co-location of cellsites	Motor vehicles	Total	Land & building	Co-location of cellsites	Motor vehicles	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 1 January 2022	513,237	221,360	17,465	752,062	482,204	221,360	10,838	714,402
Remeasurement	1,654	(132)	-	1,522	754	(132)	-	622
Additions	381,974	4,598	586	387,158	378,187	4,598	586	383,371
Depreciation	(104,316)	(46,258)	(3,789)	(154,363)	(94,047)	(46,258)	(2,600)	(142,905)
De-recognition	(6,022)	(3,345)	(51)	(9,418)	(5,866)	(3,345)	(51)	(9,262)
At 31 December 2022	**786,527**	**176,223**	**14,211**	**976,961**	**761,232**	**176,223**	**8,773**	**946,228**
Remeasurement	**19,583**	**466**	**-**	**20,049**	**18,590**	**466**	**-**	**19,056**
Additions	**73,760**	**3,293**	**-**	**77,053**	**69,100**	**3,293**	**-**	**72,393**
Depreciation	**(123,798)**	**(43,764)**	**(3,613)**	**(171,175)**	**(114,782)**	**(43,764)**	**(2,424)**	**(160,970)**
De-recognition	**(18,778)**	**(8,034)**	**-**	**(26,812)**	**(14,717)**	**(8,034)**	**-**	**(22,751)**
At 31 December 2023	**737,294**	**128,184**	**10,598**	**876,076**	**719,423**	**128,184**	**6,349**	**853,956**

Lease liabilities	Land & building	Co-location of cellsites	Motor vehicles	Total	Land & building	Co-location of cellsites	Motor vehicles	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 1 January 2022	559,319	233,177	17,955	810,451	528,889	233,177	11,262	773,328
Remeasurement	1,654	(132)	-	1,522	754	(132)	-	622
Additions	381,966	4,598	586	387,150	378,187	4,598	586	383,371
Interest expense	32,433	9,519	943	42,895	31,068	9,519	639	41,226
Payments	(127,310)	(50,734)	(4,677)	(182,721)	(116,322)	(50,734)	(3,303)	(170,359)
De-recognition	(4,942)	(3,488)	(6)	(8,436)	(4,832)	(3,488)	(6)	(8,326)
At 31 December 2022	**843,120**	**192,940**	**14,801**	**1,050,861**	**817,744**	**192,940**	**9,178**	**1,019,862**
Remeasurement	**19,640**	**466**	**-**	**20,106**	**18,590**	**466**	**-**	**19,056**
Additions	**74,321**	**3,672**	**-**	**77,993**	**69,658**	**3,672**	**-**	**73,330**
Interest expense	**50,654**	**7,529**	**707**	**58,890**	**49,563**	**7,529**	**457**	**57,549**
Payments	**(161,025)**	**(50,959)**	**(4,054)**	**(216,038)**	**(150,933)**	**(50,959)**	**(2,679)**	**(204,571)**
De-recognition	**(20,927)**	**(8,422)**	**-**	**(29,349)**	**(17,286)**	**(8,422)**	**-**	**(25,708)**
At 31 December 2023	**805,783**	**145,226**	**11,454**	**962,463**	**787,336**	**145,226**	**6,956**	**939,518**

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Current	**145,876**	150,123	**137,365**	139,659
Non-current	**816,587**	900,738	**802,153**	880,203
At 31 December	**962,463**	1,050,861	**939,518**	1,019,862

The future cash outflows on the lease liabilities are disclosed under the financial risk management, liquidity risk (Note 2(c)).

The statement of profit or loss shows the following amounts relating to leases:

	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Depreciation charge of right-of-use assets	**171,175**	154,363	**160,970**	142,905
Interest expense (included in finance cost)	**58,890**	42,895	**57,549**	41,226
Total lease payment inclusive of short term leases	**216,038**	182,721	**204,571**	170,359
Expense relating to variable lease payments not included in lease liabilities	**4,096**	3,069	**4,096**	3,069

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

12 INTANGIBLE ASSETS

	THE GROUP						THE COMPANY		
	Purchased Software	Developed Software	Licence	IRU	Assets in Progress	Total	Licence	IRU	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Cost:									
At 1 January 2022	33,734	-	114,013	654,930	5,822	808,499	114,013	654,930	768,943
Additions	456	9,138	2,124	-	2,799	14,517	2,124	-	2,124
Reclassification	492	5,822	-	-	(5,822)	492	-	-	-
Intangibles write off	(13)	-	-	-	-	(13)	-	-	-
At 31 December 2022	**34,669**	**14,960**	**116,137**	**654,930**	**2,799**	**823,495**	**116,137**	**654,930**	**771,067**
Additions	**-**	**2,586**	**-**	**541**	**1,656**	**4,783**	**-**	**541**	**541**
Write off	**-**	**-**	**-**	**(82,659)**	**-**	**(82,659)**	**-**	**(82,659)**	**(82,659)**
Transfer	**180**	**-**	**-**	**4,370**	**-**	**4,550**	**-**	**4,370**	**4,370**
At 31 December 2023	**34,849**	**17,546**	**116,137**	**577,182**	**4,455**	**750,169**	**116,137**	**577,182**	**693,319**
Accumulated Amortisation:									
At 1 January 2022	29,984	-	63,262	393,930	-	487,176	63,262	393,930	457,192
Charge for the year	2,247	1,820	8,313	38,825	-	51,205	8,313	38,825	47,138
Write off	(13)	-	-	-	-	(13)	-	-	-
At 31 December 2022	**32,218**	**1,820**	**71,575**	**432,755**	**-**	**538,368**	**71,575**	**432,755**	**504,330**
Charge for the year	**1,533**	**3,304**	**6,309**	**38,653**	**-**	**49,799**	**6,309**	**38,653**	**44,962**
Write off	**-**	**-**	**-**	**(56,130)**	**-**	**(56,130)**	**-**	**(56,130)**	**(56,130)**
At 31 December 2023	**33,751**	**5,124**	**77,884**	**415,278**	**-**	**532,037**	**77,884**	**415,278**	**493,162**
Net book value:									
At 31 December 2023	**1,098**	**12,422**	**38,253**	**161,904**	**4,455**	**218,132**	**38,253**	**161,904**	**200,157**
At 31 December 2022	2,451	13,140	44,562	222,175	2,799	285,127	44,562	222,175	266,737

The Intangible assets consist of acquired licences from the Information and Communication Technologies Authority (ICTA), capacity purchased on an Indefeasible Rights of Use ("IRU"), software licences purchased and software developed for the mobile financial app trading under the name of "Blink". The IRU is amortised on a straight- line basis over the contract period from the effective date of the IRUs was brought into use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

13 INVESTMENT IN SUBSIDIARIES

The Company owns a 100% shareholding in Emtel MFS Co Ltd with a paid-up capital of Rs 5,000,000. Emtel MFS Co Ltd offers digital payment platform facilities.

