# EMTEL LIMITED AND ITS SUBSIDIARIES

# CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 DECEMBER 2024

***EMTEL LIMITED AND ITS SUBSIDIARIES***

**ANNUAL REPORT**
**31 DECEMBER 2024**

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## CORPORATE INFORMATION

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

**EXCUTIVE DIRECTORS**
Mr. Krishnaduth Goomany, *appointed on 24th April 2024*
Mr. 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

**INDEPENDENT NON-EXECUTIVE DIRECTORS**
Mr. Peter J Lewis, *appointed on 31st May 2024*
Ms. Priscilla Balgobin-Bhoyrul, *appointed on 31st May 2024*
Mrs. Charlotte M V Govin-Guiral, *appointed on 31st May 2024*
Mrs. Shirin R Gunny, *appointed on 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 2024.

**Principal Activity**

The principal activity of the Company is 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 activities within the media sector, offering subscription television services via satellite and internet platforms, Fintech mobile payment applications, and operating data center hosting services.

**Review of the Business**

The year 2024 marked a milestone in the history of the Group and the Company (“Emtel Group”) with the listing of the Company on the official market of the Stock Exchange of Mauritius and converting the Company into a public company and the onboarding of independent non-executive directors to serve the Board.

The telecommunication business has witnessed 5G technology as a game changer, delivering unprecedented speeds, lower latency, and a seamless user experience to our customers. Beyond the technical achievements, the recognition from Ookla is a tremendous honour for the Company and for Mauritius. The distinction as the fastest mobile network in Mauritius for two consecutive years and the fastest in East Africa in 2024 is an evidence of our relentless commitment to excellence, particularly through the deployment of our 5G network.

The media business is recovering and performance is improving. The sale of television content has picked up and churn has decreased through the closer monitoring of the customer life cycle. Initiatives have been focused on the product construct, managing customer reengagement and boosting customer experience through the 4K decoder. Digitalisation of customer processes was one of the priorities in 2024, with the further deployment of digital payment solutions.

The Fintech business delivered improved results thanks to increased subscriber base, larger merchant base and usage. We are looking to even better performance in the forthcoming years. The Space economy business was fully operational and delivering the expected results in 2024.

The Group's turnover has increased by 10.0% to **Rs 3,763 million** (2023 - Rs 3,422 million) and the Company's turnover has increased by 7.7% to **Rs 3,688 million** (2023 - Rs 3,425 million) for the financial year ended 2024. The Group has registered a net profit after tax of **Rs 276 million** (2023 - Rs 315 million) and the Company **Rs 371 million** (2023 - Rs 465 million) for the financial year ended 2024. The Company has not received any dividend income for year 2024 and 2023 from its subsidiaries. The Directors have declared dividends amounting to **Rs 699 million** (2023 - Rs 546 million in 2023) for the year ended 31 December 2024.

The Group has invested **Rs 1,002 million** (2023 - Rs 1,950 million) and the Company **Rs 998 million** (2023 - Rs 1,824 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** | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Profit before tax (from continuing operation) | **622,443** | 530,320 | **605,950** | 622,723 |
| Current assets | **1,414,151** | 965,669 | **2,083,270** | 816,985 |
| Current liabilities | **3,093,415** | 3,826,600 | **2,484,011** | 3,436,628 |
| Net assets | **(302,022)** | 115,937 | **935,044** | 1,256,518 |

**DIRECTORS' REPORT (CONTINUED)**

**Outlook and prospects**

The Mauritian economy has rallied, driven by the revival of tourism along with local spending, and is certainly poised for further growth going forward subject to the impact of the geopolitical situation.

The start of the year 2025 is shaping well and a good performance over the year is expected notwithstanding any unforeseen external events.

The sale of the media business which was expected in December 2024 has been delayed due to a final regulatory approval. We are expecting conclusion of the transaction shortly.

**Financial Statements and auditor's report**

The financial statements of the Group and Company for the year ended 31 December 2024 are set out on pages 55 to 135. The auditor's report on these financial statements is on pages 47 to 54.

**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 Group and Company. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether IFRS® Accounting Standards have been followed 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 | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Statutory audit services | **5,425** | 4,930 | **3,400** | 3,042 |
| Other services | **2,457** | 3,641 | **1,211** | 2,866 |
| **TOTAL** | **7,882** | 8,571 | **4,611** | 5,908 |

The other services for the Group and Company for the year ended 31 December 2024 encompass tax consulting services, a cybersecurity audit and the verification of agreed-upon procedures related to International Long Distances (ILD) and Universal Service Fund (USF) for the ICTA.

The auditors, PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution proposing their re-appointment will be submitted to the Annual General 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 20th March 2025**

DocuSigned by:
Mr. Bashirali A Currimjee
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**Mr. Bashirali A Currimjee**
**Chairman**

DocuSigned by:
268F1F1A8C21463...

**Mr. Krishnaduth Goomany**
**Executive Director**

**EMTEL LIMITED**

**CORPORATE GOVERNANCE REPORT 2024**

## INTRODUCTION

Emtel Limited ('Emtel' or 'the Company') was incorporated on 3rd July 1987 as a private company, converted into a public company on 24th April 2024 and listed on the Official Market of the Stock Exchange of Mauritius ('SEM') on 5th July 2024. It qualifies as a reporting issuer under the Securities Act 2005 and as a public interest entity under the provisions of the Financial Reporting Act 2004

Emtel has applied the principles of the National Code of Corporate Governance (2016) ('the Code') and the Board is guided by the provisions of its constitutive documents including the Company's Constitution, adopted on 24th April 2024; legislations such as the Mauritian Companies Act 2001 ('the Act'); the Code; the Mauritian Financial Reporting Act 2004; the Listing Rules of the SEM ('the Rules'), the applicable regulations of the SEM and the Financial Services Commission ('FSC'); and the guidelines of regulatory bodies.

At Emtel, good corporate governance is enshrined as a part of the way of working. Our corporate governance framework ensures effective engagement with our stakeholders, adhering to ethical conduct, upholding the highest standards of corporate governance and helps in building and enhancing long-term value creation for all of our stakeholders. Corporate governance at Emtel is reinforced through key pillars, as outlined below, that underpin the Company's Corporate Governance philosophy:

- Effective and clear board governance structure with diverse Board and delegated Board Committees in the areas of Audit & Risk Management, Human Resources, Corporate Governance and Strategic Management.
- Led by an established Leadership team with an average of over 25 years of in-depth industry expertise.
- Driven by the 5 core values which guide the day-to-day decision and activities: foresight, integrity, responsibility, passion, and openness.
- Equal treatment of all the shareholders within the framework of the Company's Constitution and the laws.
- Group Governance spearheading an oversight process of operations of our subsidiary companies.
- Compliance with all applicable laws in both form and substance.
- Complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in guiding strategies.
- Well defined corporate structure that establishes checks, balances and delegation of authority to appropriate levels in the Company.
- Structured Stakeholder engagement ensuring long-term value creation.
- Accurate, uniform and timely dissemination of disclosures of corporate, financials and operational information to all stakeholders.
- Oversight of Company's business strategy, major developments and key projects.
- Effective audits; strong internal controls and well-implemented and monitored policies and procedures.
- Strategic investments in infrastructure and talent to enable us to leverage emerging global trends and drive sustainable growth in the years to come.