The Company acquired EMVision in previous years for a purchase consideration of Rs 1.15 Billion representing 90% of the stated capital. This is accounted under a common control transaction at Group level (Note 30).

The Company owns 100% shareholding in Emtel Technopolis Ltd with a paid up share capital of Rs 50 million. Emtel Technopolis Ltd will provide building and infrastructure facility on lease for a satellite farming project. The building and infrastructure are accounted as assets in progress at the reporting date.

The directors have reviewed the financial position of the subsidiaries at 31 December 2023 and are of the opinion that these investments have not suffered any impairment in the current year (2022: Rs 82,125,000).

	THE COMPANY	
	2023	2022
	Rs 000	Rs 000
At 1 January	**1,122,875**	1,205,000
Impairment loss	**-**	(82,125)
At 31 December	**1,122,875**	1,122,875

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

	THE GROUP & COMPANY	
	2023	2022
	Rs 000	Rs 000
At fair value:		
At 1 January	**1,207**	1,153
Movement in fair value	**22**	54
At 31 December (Note 2(e))	**1,229**	1,207

The financial assets represent investment in equity securities.

14(b) FINANCIAL ASSETS HELD AT AMORTISED COST

	THE COMPANY	
	2023	2022
	Rs 000	Rs 000
Shareholders Loan to subsidiary	**31,000**	-

The Company has provided a loan of Rs 31 million in December 2023 to its subsidiary Emtel MFS Company Ltd, which is accounted for at fair value through amortised cost in accordance with IFRS 9. The loan bears interest rate at the MCB Prime lending rate and is repayable over a period of 3 years from the date of issuance subject to extension or termination by mutual written agreement. The Company have evaluated the expected credit loss on the loan to subsidiary and the probability of default is negligible. This assessment is undertaken at each financial period ending 31 December.

15 INVENTORIES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Telephone sets, related spares and accessories:				
At cost	**70,819**	91,246	**48,499**	62,582
At net realisable value	**934**	2,764	**934**	2,764
	71,753	94,010	**49,433**	65,346

The Group and Company have cost of inventories recognised as an expense of **Rs 274 million** (2022: Rs 329 million) and **Rs 263 million** (2022: Rs 308 million) respectively.

16 TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Trade receivables	**236,792**	265,342	**206,666**	232,277
Less: Loss allowance on trade receivables	**(69,569)**	(106,194)	**(47,365)**	(81,374)
	167,223	159,148	**159,301**	150,903
Prepayments	**55,327**	64,592	**39,097**	45,162
Advance to supplier	**5,622**	18,154	**5,622**	4,080
Deposit	**23,795**	23,397	**21,081**	22,254
VAT receivable	**6,881**	46,142	**-**	37,528
Accrued income	**46,226**	46,922	**46,226**	46,922
Accrued interest income	**24**	-	**24**	-
Other receivables	**88,006**	43,371	**76,436**	27,143
Receivable from related parties (Note 28 (vii) & (viii))	**10,058**	16,684	**39,780**	61,212
	403,162	418,410	**387,567**	395,204

The carrying amount of trade and other receivables approximate their fair values.

The maximum exposure to credit risk at the reporting date is equal to the carrying value of each class of the trade and other receivables mentioned above.

The Group and Company include trade receivables which are not secured, non-interest bearing and generally on average 30-90 days term.

The Company's accrued income mainly consist of inbound roaming commitment. The Company has a discount agreement with some of its roaming partners for a guaranteed send or pay commitment to our network over a defined period. At end of each period, the Group and Company assess the actual revenue generated through the contract and provide for any shortfall in revenue based on the guaranteed roaming revenue commitment. Accrued income is thus accounted for as a receivable as the amount will be recovered in the short term from the respective roaming partner after all services have already been rendered.

On that basis, the loss allowance as at 31 December 2023 and 31 December 2022 was determined as follows for the trade receivables:

THE GROUP

31 December 2023	**Current**	**Up to 1 month past due**	**1 to 2 months past due**	**Over 2 months past due**	**Total**
Expected loss rate	**1.32%**	**4.76%**	**12.09%**	**91.82%**	
Gross carrying value (Rs 000)	**105,135**	**46,464**	**15,367**	**69,826**	**236,792**
Loss allowance (Rs 000)	**1,383**	**2,212**	**1,858**	**64,116**	**69,569**

31 December 2022	Current	Up to 1 month past due	1 to 2 months past due	Over 2 months past due	Total
Expected loss rate	1.75%	5.78%	9.59%	95.34%	
Gross carrying value (Rs 000)	93,321	46,940	20,295	104,786	265,342
Loss allowance (Rs 000)	1,636	2,711	1,946	99,901	106,194

THE COMPANY

31 December 2023	**Current**	**Up to 1 month past due**	**1 to 2 months past due**	**Over 2 months past due**	**Total**
Expected loss rate	**0.66%**	**3.25%**	**7.61%**	**89.89%**	
Gross carrying value (Rs 000)	**97,792**	**45,204**	**14,556**	**49,114**	**206,666**
Loss allowance (Rs 000)	**641**	**1,469**	**1,108**	**44,147**	**47,365**

31 December 2022	Current	Up to 1 month past due	1 to 2 months past due	Over 2 months past due	Total
Expected loss rate	0.77%	3.96%	5.21%	94.43%	
Gross carrying value (Rs 000)	87,308	43,814	18,558	82,597	232,277
Loss allowance (Rs 000)	676	1,735	966	77,997	81,374

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

16 TRADE AND OTHER RECEIVABLES (CONTINUED)

At 31 December 2023, if the expected credit losses had increased/decreased by 1%, pre-tax profit and equity for the year would have been Group: higher/lower by **Rs 2,368,000** in 2023 (2022 – pre-tax profit would have been higher/lower by Rs 2,653,000); Company: higher/lower by **Rs 2,067,000** in 2023 (2022 – pre-tax profit would have been higher/lower by Rs 2,323,000).

The carrying amounts of the Group and Company's trade and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Mauritian rupee	**358,231**	390,594	**344,394**	370,461
United States dollar	**16,438**	17,930	**15,950**	14,857
Euro	**28,473**	9,864	**27,203**	9,864
Great Britain pound	**17**	17	**17**	17
Swiss franc	**3**	5	**3**	5
	403,162	418,410	**387,567**	395,204

Movements on the Group and Company's loss allowance on trade receivables are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
At 1 January	**106,194**	147,957	**81,374**	96,291
Receivables written off during the year as uncollectible	**(48,674)**	(49,924)	**(38,454)**	(16,588)
Increase in loss allowance recognised in profit of loss during the ye	**12,049**	8,161	**4,445**	1,671
At 31 December	**69,569**	106,194	**47,365**	81,374

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. The Group and Company do not hold any collateral as security.

17 CURRENT TAX RECEIVABLES

	THE GROUP & COMPANY	
	2023	2022
	Rs 000	Rs 000
Amount receivable from MRA	**80,382**	80,382

Income tax

The Mauritius Revenue Authority (MRA) had raised an assessment on the Company with respect to the income tax rate used for income tax years of assessments 2006/2007 and 2007/2008. The total amount claimed by the MRA has been paid under protest inclusive of the penalties and interest.

According to the Company's legal advisors appointed to handle this matter, they believe that it is highly probable that the Company will have a positive outcome. Based on significant judgment that has been applied by the Company's directors, following advice from its legal advisor, no tax liability has been accounted with respect to this assessment. Given that the Company has already paid the amount of Rs 80.4 million to the MRA, this represents an asset (current tax receivable) for the Company. The Company has lodged an application for permission to appeal that judgement to the Judicial Committee of the Privy Council. The Case was fixed by the Court for MERITS to the 6th November 2023, however, the Case has been postponed for 27 May 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

17 CURRENT TAX RECEIVABLES (CONTINUED)

In parallel to those two appeals, Emtel is contesting before the Supreme Court the MRA's refusal to allow it to join the Voluntary Disclosure of Income Arrangement (VDIA) Scheme for those same years 2005 and 2006. The VDIA proceedings were heard on 13 March 2018 and judgment is awaited.

Pending the determination of those three cases, the payments made to the MRA have been recorded as a receivable from the MRA as the Board of the Company is confident that the matter shall be resolved positively.

18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents and in hand comprise the following statement of financial position amounts:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Cash and cash equivalents	**281,202**	772,290	**170,433**	611,829
Restricted cash	**129,170**	59,484	**129,170**	59,484
	410,372	831,774	**299,603**	671,313

For the purpose of the statement of cash flows, cash and cash equivalents excluding restricted cash amounts to Group **Rs 281,246,000** (2022 – Rs 772,290,000) and the Company **Rs 170,433,000** (2022 – Rs 611,829,000). The restricted cash held at local banks represents the amount which the Company can use to pay specific suppliers (Note 24).

19 STATED CAPITAL

	THE GROUP & COMPANY			
	2023	2022	**2023**	2022
	Number	Number	**Rs 000**	Rs 000
Authorised:				
Ordinary shares of Rs 10 each	**20,000,000**	20,000,000	**200,000**	200,000
Issued and fully paid:				
At 1 January and 31 December	**15,180,000**	15,180,000	**151,800**	151,800

20 BORROWINGS

	THE GROUP					
	2023			2022		
	Current	**Non-Current**	**Total**	Current	Non-Current	Total
	Rs 000	**Rs 000**	**Rs 000**	Rs 000	Rs 000	Rs 000
Loan	**1,276,250**	**632,500**	**1,908,750**	625,000	726,250	1,351,250
Interest on loan	**19,807**	**-**	**19,807**	11,187	-	11,187
Bank overdraft	**5,213**	**-**	**5,213**	-	-	-
	1,301,270	**632,500**	**1,933,770**	636,187	726,250	1,362,437
Bond	**500,000**	**1,400,000**	**1,900,000**	250,000	1,900,000	2,150,000
Unamortised transaction cost	**(1,319)**	**(2,149)**	**(3,468)**	(1,759)	(3,468)	(5,227)
Interest on bonds	**9,895**	**-**	**9,895**	11,815	-	11,815
	508,576	**1,397,851**	**1,906,427**	260,056	1,896,532	2,156,588
Total borrowings	**1,809,846**	**2,030,351**	**3,840,197**	896,243	2,622,782	3,519,025

20 BORROWINGS (CONTINUED)

	THE COMPANY					
	2023			2022		
	Current	**Non-Current**	**Total**	Current	Non-Current	Total
	Rs 000	**Rs 000**	**Rs 000**	Rs 000	Rs 000	Rs 000
Loan	**1,190,000**	**108,750**	**1,298,750**	575,000	206,250	781,250
Interest on loan	**13,229**	**-**	**13,229**	5,775	-	5,775
	1,203,229	**108,750**	**1,311,979**	580,775	206,250	787,025
Bond	**500,000**	**1,400,000**	**1,900,000**	250,000	1,900,000	2,150,000
Unamortised transaction cost	**(1,319)**	**(2,149)**	**(3,468)**	(1,758)	(3,468)	(5,226)
Interest on bonds	**9,895**	**-**	**9,895**	11,815	-	11,815
	508,576	**1,397,851**	**1,906,427**	260,057	1,896,532	2,156,589
Total borrowings	**1,711,805**	**1,506,601**	**3,218,406**	840,832	2,102,782	2,943,614

The transaction cost incurred on the issue of bonds and the amount recognised under borrowings are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
At 1 January	**5,226**	7,325	**5,226**	7,325
Bond issue transaction costs incurred	**1,065**	1,125	**1,065**	1,125
Amortisation	**(2,823)**	(3,224)	**(2,823)**	(3,224)
At 31 December	**3,468**	5,226	**3,468**	5,226

	Maturity Date	**2023**	2022	**2023**	2022
		Rs 000	Rs 000	**Rs 000**	Rs 000
Secured bank loans					
ABSA loan	Jun 2026	**93,750**	131,250	**93,750**	131,250
ABSA loan	Sep 2029	**100,000**	65,000	**-**	-
ABSA loan	Feb 2032	**300,000**	300,000	**-**	-
ABSA loan	Sep 2032	**75,000**	55,000	**-**	-
AfrAsia loan	Aug 2025	**105,000**	150,000	**105,000**	150,000
MCB short term loan	Jan 2024	**100,000**	-	**100,000**	-
ABSA short term Loan	Aug 2023	**-**	500,000	**-**	500,000
ABSA short term Loan	Feb 2024	**500,000**	-	**500,000**	-
AfrAsia short term Loan	Mar 2024	**500,000**	-	**500,000**	-
SBM loan	Jun 2025	**135,000**	150,000	**-**	-
Repayable within one year		**(1,276,250)**	(625,000)	**(1,190,000)**	(575,000)
Repayable by instalments in the second to tenth year		**632,500**	726,250	**108,750**	206,250

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

20 BORROWINGS (CONTINUED)

The Group's debts and other banking facilities are secured by fixed and floating charges on the Company's assets and Corporate guarantees given by the parent Company. All the loans have been contracted on fixed interest rates with the exception of one loan for a subsidiary. The interest rate for the fixed loan varies between **3.60%-5.75%** (2022- 4.00%-5.75%).