The Leadership team, the Board of Directors and its Committees Members are committed to upholding the highest standards of corporate governance and ethical conduct aiming to build a smarter future for Emtel. We believe that a robust, agile and resilient governance framework is essential to our commitment to innovation, data-centricity, operational excellence and the continued driver for sustained growth and value creation for our shareholders. All material information on the Company and its governance framework, as recommended by the Code, is available on the Company's website: https://www.emtel.com/

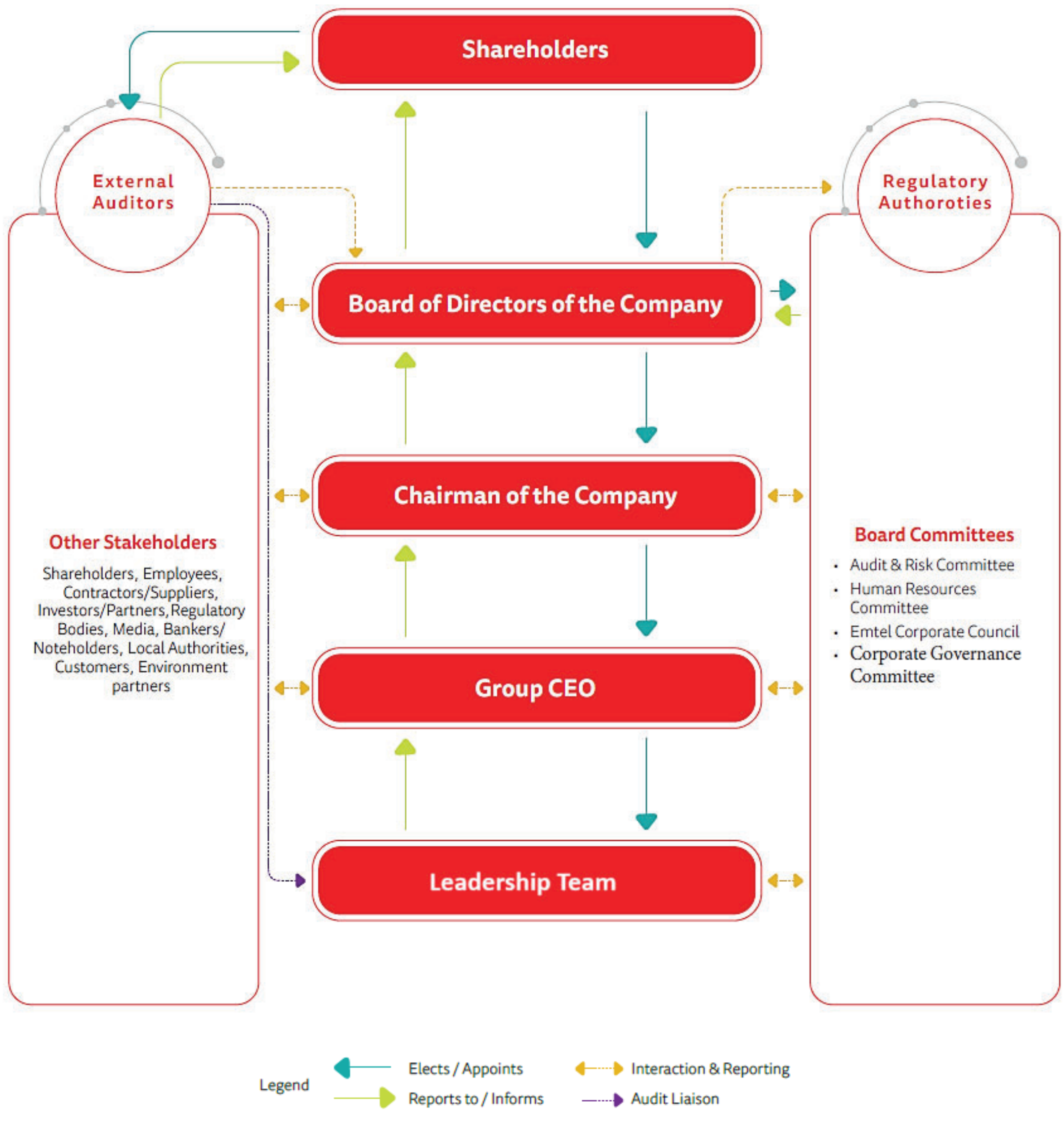
## 1: Governance Structure

### Statement of Accountabilities

The Board of Emtel is collectively accountable and responsible for the long-term success of the Company, its reputation and governance.

In line with the requirements of the Code, the Board has:

- Adopted a Board Charter which sets out the objectives, roles and responsibilities and composition of the Board of Directors.
- Identified its key senior governance positions and adopted the Position Statements of the Chairman, the Company Secretary and the Group Chief Executive Officer of Emtel.
- Adopted a Code of Conduct (Code of Ethics) and a Whistleblowing Policy.
- Adopted an Equal Opportunity policy and a Diversity and Inclusion policy which advocate for gender parity at all levels within the Company.
- Established a Delegation of Authority Framework outlining the decision-making matrix.
- Approved a Governance Framework in line with the Code, as illustrated below.