The Group also carries a secured bank loan from SBM Bank (Mauritius) Ltd which bears interest at the rate of 0.5% above PLR and is repayable in three instalments until full repayment on 30 June 2025. The interest rate on the floating loan varies between **7.40%-7.55%** (2022: 4.75%-7.15%).

The Company's debts and other banking facilities are secured by floating charges on the Company's assets. The interest rate of loans varies between **3.60%%-5.40%** (2022: 2.85%-3.60%) and rate of interest applicable on bank overdraft varies between **6.70%-6.75%** (2022: 4.05%-6.90%) during the year ended 31 December 2023.

At 31 December 2023, the Mauritius Commercial Bank's Prime Lending rate was **6.75%** (2022: 6.75%), the ABSA Prime Lending rate was **7.45%** (2022: 7.45%) and SBM Prime Lending rate was **7.05%** (2022: 6.90%). The borrowings have been contracted on fixed interest rate.

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of **5.31%** (2022:4.00%) and are within level 2 of the fair value hierarchy.

		THE GROUP		THE COMPANY	
	Maturity Date	**2023 Rs 000**	2022 Rs 000	**2023 Rs 000**	2022 Rs 000
Secured bonds					
MCB 5 years Bond	June 2024	**300,000**	300,000	**300,000**	300,000
MCB 7 years Bond	June 2026	**300,000**	300,000	**300,000**	300,000
SBM 5 years Bond	June 2024	**200,000**	200,000	**200,000**	200,000
SBM 7 years Bond	June 2026	**200,000**	200,000	**200,000**	200,000
MCB 3 years Bond	April 2023	**-**	250,000	**-**	250,000
MCB 5 years Bond	April 2023	**250,000**	250,000	**250,000**	250,000
MCB 8 years Bond	April 2028	**300,000**	300,000	**300,000**	300,000
MCB 10 years Bond	April 2030	**250,000**	250,000	**250,000**	250,000
ABC 5 years Bond	April 2025	**50,000**	50,000	**50,000**	50,000
ABC 10 years Bond	April 2030	**50,000**	50,000	**50,000**	50,000
		1,900,000	2,150,000	**1,900,000**	2,150,000

The bank bonds facilities are secured by floating charges on the Company's assets and have been contracted at fixed interest rate which range between **3.50%** and **5.15%.**

The carrying amounts of the Group and Company's borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2023 Rs 000	2022 Rs 000	**2023 Rs 000**	2022 Rs 000
Mauritian rupee	**3,840,197**	3,519,025	**3,218,406**	2,943,614

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

21 DEFERRED TAX LIABILITIES

The movement in deferred tax is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
At 1 January	**253,771**	263,882	**198,170**	210,671
Statement of profit or loss (Note 9(b))	**59,039**	(13,773)	**77,856**	(14,127)
Charge relating to components of other comprehensive income (note 9(d))	**(1,281)**	3,661	**(678)**	1,626
At 31 December	**311,529**	253,770	**275,348**	198,170

The movement in deferred tax assets and liabilities is as follows:

	THE GROUP				THE COMPANY			
	At 1 January 2023	**Credited to profit or loss**	**Credited to Other Comprehensive Income**	**At 31 December 2023**	**At 1 January 2023**	**Credited to profit or loss**	**Credited to Other Comprehensive Income**	**At 31 December 2023**
	Rs 000	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
Deferred tax assets								
Provision for loss allowance on trade receivables	**(18,054)**	**6,227**	**-**	**(11,827)**	**(13,835)**	**5,782**	**-**	**(8,053)**
Allowance for tax losses	**(3,009)**	**(4,697)**	**-**	**(7,706)**	**-**	**-**	**-**	**-**
Deferred capital allowance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provision for post-employment benefit obligations	**(3,132)**	**208**	**(1,590)**	**(4,514)**	**(3,426)**	**(45)**	**(987)**	**(4,458)**
Lease liabilities	**(13,377)**	**(1,280)**	**-**	**(14,657)**	**(13,474)**	**(1,071)**	**-**	**(14,545)**
	(37,572)	**458**	**(1,590)**	**(38,704)**	**(30,735)**	**4,666**	**(987)**	**(27,056)**
Deferred tax liabilities								
Accelerated capital allowances	**291,343**	**58,581**	**-**	**349,924**	**228,905**	**73,190**	**-**	**302,095**
Revaluation of property plant and equipment	**-**	**-**	**309**	**309**	**-**	**-**	**309**	**309**
	291,343	**58,581**	**309**	**350,233**	**228,905**	**73,190**	**309**	**302,404**
Net deferred tax liabilities	**253,771**	**59,039**	**(1,281)**	**311,529**	**198,170**	**77,856**	**(678)**	**275,348**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

21 DEFERRED TAX LIABILITIES (CONTINUED)

The movement in deferred tax assets and liabilities is as follows:

	THE GROUP				THE COMPANY			
	At 1 January 2022	Credited to profit or loss	Credited to Other Comprehensive Income	At 31 December 2022	At 1 January 2022	Credited to profit or loss	Credited to Other Comprehensive Income	At 31 December 2022
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Deferred tax assets								
Provision for loss allowance on trade receivables	(25,152)	7,098	-	(18,054)	(16,369)	2,534	-	(13,835)
Allowances for tax losses	(1,292)	(1,717)	-	(3,009)	-	-	-	-
Provision for post-employment benefit obligations	(8,944)	2,150	3,661	(3,133)	(6,273)	1,221	1,626	(3,426)
Lease liabilities	(10,277)	(3,100)	-	(13,377)	(10,018)	(3,456)	-	(13,474)
	(45,665)	4,431	3,661	(37,573)	(32,660)	299	1,626	(30,735)
Deferred tax liabilities								
Accelerated capital	270,866	20,477	-	291,343	204,650	24,255	-	228,905
Revaluation of property plant and equipment	38,681	(38,681)	-	-	38,681	(38,681)	-	-
	309,547	(18,204)	-	291,343	243,331	(14,426)	-	228,905
Net deferred tax liabilities	263,882	(13,773)	3,661	253,770	210,671	(14,127)	1,626	198,170

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

22 POST-EMPLOYMENT BENEFITS

The table below outlines where the Company's post-employment amounts and activity are included in the financial statements.

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Statement of financial position				
Post-employment benefits obligation	**28,633**	20,153	**26,222**	20,153
Profit or loss charge included in operating profit				
Defined pension and gratuity benefit (Note 7)	**12,811**	16,022	**7,239**	8,917
Re-measurements for:				
Defined pension and gratuity benefit	**9,313**	(21,535)	**5,807**	(9,556)

The Company operates defined benefit pension plans. All of the plans are final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
The amounts recognised in the statement of financial position are determined as follows:				
Present value of funded obligations	**164,940**	142,166	**102,589**	90,453
Fair value of plan assets	**(136,307)**	(123,741)	**(76,367)**	(70,300)
Deficit of funded plans	**28,633**	18,425	**26,222**	20,153
Net liability in the statement of financial position	**28,633**	18,425	**26,222**	20,153
Represented under:				
Post benefit employment assets	**-**	(1,728)	**-**	-
Post benefit employment liabilities	**28,633**	20,153	**26,222**	20,153
Net liability in the statement of financial position	**28,633**	18,425	**26,222**	20,153

The defined benefit obligations and plan assets are composed as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Present value of obligations	**164,940**	142,166	**102,589**	90,453
Fair value of plan assets	**(136,307)**	(123,741)	**(76,367)**	(70,300)
Total	**28,633**	18,425	**26,222**	20,153

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

22 POST-EMPLOYMENT BENEFITS OBLIGATIONS (CONTINUED)

The movement in the net defined benefit obligation over the year is as follows:

	THE GROUP			THE COMPANY		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 1 January 2023	142,166	(123,741)	18,425	90,453	(70,300)	20,153
Current service cost	11,968	-	11,968	7,522	-	7,522
Interest expense/(income)	9,286	(8,443)	843	5,887	(4,762)	1,125
Past service cost and gains and losses on settlement	-	-	-	(1,408)	-	(1,408)
	21,254	(8,443)	12,811	12,001	(4,762)	7,239
Remeasurements						
- Return on plan asset, excluding amount included	-	445	445	-	254	254
- Loss from change in financial assumptions	7,871	-	7,871	3,567	-	3,567
- Experience loss	995	-	995	1,986	-	1,986
	8,866	445	9,311	5,553	254	5,807
Exchange differences						
Contributions:						
- Employers	-	(11,914)	(11,914)	-	(6,977)	(6,977)
Payment from plans:						
- Benefit payments	(7,346)	7,346	-	(5,570)	5,570	-
Transfer in	-	-	-	152	(152)	-
	(7,346)	(4,568)	(11,914)	(5,418)	(1,559)	(6,977)
At 31 December 2023	164,940	(136,307)	28,633	102,589	(76,367)	26,222

	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 1 January 2022	158,918	(106,309)	52,609	88,879	(51,980)	36,899
Current service cost	14,221	-	14,221	9,571	-	9,571
Interest expense/(income)	7,304	(5,503)	1,801	4,132	(2,833)	1,299
Past service cost and gains and losses on settlement	-	-	-	(1,953)	-	(1,953)
	21,525	(5,503)	16,022	11,750	(2,833)	8,917
Remeasurements						
- Return on plan asset, excluding amount included in interest income	-	12,891	12,891	-	6,691	6,691
- Loss from change in financial assumptions	(39,996)	-	(39,996)	(23,117)	-	(23,117)
- Experience loss	5,570	-	5,570	6,870	-	6,870
	(34,426)	12,891	(21,535)	(16,247)	6,691	(9,556)
Exchange differences						
Contributions:						
- Employers	-	(28,671)	(28,671)	-	(16,107)	(16,107)
Payment from plans:						
- Benefit payments	(3,851)	3,851	-	(2,060)	2,060	-
Transfer in	-	-	-	8,131	(8,131)	-
	(3,851)	(24,820)	(28,671)	6,071	(22,178)	(16,107)
At 31 December 2022	142,166	(123,741)	18,425	90,453	(70,300)	20,153

22 POST-EMPLOYMENT BENEFITS OBLIGATIONS (CONTINUED)

The Group and Company contribute to a defined benefit pension plan which is administered by Island Life Assurance Co Ltd. As at 31 December 2023, the Group has recognised a net liability of **Rs 10,332,000** (2022: a net assets of Rs 1,620,000) and the Company **Rs 10,872,000** (2022: Rs 1,014,000) for the plan.

The Company also participates in a defined contribution (DC) pension plan. Its contributions for DC employees are expensed to the income statement and amounted to **Rs 15,056,000** for the year ended 31 December 2023 (2022: Rs 14,496,000).

In addition, the Group has recognised in its statement of financial position as at 31 December 2023 a net defined benefit liability of **Rs 18,391,000** (2022: Rs 20,067,000) and the Company **Rs 15,440,000** (2022: Rs 19,139,000) in respect of any additional retirement gratuities that are expected to be paid out of the Company's cash flow to its employees under the WRA 2019.

Risk exposure

The Group and Company operates a final salary defined benefit pension plan for some of its employees. The plan exposes the Company to normal risks associated with defined benefit pension plans, such as investment, interest, longevity and salary risks.

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

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

Longevity risk: The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

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

The Company had a residual obligation imposed by WRA 2019 on top of its DC plan. It is also particularly exposed to investment under-performance of the DC plan. There has been no plan amendment, curtailment or settlement during the year, except for past service costs due to employee transfers to and from related entities within Currimjee Group and due to change in the retirement gratuity formula (from 15/22 to 15/26) for employees working 5-day weeks (assuming that the change in the retirement gratuity formula applies in respect of service as from 1 July 2023 only).

The significant actuarial assumptions for the Group and the Company were as follows:

	2023	2022
Discount rate	**5.5%**	6.7%
Inflation rate	**3.2%**	4.3%
Salary growth rate	**3.5%**	5.3%
Average retirement age	**63**	63

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 63.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

22 POST-EMPLOYMENT BENEFITS OBLIGATIONS (CONTINUED)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Assume Island Life Assurance annuity rates:				
- Male at Average Retirement Age	**10.6**	9.7	**11**	9.7
- Female at Average Retirement Age	**12.1**	11.0	**12**	11.0

The sensitivity of the defined obligation benefit obligation to changes in the weighted principal assumption is:

	Change in Assumption	**Impact of defined benefit obligation**			
		THE GROUP		**THE COMPANY**	
		2023	2022	**2023**	2022
	%	**Rs 000**	Rs 000	**Rs 000**	Rs 000
Increase in liability due to decrease in discount rate by	**1**	**42,649**	38,187	**26,410**	24,767
Decrease in liability due to increase in discount rate by	**1**	**30,246**	28,338	**18,060**	18,295

Future cash flows:
The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries and pay benefits out of the Company's cash flow as and when it is due.