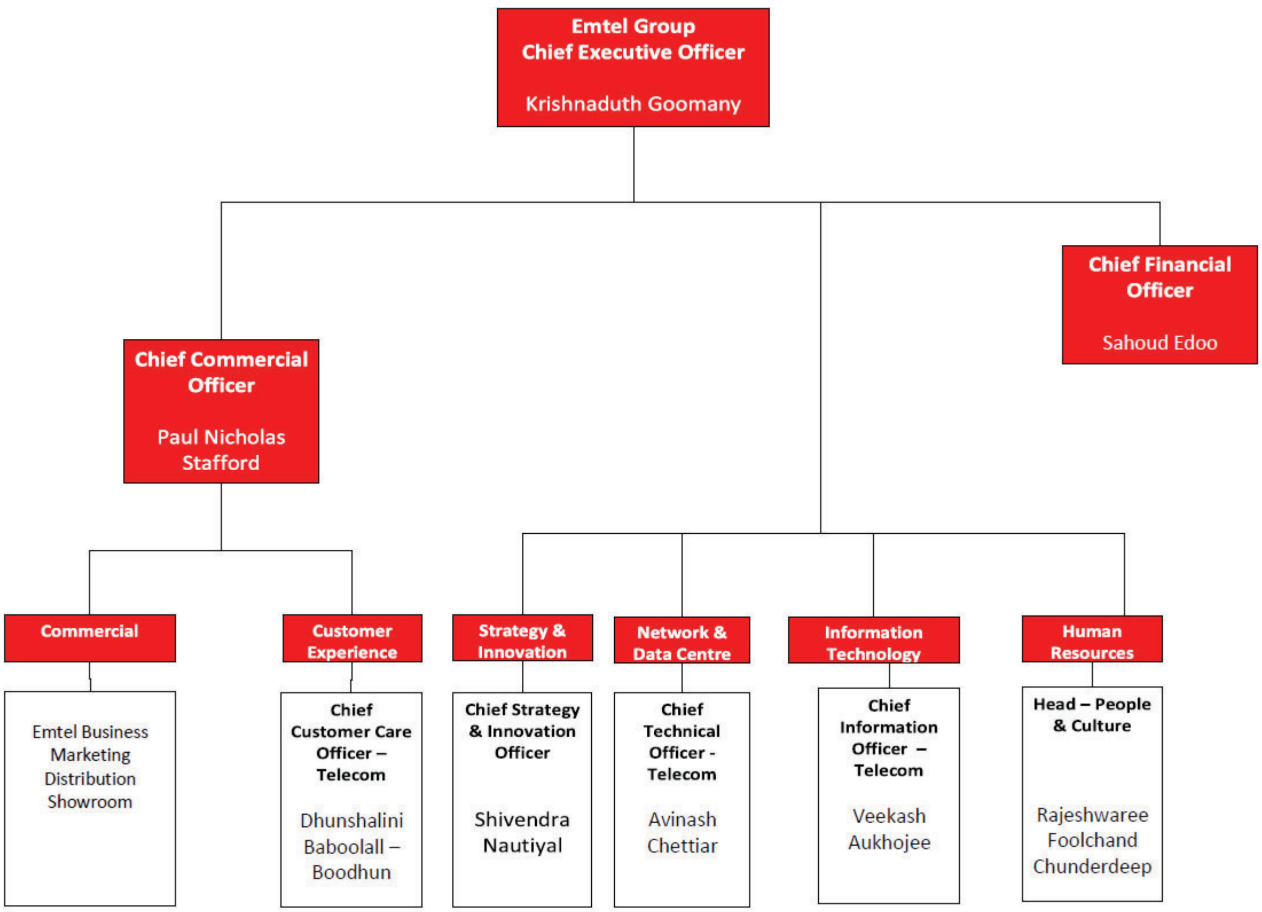
**1: Governance Structure (Continued)**

**Statement of Accountabilities (Continued)**

The above-mentioned Board Charter, Position Statements including the Organisational Chart of the Leadership team are published on the Company's website: https://www.emtel.com/

## Organisational Chart of Leadership Team

The organisational chart of the Company's Leadership team as at date of this report is as follows:



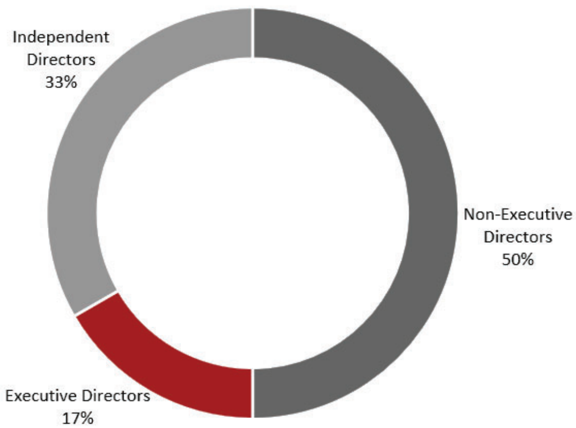

## Profiles of the Company's Leadership Team

The profiles of the Leadership team are set out in annexure A on page 36 of this Report. Members of the Leadership team also provides support to the subsidiary companies of Emtel ("the Emtel Group").

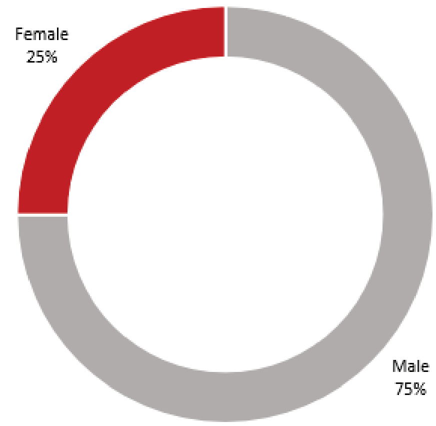
The following Officers of the Company's Key Subsidiaries also report to Mr. Krishnaduth Goomany:

- Mr Atul Bhatia, the Chief Fintech Officer of Emtel MFS Co Ltd.
- Mr Stanislas Balay, the Officer-in-Charge for MC Vision Ltd.

## 2: The Structure of the Board and its Committees




Board Composition




Gender representation

- The Company's Board is led by a highly committed unitary Board of a mix of Executives, Non-Executives and Independent Directors.
- The Board is comprised of twelve (12) Directors classified in the following categories: six (6) Non-Executive Directors including the Chairman, two (2) Executive Directors, and four (4) Independent Directors including three (3) Lady Directors, representing a 25% female directorship representation on its Board.
- The profiles of the Directors as at the date of this report are set out in annexure B, on page 39 of this Report. The Board has decided to disclose directorship in only public and listed companies. Details of other directorships of the Directors on the Board of the Company are kept at the Company's registered office, 38, Royal Street, Port Louis.
- The Board at Emtel represents a confluence of diverse backgrounds with skills, experience and expertise in critical areas like technology, finance, telecommunication, entrepreneurship, strategic leadership, legal and governance, consulting and sustainability and ESG. Majority of the Directors are business leaders of repute with a deep understanding of the global business environment.

### Company Secretary

- Currimjee Secretaries Limited is the Company Secretary of Emtel and is represented by Mr. Ramanuj Nathoo, having the requisite qualifications to assume the position.
- Mr. Nathoo is a fellow Member of the Chartered Governance Institute, UK ('CGI') and also holds a MBA from the University of Leicester. He is a Fellow Member of the Mauritius Institute of Directors and the CGI Mauritius Branch. He also attended a professional course on Governance of Family Businesses at 'Institut Européen d'Administration des Affaires' (INSEAD).

### Board Responsibilities

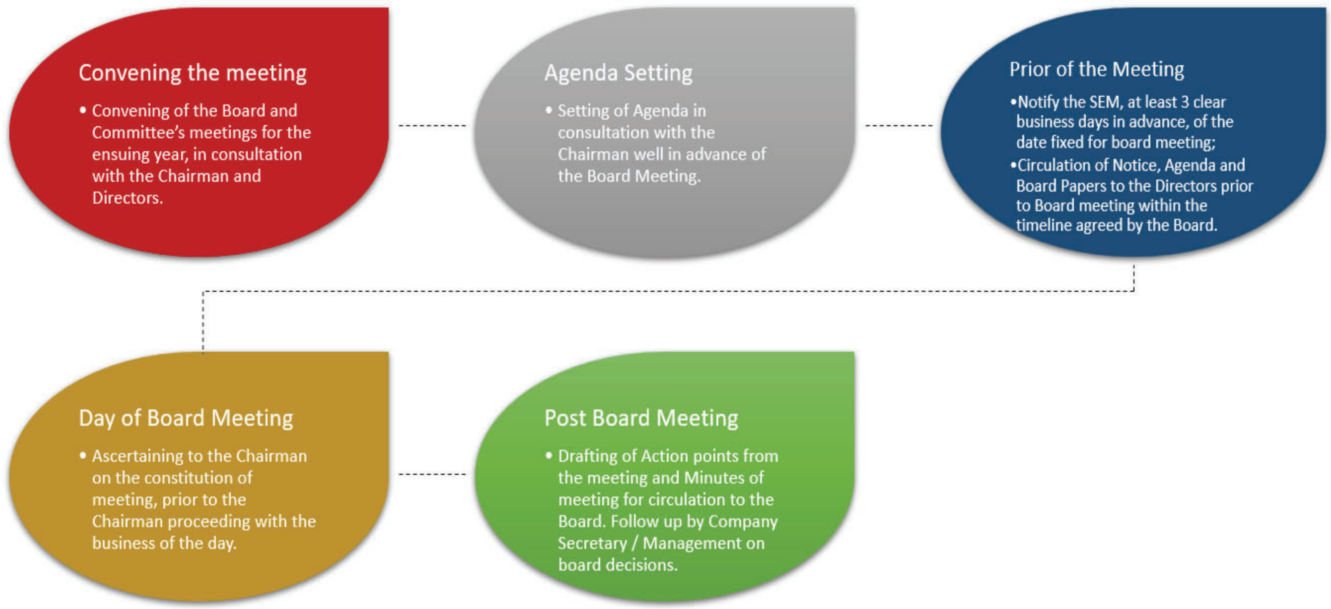
- The Board assumes the responsibility for leading and controlling the Company and for ensuring that all legal and regulatory requirements are met. It plays a key role in determining the Company's direction, monitoring its performance and overseeing risks. It is collectively responsible for the long-term success of the Company.