	THE GROUP		**THE COMPANY**	
	2023	2022	**2023**	2022
Expected employer contribution for next year	**12,631**	12,113	**7,478**	6,906
Weighted average duration of the defined benefit obligation:				
- Pension scheme	**19**	19	**15**	15
- Retirement gratuities / Residual retirement gratuities	**20**	21	**19**	20

The above sensitivity analysis has been carried out by recalculating the present value of obligation at the end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumption would have shown smaller variations in the benefit obligation.
Plan assets are comprised as follows:

THE GROUP

	2023			2022		
	Quoted	**Unquoted**	**Total**	Quoted	Unquoted	Total
	Rs 000	**Rs 000**	**Rs 000**	Rs 000	Rs 000	Rs 000
Local equities	**38,107**	**1,361**	**39,468**	33,375	1,236	34,611
Loan	**20,415**	**20,415**	**40,830**	10,089	18,542	28,631
Overseas bonds and equities	**35,385**	**-**	**35,385**	17,306	-	17,306
Others	**20,415**	**-**	**20,415**	43,065	-	43,065
	114,322	**21,776**	**136,098**	103,835	19,778	123,613

THE COMPANY

	2023			2022		
	Quoted	**Unquoted**	**Total**	Quoted	Unquoted	Total
	Rs 000	**Rs 000**	**Rs 000**	Rs 000	Rs 000	Rs 000
Local equities	**21,335**	**762**	**22,097**	18,948	702	19,650
Loan	**11,429**	**11,430**	**22,859**	4,211	10,527	14,738
Overseas bonds and equities	**19,811**	**-**	**19,811**	9,825	-	9,825
Others	**11,430**	**-**	**11,430**	25,966	-	25,966
	64,005	**12,192**	**76,197**	58,950	11,229	70,179

The above fair value of plan assets for both Group and Company includes only for the defined benefit plan and exclude fair value of plan assets for retirement and residual gratuities,amounting to **Rs 209,000** for Group (2022: Rs 128,000) and **Rs 170,000** for Company (2022: Rs 121,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

23 ASSET RETIREMENT OBLIGATIONS

The provision is in respect of the dismantling and removal of equipment from leased cell sites at the end of lease periods agreed.

	THE GROUP & COMPANY	
	2023	2022
	Rs 000	Rs 000
At 1 January	**64,492**	69,237
Additional provision during the year	**932**	890
Unwinding of asset retirement obligation (Note 8)	**1,924**	1,207
Change in assumptions	**7,049**	(6,492)
Disposal adjustments	**-**	(350)
At 31 December	**74,397**	64,492

The significant assumption used were as follows:

	2023	2022
Inflation rate	**3.78%**	4.72%
Bond Rate:		
5 years	**3.78%**	4.56%
10 years	**4.28%**	5.85%
15 years	**4.78%**	6.35%
20 years	**5.28%**	6.85%

Based on the simulations conducted as of 31 December, adjusting the assumptions applied in the computation of asset retirement obligation by 1% is not anticipated to result in any significant impact.

24 TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Trade payables	**425,894**	432,904	**415,266**	421,297
Accruals	**590,688**	382,121	**547,322**	355,346
VAT payables	**42,939**	6,799	**33,329**	-
Payables to related parties (Note 28 (vii))	**137,589**	178,687	**31,305**	32,540
Payable to Parent (Note 28 (vii))	**24,913**	15,323	**-**	-
Amount due to Metiss Consortium (Note 18)	**129,170**	59,484	**129,170**	59,484
Other payables	**206,203**	16,527	**199,395**	8,174
Deposit roaming and others	**41,248**	40,883	**38,913**	38,586
	1,598,644	1,132,728	**1,394,700**	915,427

25 CONTRACT LIABILITIES

	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
At 1 January	**205,953**	213,754	**124,186**	125,134
Additions	**4,277,217**	4,060,992	**3,231,868**	2,904,084
Released	**(4,277,160)**	(4,068,793)	**(3,229,520)**	(2,905,032)
Other Adjustment	**(4,869)**	-	**(4,869)**	-
Net movement on services	**(4,812)**	(7,801)	**(2,521)**	-
At 31 December	**201,141**	205,953	**121,665**	124,186

The Group and Company have contract liabilities relating mainly to airtime sold to distributors for which revenue will be recognised once it is purchased and subscriptions fees received in advance from customers.

26 DIVIDENDS PAID

A total dividend of **Rs 35.97** (2022 – Rs 35.03) per ordinary share aggregating to **Rs 546,060,000** (2022 – Rs 531,805,000) was declared in the year ended 31 December 2023 as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
At 1 January	**-**	37,059	**-**	-
Dividend proposed	**546,060**	531,805	**546,060**	531,805
Dividend paid	**(546,060)**	(568,864)	**(546,060)**	(531,805)
At 31 December	**-**	-	**-**	-

27 NET DEBT RECONCILIATION

This section sets out an analysis of the net debt and the movements in net debt for each of the periods presented.

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Cash and cash equivalents	**281,202**	772,290	**170,433**	611,829
Interest on bonds - repayable within one year	**(9,895)**	(11,815)	**(9,895)**	(11,815)
Bonds - repayable within one year	**(500,000)**	(250,000)	**(500,000)**	(250,000)
Bonds - repayable after more than one year	**(1,400,000)**	(1,900,000)	**(1,400,000)**	(1,900,000)
Interest on borrowings - repayable within one year	**(19,807)**	(5,775)	**(13,229)**	(5,775)
Borrowings - repayable within one year (including overdraft)	**(1,281,463)**	(630,413)	**(1,190,000)**	(575,000)
Borrowings - repayable after one year	**(632,500)**	(726,250)	**(108,750)**	(206,250)
Net debt	**(3,562,463)**	(2,751,963)	**(3,051,441)**	(2,337,011)

Cash and cash equivalents	**281,202**	772,290	**170,433**	611,829
Gross debt - fixed interest rates	**(3,603,452)**	(3,374,253)	**(3,121,874)**	(2,948,840)
Gross debt - variable interest rates	**(240,213)**	(150,000)	**(100,000)**	-
Net debt	**(3,562,463)**	(2,751,963)	**(3,051,441)**	(2,337,011)

28 RELATED PARTY TRANSACTIONS

As at 31 December 2023, the Company's issued share capital is owned by Currimjee Jeewanjee and Company Limited Group ("Currimjee Group") at 75% - 1 share and Indian Continent Investment Ltd at 25% + 1 share (2021: Currimjee Jeewanjee and Company Limited Group ("Currimjee Group") at 75% - 1 share and Indian Continent Investment Ltd at 25% + 1 share).