**EMTEL LIMITED**

**CORPORATE GOVERNANCE REPORT 2024 (CONTINUED)**

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

## Board Meetings Process




- The schedule of the Board meetings is finalised in consultation with the Executive Directors, the Chairman and Directors and communicated to them in advance. The Calendar of key events as established for the financial year 2025 has been disclosed later in this report. Additional meetings are called, when necessary, to consider the urgent business matters.
- The Board Committees normally precede Board Meetings and additional Committee meetings may be convened, if required. A similar process as set out above is followed.
- Members of the Leadership team are invited to the Board/ Board Committee meetings to present updates on the items being discussed at the meetings. In addition, the functional heads of various business segments/ functions are also invited at regular intervals to present updates on the respective business functions.

## Board Focus Areas

- In the course of a year, four to five Board meetings are held.
- In addition to the regular schedule, the Company also recognises the need for agility in decision-making and as such ad hoc Board meetings are therefore scheduled whenever corporate transactions requiring prompt attention arise, or when matters of a strategic nature necessitate immediate discussion and resolution.
- This integrated approach of both scheduled and ad hoc meetings ensures that the board can effectively navigate both planned obligations and unforeseen challenges while upholding the company's strategic vision.

**EMTEL LIMITED**

**CORPORATE GOVERNANCE REPORT 2024 (CONTINUED)**

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

**Board Focus Areas (Continued)**

During the year under review, the Board met 7 times and some of the main areas discussed at those meetings are set out below:

### Strategy & Finance:

- Review of Emtel Group Capital Structure and debt Structure to meet strategic goals
- Take note of the disposal of EMVision' s controlling stake in MC Vision Ltd.
- Diversification of revenue sources to balance risks and ensure sustainable growth
- Review and approval of the IPO Project
- Review and approval of the Independent Valuation Report.
- Review and approval of the Emtel's Prospectus.
- Review and approval of Share Split of the Share Capital of Emtel.
- Review and approval of Share Price
- Approval of the listing of Emtel on the Official Market of SEM.
- Introduction of new services backed by the 5G infrastructure
- Approval of Strategic Options and Annual Operating Plan (AOP) 2025 of the Company.
- Take note of the Strategic options and AOP 2025 of the subsidiaries of Emtel.

### Financial and Operational Matters:

- Approval of the Consolidated Annual Financial Statements for the years ended 31 December 2021;
- 31 December 2022; and Audited Financial Statements for the FY 2023.
- Approval of Reporting Accountant Report.
- Review and approval of Emtel Dividend Policy.
- Approval of the Audited Financial Statements for the year 2023.
- Approval of the Quarterly Abridged Unaudited Financial Statements.
- Review of the performance of the Company against prior year and budget, including operational and financial
- highlights.
- Review of Internal and external auditors reports
- Review of bank operational matters.
- Review and approval of Investments and Dis-investments
- Review of the Company's operational issues.
- Dividend declaration.
- Update on Legal and Regulatory matters.
- Take note of the performances of the subsidiary companies

### Governance, Compliance and Risk

- Approval of Emtel's new constitution in its entirety, including the following key items:
- (a) Conversion of Emtel from a private to a public company.
- (b) Conversion of nominal to "no nominal" shares i.e. par to no par value share conversion.
- (c) Share split of share capital.
- Review and approval of the Board & Board Committees of Emtel in accordance with the Code and applicable
- laws and regulations.
- Appointment of MCB Registry and Securities Ltd as the Company's Registrar.
- Approval of Board Charter, Position Statements for the Chairman and the Company Secretary, Terms of
- References of the Board Committees.
- Review of Corporate Governance Report 2023.Recommendation for adoption of a Related Party Transaction
- Policy and Shares Dealing Policy.
- Review of Safety and Quality, Sustainability and ESG initiatives.
- Updates on compliance with prevailing rules and regulations.
- Updates on Bank Covenants.
- Received AML-CFT Compliance reports
- Approval of the Cyber Technology Risk Management Framework and Cyber and Technology Strategy

### Standing Agenda Items

- Declaration of interests
- Approval of the minutes of proceedings from previous meetings
- Reports from Board Committee Chairs
- Quarterly review of operations of the business lines of the Emtel Group

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

## Board Committees

The table below sets out the Board Committees of Emtel effective 31st May 2024, as approved by the Board of Emtel on 30th April 2024:

| | |
|---|---|
| **Corporate Governance Committee** | |
| **Chairperson** | Mrs. Priscilla Balgobin-Bhoyrul |
| **Members** | • Mr. Mukesh Bhavnani<br>• Mr. Azim F Currimjee<br>• Mr. Krishnaduth Goomany |
| **Audit and Risk Committee** | |
| **Chairperson** | Mr. Peter Lewis |
| **Members** | • Mr. M Iqbal Oozeer<br>• Mr. Sarvjit Singh Dhillon<br>• Mrs. Priscilla Balgobin-Bhoyrul<br>• Ms. Charlotte M. V. Govin - Guiral |
| **Human Resources Committee** | |
| **Chairperson** | Mr. Azim F Currimjee |
| **Members** | • Mr. Bashirali A Currimjee<br>• Mr. M Iqbal Oozeer<br>• Mr. Krishnaduth Goomany<br>• Ms. Charlotte M. V. Govin - Guiral<br>• Mrs. Shirin R Gunny |
| **Emtel Corporate Council** | |
| **Chairperson** | Mr. Bashirali A Currimjee |
| **Members** | • Mr. Anil C Currimjee<br>• Mr. Sarvjit Singh Dhillon<br>• Mr. M Iqbal Oozeer<br>• Mr. Krishnaduth Goomany<br>• Mr. Sahoud Edoo |

- The Company's nomination and remunerations functions for Directors are officially assigned by the Board of Emtel to the Governance, Nominations, Remunerations ('GNR') Committee set up at the level of Currimjee Jeewanjee and Company Limited ('CJ & CO LTD'), its intermediate holding Company. The nomination process of Directors on the Board of Emtel is available on page 15 of this Report.
- The Board is satisfied that the Committees are appropriately structured, skilled, and competent to deal with both the Company's existing and emerging issues, and that they have effectively discharged their responsibilities during the year under review according to their terms of reference ('the TOR').
- The roles and responsibilities of the Board Committees are defined in their TOR, available for consultation on the Company's website. The TORs are generally reviewed annually, or more frequently if required.

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

## Board Committees focus areas for FY 2024

### *(i) Audit & Risk Committee*

During the FY 2024, the Committee met 3 times and the key focus were as follows:

- Review the quality and integrity of the financial statements and any formal announcements relating to the Company's financial performance, before submission to the Board;
- Review of the consolidated financial statements before submission to the Listing Committee of the SEM;
- Assess the robustness of the Company's internal control including internal financial control and risk management;
- Maintain an effective internal control system including the system(s) established to identify, assess, manage and monitor risks;
- Approval of the appointment of Internal Auditor and their fees;
- Evaluate and approve the annual internal audit work plan and consider reports pertaining to findings of internal audits on a periodic basis;
- Oversee the process for selecting the external auditor, assess the continuing independence of the external auditor and approve the audit fees;
- Review annually in presence of the external auditor their management letter and report on audit;
- Review of audited accounts and management letter, external audit plan, condensed accounts, quarterly abridged reports and annual report;
- Risk report on revised IT Policy, Data Privacy Policy, whistleblowing cases, cybersecurity KPIs overview, business continuity management plan;
- Review the Committee's Terms of Reference; and
- Oversight of Emtel's Subsidiary companies' financials, internal & external audit reports, bank covenants, etc.

### *(ii) HR Committee*

During the FY 2024, the Committee met 2 times and the key focus were as follows:

- Review the composition of the Committee;
- Review the Manpower Dashboard, Headcount evolution, HR metrics and Key Staff movements;
- Review the Organisation Structure;
- Review the Employee Engagement;
- Review of the Talent Management;
- Review of the changes in the Workers Right Act 2019, following the adoption of the Finance Act 2024;
- Determining the list of "Applicable Employees" of Emtel for the purpose of the restriction in dealings in the shares of Emtel on the SEM during the close period;
- Review the HR OPEX 2025 and the Human Capital Focus Areas 2025 and Action Plan; and
- Review the Committee's Terms of Reference.

**EMTEL LIMITED**

**CORPORATE GOVERNANCE REPORT 2024 (CONTINUED)**

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

**Board Committees focus areas for FY 2024 (Continued)**

### *(iii) Corporate Governance Committee*

Since its establishment on 31st May 2024, the Committee met once and the key focus were as follows:

- Review of the Governance documents of Emtel i.e. Terms of Reference of the Board Committees of Emtel, Board Charter and position statements of the Governance Officers;
- Approval of the governance Road Map in accordance with the Code, the Act and the Rules;
- Approval of the principles for Evaluation of the Board, the Board Committees and Individual Directors;
- Approval of the Governance Plan for the year 2025; and
- Consideration for establishment of governance policies such as (i) a Conflict of Interest and Related Party Transaction Policy and (ii) a Share Dealing Policy, for adoption by the Board.

### *(iv) Emtel Corporate Council ('ECC')*

The ECC comprises of six (6) members and is helmed by the Chairman of the Board and attended by the Leadership Members, as solicited. The ECC is responsible for strategic management and supervision of the Company's operations within the approved framework. During the FY 2024, the Committee met 7 times.

### Attendance records at the Company's Board and Committee meetings

The table below gives the attendance records at the Company's Board and Committee meetings for the year ended 31 December 2024:

| Directors & Committee Members | Category of Directors | Board Meeting | Audit & Risk Committee | Human Resources Committee | Corporate Governance Committee | Emtel Corporate Council |
|---|---|---|---|---|---|---|
| **Number of Meetings held during the year under review** | | **7** | **3** | **2** | **1** | **7** |
| Mr. Bashirali A Currimjee | NED | 7 | n/a | 2 | n/a | 7 |
| Mr. Anil C Currimjee | NED | 7 | n/a | n/a | n/a | 7 |
| Mr. Azim F Currimjee | NED | 7 | n/a | 2 | 1 | n/a |
| Mr. M Iqbal Oozeer | NED | 6 | 3 | 2 | n/a | 7 |
| Mr. Sarvjit Singh Dhillon | NED | 7 | 2 | n/a | n/a | 7 |
| Mr. Mukesh Bhavnani[1] | NED | 5 | 1* | n/a | 1 | n/a |
| Mr. Krishnaduth Goomany[2] | ED | 7* | n/a | 2 | 1 | 7* |
| Mr. Sahoud M Edoo[3] | ED | 7* | n/a | n/a | n/a | 7* |
| Mrs. Priscilla Balgobin-Bhoyrul[4] | ID | 2 | 2 | n/a | 1 | n/a |
| Mr. Peter J Lewis[4] | ID | 3 | 2 | n/a | n/a | n/a |
| Ms. Charlotte M V Govin-Guiral[4] | ID | 2 | 2 | 2 | n/a | n/a |
| Mrs. Shirin R Gunny[4] | ID | 3 | n/a | 2 | n/a | n/a |

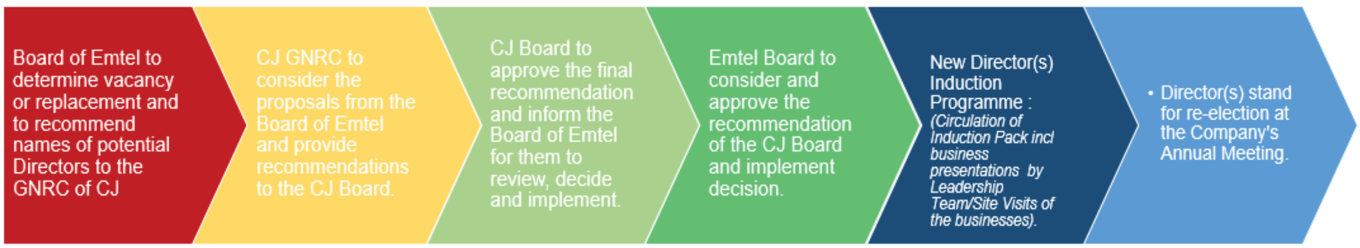
**Note:**
1: Mr. Mukesh Bhavnani had resigned as Member of the Audit & Risk Committee on 31st May 2024. During his Membership, he had attended 1 Audit & Risk Committee.
2: Mr. Krishnaduth Goomany attended 3 Board Meetings and Emtel Corporate Council in his capacity as CEO and 4 Board Meetings and Emtel Corporate Council in his capacity as CEO & Executive Director ('ED') following his appointment as ED on 24th April 2024.
3: Mr. M. Sahoud Edoo attended 3 Board Meetings and Emtel Corporate Council in his capacity as CFO and 4 Board Meetings and Emtel Corporate Council in his capacity as CFO & ED following his appointment as ED on 24th April 2024.
4: Mr. Peter J. Lewis, Mrs. Priscilla Balgobin-Bhoyrul, Mrs. Shirin R. Gunny and Ms. Charlotte M. V. Govin-Guiral were appointed as Independent Directors of the Company on 31st May 2024.

## 3: Director Appointment Procedures

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

The nomination of Directors on the Board of Emtel is currently deputised 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;
- Governance Documents;
- Code of Conduct;
- Company Constitution;
- Key provisions of the laws and legislations that Emtel has to adhere to when dealing on SEM;
- Model Code for Securities Transactions by Directors of Listed Companies; 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 fulfil 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.

**3: Director Appointment Procedures (Continued)**

## Succession Planning

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

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 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 Transaction Policy

The Board, in relation to dealing in the Company's listed securities, complies with the provisions of the Model Code for Securities Transactions ("Model code") by directors of listed companies as detailed in Appendix 6 of the Listing Rules of the SEM, the Mauritian Companies Act 2001 and the provisions of its Constitution.