The following transactions were carried out with related parties:-

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
(i) Sales of services				
Immediate parent	**31,405**	35,969	**11,599**	11,371
Fellow subsidiaries	**19,837**	2,029	**100,522**	97,133
Other related parties	**9,316**	8,414	**9,316**	8,414
	60,558	46,412	**121,437**	116,918
(ii) Income from Management fee				
Subsidiaries (Note 4)	**-**	-	**10,000**	10,000
(iii) Income from sublease				
Subsidiary	**-**	-	**2,322**	3,114

The Company subleases part of its office space in certain showroom to its subsidiary and the income derived is reported under income from sublease.

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
(iv) Interest income				
Immediate parent	**-**	-	**173**	1,640
(v) Purchases of goods and services				
Purchases of goods included in cost of operations and administrative expenses:				
Other related parties	**13,907**	9,128	**13,907**	9,128
Purchases of services included in cost of operations and administrative expenses:				
Immediate parent	**13,934**	15,391	**2,480**	2,489
Fellow subsidiaries	**39,384**	53,442	**30,529**	43,238
Other related parties	**757,270**	727,585	**21,491**	31,532
	810,588	796,418	**54,500**	77,259
Shareholders (Note 6)	**82,202**	77,768	**82,202**	77,768
Payment for rentals:				
Parent	**3,260**	2,567	**3,260**	2,567
Fellow subsidiaries	**37,151**	5,422	**37,151**	5,422
Other related parties	**1,514**	1,347	**1,514**	1,347
	41,925	9,336	**41,925**	9,336

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 RELATED PARTY TRANSACTIONS (CONTINUED)

(vi) Key management compensation

Key management includes directors and the Chief Executive Officer. The compensation paid to key management for employee services is shown below:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Salaries and other short term benefits	**27,508**	24,336	**16,885**	14,454
Post-employment benefits	**2,347**	2,397	**2,076**	1,854
	29,855	26,733	**18,961**	16,308

(vii) Year-end balances arising from sales/purchases of goods and services

	THE GROUP 2023 Rs 000	THE GROUP 2022 Rs 000	THE COMPANY 2023 Rs 000	THE COMPANY 2022 Rs 000
Receivables from related parties:				
Immediate parent	**1,921**	7,552	**1,191**	829
Fellow subsidiaries	**5,521**	3,556	**37,244**	55,056
Other related parties	**2,616**	2,576	**1,345**	2,327
Total (Note 16)	**10,058**	13,684	**39,780**	58,212
Payables to related parties:				
Immediate parent	**24,913**	15,323	**23,750**	20,791
Fellow subsidiaries	**-**	10,026	**7,214**	10,202
Other related parties	**137,589**	168,661	**341**	1,547
Total (Note 24)	**162,502**	194,010	**31,305**	32,540

The amounts due to/from related parties are unsecured, interest free and repayable on demand. These amounts are not subject to any guarantee.

(viii) Year-end balances for advances

	THE GROUP 2023 Rs 000	THE GROUP 2022 Rs 000	THE COMPANY 2023 Rs 000	THE COMPANY 2022 Rs 000
Advances to related parties:				
Subsidiary (Note 16)	**-**	-	**-**	3,000

The advance has been issued to the subsidiary at the prevailing market rate and refundable within one year or on demand.

29 CASH GENERATED FROM OPERATIONS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs 000	Rs 000	**Rs 000**	Rs 000
Profit before income tax	**453,156**	625,674	**622,723**	593,315
Adjustments for:				
Depreciation (Note 10)	**758,957**	682,930	**592,907**	525,054
Depreciation of Right-of-use assets (Note 11)	**171,175**	154,363	**160,970**	142,905
Impairment loss on subsidiary (Note 13)	**-**	-	**-**	82,125
Amortisation (Note 12)	**49,799**	51,205	**44,962**	47,138
Profit on disposal of property, plant and equipment (Note 5)	**(133,491)**	(113,255)	**(131,205)**	(102,909)
Loss on written off of property,plant and equipment and intangible assets	**28,245**	6,495	**28,224**	-
Property, Plant and Equipment write back	**(1,439)**	-	-	-
Inventory write back	**(17)**	-	-	-
Derecognition of lease liabilities	**(1,653)**	982	**(1,150)**	935
Increase in provision for loss allowance on trade	**12,049**	8,161	**4,296**	1,636
Unwinding of asset retirement obligation (Note 23)	**1,924**	1,207	**1,924**	1,207
Interest income (Note 8)	**(4,251)**	(2,105)	**(4,321)**	(2,014)
Interest expense (Note 8)	**157,511**	127,563	**133,755**	117,080
Interest and finance charges for lease liabilities (Note 8)	**58,670**	42,977	**57,328**	41,226
Amortisation of bond issue transaction costs (Note 8)	**2,823**	3,224	**2,823**	3,224
Foreign exchange losses	**21,145**	16,518	**9,931**	2,132
Increase in provision for post-employment benefits expense	**12,809**	16,043	**7,239**	8,917
	1,587,412	1,621,982	**1,530,406**	1,461,971
Decrease / (Increase) in inventories	**26,905**	(30,691)	**20,544**	(26,940)
Decrease / (Increase) in trade and other receivables	**4,420**	(65,724)	**3,315**	185,675
Increase in trade and other payables	**266,577**	146,189	**283,888**	60,902
(Decrease) / Increase in contract liabilities	**(4,810)**	(7,801)	**(2,521)**	(948)
Increase in provisions	**2,848**	3,020	**2,848**	3,020
Cash generated from operations	**1,883,352**	1,666,975	**1,838,480**	1,683,680

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

30 COMMON CONTROL

In February 2020, the Company has acquired 90% shareholding of EMVision Ltd for a purchase consideration of Rs 1.15 billion from its immediate parent company, Currimjee Jeewanjee and Company Limited. The acquisition represents a business combination under common control as EMVision Ltd were ultimately controlled by Currimjee Jeewanjee and Company Limited both before and after the acquisition, and that control is not transitory.