- The Company Secretary keeps the Directors apprised of closed periods and of their responsibilities in respect to the Model code.
- Directors who are interested in a transaction or proposed transaction with the Company, disclose their interests to the Board and cause same to be entered in the Interests Register.
- In accordance with the Constitution of the Company, the Directors of Emtel shall not vote on any board resolution approving any contract or arrangement or any other proposal in which they or their associates have a material interest nor shall they be counted in the quorum present at the board meeting.
- As a measure of good practice, the disclosure of any conflict of interest is a standing item on the Board's agenda such that at the beginning of each meeting, the Chairman invites the Directors to declare their interests, if any.
- The Company Secretary keeps the Interests Register and ensures that the latter is updated regularly. The register is available for consultation by shareholders upon written request to the Company Secretary.
- All new Directors are required to provide written notice to the Company Secretary of their direct and indirect interests in Emtel, including those of their associates.
- Transactions with related parties are disclosed in the financial statements.
- On 7$^{th}$ November 2024, the Board has approved the recommendation of the Corporate Governance Committee for the establishment of a Conflict of Interest and Related Party Transaction Policy which shall outline the approval process, disclosure and reporting requirements for related party transaction(s) and ensures transparency in the conduct of such transaction(s) in the best interest of the Company and its Shareholders. The said policy shall be tabled for approval at the next Board Meeting of Emtel.

The Audit & Risk Committee is assigned the responsibility to monitor and report related party transactions outside the normal course of business to the Board. The Board ensures that all related party transactions are carried out at arm's length.

**4 - Director Duties, Remuneration and Performance (Continued)**

**Conflict of Interest / Related Party Transaction Policy (Continued)**

The Directors' indirect interests in the stated capital of the Company at 31st December 2024 were as follows:

| | Interests in the Company's Shares | |
|---|---|---|
| | Percentage (%) Number of Shares | |
| | Direct | Indirect* |
| Mr. Bashirali A Currimjee | 0.0132 | 0.0600 |
| Mr. Anil C Currimjee | 0.0236 | 2.8416 |
| Mr. Azim F Currimjee | - | 4.5897 |
| Mr. M Iqbal Oozeer | 0.0074 | - |
| Mr. Krishnaduth Goomany | 0.0046 | 0.0044 |
| Mr. Sahoud M Edoo | 0.0057 | |
| Ms. Charlotte M. V. Govin - Guiral | 0.0048 | |

** Indirect Interest includes shares held in the Company through the Company's ultimate holding company and/or the Directors' Associates.*

## Information

The Chairman, with the assistance of the Leadership 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 Leadership team as and when required with the approval of the Chairman.

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

The Company has implemented the framework on Cyber and Technology Risk Management, a guideline from Bank of Mauritius and adopted operational policies pertaining to IT. It also follows the ISO 27001:2013 standard for its Data Centre. A security governance committee has been set up and this committee meets every quarter to go through the information and cybersecurity aspects and take any decision required.

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.

**4 - Director Duties, Remuneration and Performance (Continued)**

**Information Technology (‘IT’) and Information Security Governance (Continued)**

- 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.
- 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. The tools approved for purchase for year 2025 are: *Data Loss Prevention (DLP), Network Access Control (NAC), Identity Access Management (IAM) and Zero Trust Access Network (ZTNA).* The following have already been purchased and being implemented: *Security Operation Centre (SOC) and Multi-factor Authentication (MFA).*

## 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 has implemented various technical and organisational measures to protect personal data of its data subjects, as part of its registration with the Data Protection Office and as part of its commitment towards data privacy and applicable legislations.

**EMTEL LIMITED**

**CORPORATE GOVERNANCE REPORT 2024 (CONTINUED)**

**4 - Director Duties, Remuneration and Performance (Continued)**

**Data Protection (Continued)**

The Company has defined policies and procedures around processing of personal data and aligning policies with applicable laws, regulations and business practices. It also maintains an inventory of lawful bases of processing, reviewed on an annual basis, and which includes the processing of personal data and special categories personal data. The Company has an established process to address the different types of requests of the data subjects through pre-defined template for identification purposes.

The Company has not encountered any data breach incident within the past year. Following the compliance checks and audits based on the requirements of the Mauritius 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.

During 2024, 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 has established a rigorous data privacy framework which is a key expectation for players in the ICT 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**

On 7th November 2024, the Board has approved the following principles for the evaluations of its Board, the Board Committees and Individual Directors:

- Board Evaluation exercise shall be carried out on an annual basis, effective FY 2025;
- Individual Director Evaluation exercise shall be carried out every two years; and
- Board Committees Evaluation exercise shall be carried out every two years.

**Remuneration Policy**

As of April 2024, Emtel has reviewed the composition of its Board and Board Committees, in accordance with the requirements of the Code, the Act, and the Rules, and subsequently approved the remuneration of its Directors, as applicable. The Directors' fees were benchmarked against Korn Ferry's survey on directors' fees in Mauritius, industry practices regarding fees for different categories of directors, and the CJ Group's internal practices. As per CJ Group practice, any director employed full-time by CJ or its subsidiaries does not receive additional remuneration for serving on the Company's Board of Directors.

**EMTEL LIMITED**

**CORPORATE GOVERNANCE REPORT 2024 (CONTINUED)**

**4 - Director Duties, Remuneration and Performance (Continued)**

**Remuneration Policy (Continued)**

The Executive Directors do not receive fees or benefits for serving on the Company's Board of Directors. Their remunerations are made up of a basic pay and an incentive scheme.

Mr. Bashirali A. Currimjee did not receive any remuneration from the Company during his tenure as Managing Director and Chairman of the Board of Directors of Emtel, as he was seconded by CJ & CO LTD under a Business Support Services Agreement.

In April 2024, he retired from his role as Managing Director of Emtel but remained as Chairman of the Board of Directors. His remuneration as Chairman of the Emtel Board was subsequently approved, effective the 1st January 2024.

For the financial year under review, the total remuneration and benefits received by the Directors of the Company amounted to Rs. 32.04 million. This included remuneration and/or benefits for the Chairman, the Independent Non-Executive Director, and the Executive Directors, where applicable. No remuneration was paid to the Non-Executive Directors of the Company.

The total remuneration and benefits received by the Directors of the Subsidiary companies of Emtel amounted to Rs. 1.83 million. This comprised remuneration and/or benefits for the Non-Executive Directors and the Independent Non-Executive Directors, where applicable.

The individual remuneration and/or benefits received by the Directors of the Company and its Subsidiary companies for the year under review have not been disclosed owing to its commercially sensitive nature.

### Executive Directors' Service Contracts

The Executive Directors have service contract with the Company and their remunerations are reviewed on a yearly basis.

### 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.

## 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.

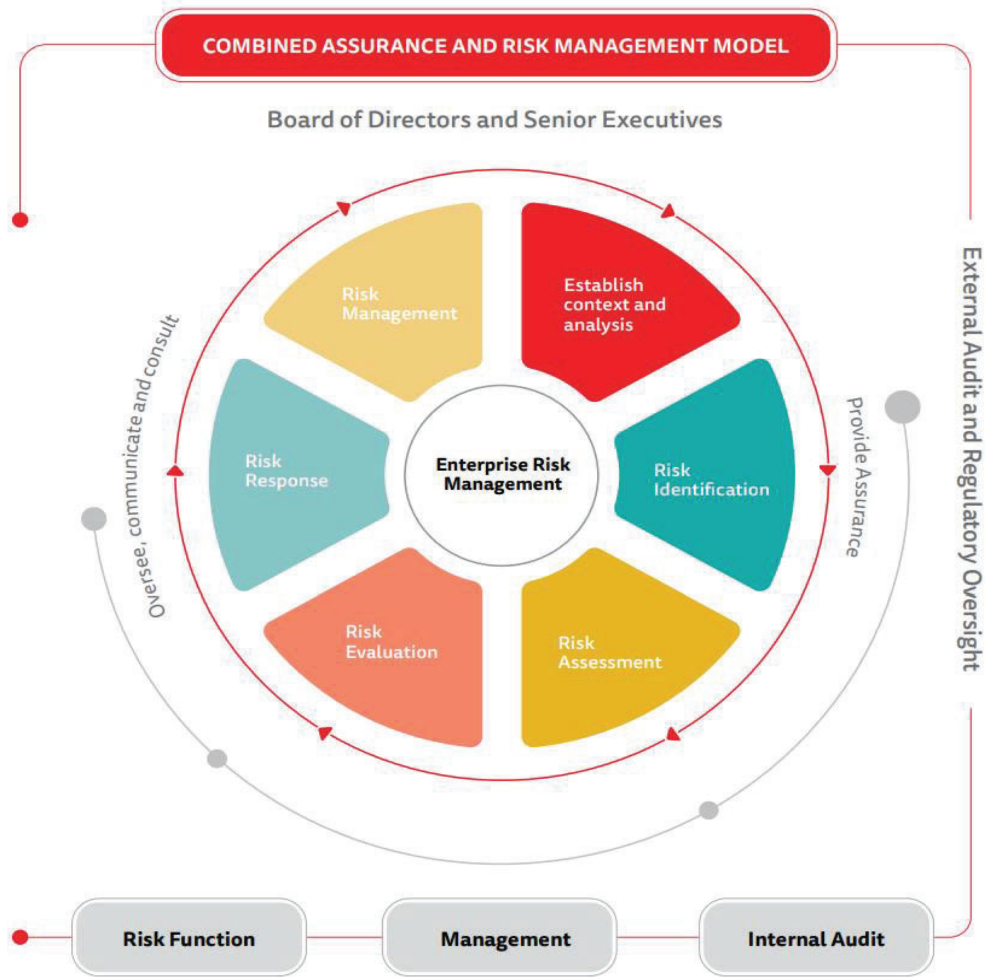
- In the first step, a set of well-defined criteria helps to identify enterprise-level strategic risks that pose business and operational continuity, brand and market perception, the ability to generate resources for future expansion, etc. A dedicated risk owner is responsible for the main risks and 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 organisation, in which key individuals contribute by recognising risks in their particular areas of responsibility and expertise and providing suitable responses to these risks.

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. The CJ Risk Management Model adopted for Emtel is illustrated on the next page.




## Top 10 Risks identified by the Company

The Company has a robust process in place for conducting periodic risk assessments.

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:

| Risk Category | Sr. No | Risk | Outlook from last year | Brief Description | Mitigation Plan |
|---|---|---|---|---|---|
| Strategic | 1 | Depreciation of local currency (Forex Risk) | Increased | The volatility in local currency is increasing the cost of payments to suppliers, which could cause cost overrun | Robust forecasting process to determine the forex requirements which helps in securing forex in advance to ensure timely payments Use of forward instruments with those forex traders who can provide this facility. Engage with other CJ group companies to optimise foreign exchange resources across its entities. |
| Legal & Compliance | 2 | Evolving Regulatory uncertainties | Stable | Uncertainty with respect to requirements for license continuation, tax, spectrum auction or any new legislation impacting business operations | Emtel actively collaborates with key stakeholders and regularly evaluates the implications of evolving regulatory landscapes. The Legal & regulatory team, in coordination with network departments, closely monitors adherence to applicable laws and regulations. This ensures that the company's operations remain compliant with the established framework, and appropriate business continuity plans are implemented as needed. |

## 5 - Risk Governance and Internal Control (Continued)

### Top 10 Risks identified by the Company (Continued)

| Risk Category | Sr. No | Risk | Outlook from last year | Brief Description | Mitigation Plan |
|---|---|---|---|---|---|
| Strategic | 3 | Limited fiber infrastructure & roll-out | Stable | Limited fiber infrastructure may adversely affect the company's ability to establish an advantage over competitors, potentially hindering its growth prospects and the sustained retention of market share. | Fiber rollout and site connectivity are being executed according to the approved plan. Furthermore, targeted projects to extend fiber connectivity to high-density residential areas (e.g., Multi Dwelling Unit's (MDUs) and social housing) and commercial hubs (e.g., business parks and malls) are actively being implemented to address connectivity needs and enhance service delivery. |
| Strategic | 4 | Diversification into newer revenue streams | Stable | With Mauritius' mobile market reaching saturation, growth prospects in the mobility segment are limited. Therefore, it is crucial for the Company to explore new revenue opportunities through continuous market evaluation and by expanding its current product offerings. | Emtel's diversification strategy includes expanding into the Space Economy, accelerating 5G deployment, and creating new revenue streams while enhancing customer engagement and retention. Furthermore, the Company is perpetually working towards developing strategies to expand its portfolio of business divisions. |
| Strategic | 5 | Hyper competitive market leading to loss of market share | Stable | The Mauritian market remains intensely competitive in customer acquisition, with operators prioritising the acquisition of quality customers.<br>Superior network quality and competitive pricing are critical factors influencing customer's buying decisions.<br>Network expansion efforts are centred on the continued rollout of 5G sites, which commenced last year. | Network coverage and speed are critical factors influencing customer choice. To meet these expectations, the company has been actively expanding its 5G footprint across the island, now covering 70% of population.<br>Emtel has aggressively rolled out 5G sites and offers unlimited 5G access to enable customers to fully experience the network's capabilities.<br>This commitment has been recognised with Emtel receiving the Ookla Fastest Network Award twice consecutively in Mauritius (Q3 2024 and Q4 2024). |
| Operational | 6 | Scaling internal digitisation & harnessing innovation | Reduced | The telecom sector is experiencing significant transformation driven by technological innovations and emerging technologies, which have expanded competition beyond mere connectivity. There is a significant demand for digital content, mobile financial services, and apps among consumers. The speed at which technological advancements can outpace current infrastructure is highlighted by the rise of Generative AI. Emtel must accelerate its internal digital transformation to meet changing consumer demands else slowed pace may result in falling behind the evolving expectations of customers. | The company is prioritising digitisation efforts while embarking on a strategic journey toward AI adoption.<br>This approach is expected to significantly advance our goals of digitisation, automation, and innovation.<br>A heightened focus has been placed on identifying key business processes and activities suitable for digitalisation and automation and enhancing the customer experience at all our touchpoints along with increased efficiency. |