The consolidated financial statements of EMVision Ltd are included in the Group's consolidated financial statements as if the combination had occurred from the date when the ultimate controlling shareholder first obtained control. Therefore, the opening balances and the comparative figures of the consolidated financial statements are restated.

The following is a reconciliation of the effect arising from the acquisition of EMVision Ltd in February 2020 which is accounted for under common control combination on the Group financial statements.

THE GROUP

	Rs 000
Assets	
Property, plant and equipment	475,813
Right-of-use assets	21,118
Intangible assets	1,987
Inventories	16,500
Trade and other receivables	35,909
Cash and cash equivalents	177,315
	728,642
Liabilities	
Deferred tax liabilities	40,760
Post-employment benefits obligations	8,158
Borrowings	79,656
Lease liabilities	19,963
Trade and other payables	223,851
Contract liabilities	93,520
Current income tax liabilities	12,272
	478,180
Fair value of net assets acquired	**250,462**
Consideration paid in cash	1,150,000
Non controlling interest	131,230
	1,281,230
Common control reserves	**1,030,768**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

31 CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the reporting period but not yet incurred amounted to approximately for the Group **Rs 291,000,000** (2022: Rs 164,000,000) and the Company **Rs 291,000,000** (2022: Rs 109,000,000).

32 IMMEDIATE AND ULTIMATE PARENTS

The directors consider Currimjee Jeewanjee and Company Limited as the Company's immediate parent and Currimjee Limited as the Company's ultimate parent. These companies are incorporated in Mauritius. The registered address of the Company's ultimate parent, Currimjee Limited, is at 38, Royal Street, Port Louis.

33 GUARANTEES

Bank guarantees

There were contingent liabilities in respect of the Company's bank guarantees amounting to **Rs 51,276,100** (2022: Rs 54,004,900) in the ordinary course of business from which it is anticipated that no material liability will arise. As at 31 December 2023, there were no bank Guarantees issued by the subsidiaries.

34 CONTINGENT ASSETS AND LIABILITIES

Emtel v/s ICTA, Mauritius Telecom (MT), Cellplus Mobile Communications and Ministry of Telecommunications

In June 2000, Emtel entered a claim for damages in excess of Rs 1 billion (plus interest and costs) against four parties: (1) the Mauritius Telecommunications Authority (now the ICTA, the Regulator); (2) the Ministry of Telecommunications (the Ministry); (3) Mauritius Telecom; and (4) Cellplus. Emtel's claim for damages arose by reason of the anti-competitive behaviour of Mauritius Telecom and Cellplus and the tolerance of that anti-competitive behaviour by the Regulator. In August 2017, after a six-week trial, the Supreme Court of Mauritius awarded Rs 554 million in damages to Emtel together with interest at the legal rate from June 2016 and costs. The Ministry was held not liable to Emtel. The Regulator, Mauritius Telecom and Cellplus (collectively the Three Respondents) appealed the judgment of the Supreme Court. In November 2021, after lengthy appellate hearings, the Court of Civil Appeal allowed the Three Respondents' appeals on points of liability and reversed the 2017 judgment of the Supreme Court. In December 2022, Emtel was granted permission to appeal the 2021 judgment of the Court of Civil Appeal to the Judicial Committee of the Privy Council. The Privy Council hearings took place on 16 and 17 January 2024. On 22 April 2024, the Privy Council delivered a judgment in favour of Emtel, allowing its appeals against the Three Respondents. The Privy Council held that the Regulator, Mauritius Telecom and Cellplus are liable to Emtel. However, in January 2023, the Three Respondents had requested that in the event that Emtel was successful before the Privy Council, grounds of appeal not considered by the Court of Civil Appeal be remitted to the Court of Civil Appeal. In April 2023, the Privy Council acceded to the remittal request of the Operators and the Regulator.Unless Emtel's claim is settled earlier, the untreated 2021 grounds of appeal of the Regulator, Mauritius Telecom and Cellplus will be remitted back to the Court of Civil Appeal for consideration.

Emtel v/s Data Communications Ltd (DCL)

Emtel has sued DCL for unpaid services supplied by Emtel. In the course of the case, DCL has counter claimed the sum of Euros 1.5 million from Emtel for allegedly failing to supply an uninterrupted data service in respect of an International Private Line leased from Emtel. The case is not yet in shape for trial as DCL was subject to both an insolvency process and a receivership. In February 2021, the Court was informed that DCL is no more in receivership. An extension of time was requested to obtain the permission of the Court to proceed against DCL which is in liquidation. The matter is therefore still at pleadings stage. At this point the Board of Directors does not believe that Emtel will be required by the Court to settle the amount claimed by DCL.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

35 EVENTS AFTER THE REPORING PERIOD

The following events after reporting period are as follows:

(a) The Company had a disagreement with the Mauritius Revenue Authority (MRA) as regards whether the concessionary tax rate of 15% continued to apply to the Company in the years 2005 and 2006 (instead of 25% and 22.5% respectively as was then applicable), the Company paid the total amount claimed by the MRA of Rs 80.4 million (tax assessment of Rs 47.8 million plus penalties and interest of Rs 32.6 million). After objecting to the MRA's assessments, the Company then lodged representations before the ARC. In November 2013, the ARC dismissed Emtel's representations. The Company appealed to the Supreme Court against the ARC's determination. On 20th January 2023, the Supreme Court delivered a judgement dismissing Emtel's application for judicial review. On 7th and 8th February 2023, the Company lodged an application for permission to appeal that judgement to the Judicial Committee of the Privy Council.The Case was fixed by the Court for MERITS to the 6th November 2023, however, the Case has been postponed for 27 May 2024.

(b) In April 2024, EMVISION LTD signed a share purchase agreement for the sale of some of its shares in MC VISION LTD, which would have the effect of reducing its shareholding in MC VISION LTD to 25%. The completion of the transaction, including the transfer of shares, is subject to the fulfilment of certain condition precedents, and shall occur by end of December 2024.

(c) On 23 April 2024, the Board has approved a resolution to split the existing number of authorised ordinary shares from 20,000,000 to 600,000,000 and the issued ordinary shares from 15,180,000 to 455,400,000 respectively.

Besides those events mentioned above, there are no other material events after the reporting period which should require disclosure or adjustments to the financial statements for the year ended 31 December 2023.

36 REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The Group registered office is 38, Royal Street, Port Louis and its principal place of business is EmtelWorld, 10, Ebène CyberCity, Ebène.

37 INCORPORATION

The Company is incorporated as a private company with limited liability and is domiciled in the Republic of Mauritius.