**EMTEL LIMITED**

**CORPORATE GOVERNANCE REPORT 2024 (CONTINUED)**

## 5 - Risk Governance and Internal Control (Continued)

### Top 10 Risks identified by the Company (Continued)

| Risk Category | Sr. No | Risk | Outlook from last year | Brief Description | Mitigation Plan |
|---|---|---|---|---|---|
| Strategic | 7 | Cyber Security risk | Stable | Increased device, interface, and network interaction raises security risk, and Internet of Things (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 | The company have introduced and implemented a new framework to address the risk arising from Cyber Security threat that encompasses continuous threat monitoring, strengthen endpoints, multi-factor authentication for stronger user access security.<br>Furthermore, the Company has taken an initiative to conduct ongoing cybersecurity training and awareness for employees. The Company also performs regular external audits to ensure compliance with the applicable regulations. |
| Strategic | 8 | Constantly evolving imperatives in consumer data privacy & protection | Stable | Data protection legislation and compliance requirements are increasing locally and internationally, and it is necessary to set adequate controls. Lack of awareness and noncompliance may result in an unparalleled breach of customer data, as well as fines, reputational damage, etc. | The Company gathers and processes personal data for various legitimate purposes, encompassing information pertaining to its employees, temporary staff, and third-party personnel. The Company has established comprehensive processes and advanced technological controls to ensure the protection of personal data.<br>The Company has a stringent review process for access controls as defined in our policy/process. The Company also maintains a continuous focus on Information security awareness for staff through various trainings and engagements |
| Operational | 9 | Inconsistent network quality resulting in negative customer experience, increased complaints & reputational loss | Stable | One of the most important components of EMTEL's strategy for improving the customer experience is seamless connectivity. Enhancing the quality of the network and reducing the number of lags will help EMTEL protect its market share and revenues, as well as increase its reputation. | The Company has made substantial progress in site modernisation and LTE 800 initiatives to enhance network performance and resilience, with most of the work now completed. The 5G expansion is progressing meticulously, with the final phase scheduled to commence in Q1 of 2025.<br>The Company has been investing in the deployment of a services assurance and improvement platform to enhance the customer experience by facilitating the quicker resolution of complaints and queries, as well as enhancing network efficiency. |
| Strategic | 10 | Inability to re-skill the workforce to meet the future challenges | Stable | Talent attraction remains a challenge and awareness of the telecoms business among graduates is low, making it difficult for the company to access varied skillsets | The Company has identified critical roles that are necessary to manage and address future challenges. Additionally, there are ongoing initiatives to train and upskill personnel to align with business objectives and remain current with the advancements in technology, products, and services.<br>Furthermore, the identification of essential roles and the implementation of business continuity plans are conducted to ensure that critical functions have a backup. |

## 5 - Risk Governance and Internal Control (Continued)

### 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.

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.

### Code of Conduct (Code of Ethics)

Emtel Group is dedicated to upholding the highest ethical and professional standards in all its activities while ensuring compliance with applicable laws and regulations. To reinforce this commitment, Emtel has adopted the Currimjee Group's Code of Conduct that outlines the ethical and professional principles guiding the Group. The said Code of Conduct is available on the Company's website: https://www.emtel.com/

### Whistleblower Policy

Emtel is committed to achieving and maintaining highest standards of openness, honesty and accountability with regard to behaviour at work, service to the public and in all its working practices.

As such, the Company requires its employees and that of its subsidiaries to conduct themselves with integrity, impartiality and honesty in fulfilling their duties and responsibilities and comply with all applicable laws and regulations.

In line with that commitment, the Company has adopted a Whistleblower Policy since 2016 and expects employees and anyone associated with it and who have serious concerns about any aspect of practices encountered within the Emtel Group to come forward and voice those concerns within the defined process without fear of reprisals. The Whistleblower Policy is to support those wanting to raise such issues. The policy also applies to contractors working for Emtel, such as, security officers, cleaners, suppliers and those providing services under a contract with Emtel.

## 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 IFRS Accounting Standards, International Accounting Standards (IAS) and the Mauritian Companies Act 2001.
- Selecting appropriate accounting policies based on reasonable and prudent judgements.

**EMTEL LIMITED**

**CORPORATE GOVERNANCE REPORT 2024 (CONTINUED)**

**6 - Reporting with Integrity (Continued)**

- In preparing the annual accounts, the Board adopts the going-concern basis of accounting and identifies any material uncertainties about the Group's ability to continue over a period of at least 12 months from the date of approval of the financial statements.

## Sustainability

The Company adopted a new Sustainability Charter in 2023, through which the concept of sustainability and stewardship for future generations has become an integral part of its business strategy and operations, and the Company is constantly striving to ensure its adoption in the organisation.

## Our Sustainability Commitment

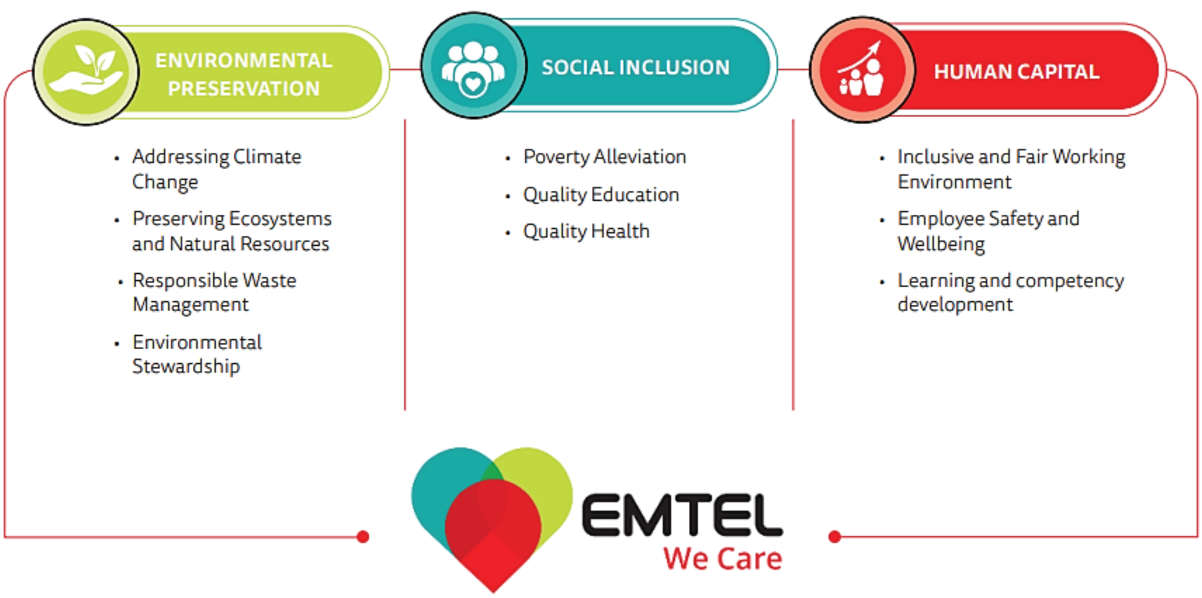
### Emtel, We Care

Emtel's sustainability charter outlines its key engagements and summarises the operating principles for how we will conduct our business, which include:

- Manage our operations in a sustainable manner for the wellbeing of future generations.
- Consider sustainability aspects as an integral part of our business strategy and operating methods.
- Recognise the global sustainability challenges and diligently honour our responsibility to contribute to the solutions.
- Engage and support our customers', employees', partners', the community's and other stakeholders' sustainability initiatives, and
- Continually monitor, improve and report our sustainability performance openly and voluntarily.

## Sustainability Pillars

Our sustainability framework is built around three (3) pillars which are further translated into actionable strategic drivers:



**6 - Reporting with Integrity (Continued)**

**Sustainability Pillars (Continued)**

Through these engagements, we aim to comply to and perform better than applicable statutory requirements. The UN SDGS (United Nations Sustainable Development Goals) are our blueprint in defining our sustainability strategy and we are committed to contribute towards their achievement.

The Company also works closely with the Currimjee Group's Environment and Sustainability team and the Currimjee Foundation team.

The Company's sustainability initiatives, encompassing environmental conservation, social responsibility, and corporate governance, are further detailed in the Sustainability Report. This report will highlight key projects, achievements, and future commitments in areas such as carbon footprint reduction, renewable energy adoption, community engagement, and ethical business practices. It will be published on the Company's website in 2025, providing stakeholders with comprehensive insights into its sustainability efforts and long-term vision.

## Quality Management System (ISO 9001:2015)

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 recertification audit of the Quality Management System in October 2024 by the MSB and the certification (RF 164) is valid until December 2027.

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.

## Health and Safety

Emtel Limited remains committed to providing a safe work environment for its employees, contractors, and stakeholders, aligning its practices with the Occupational Safety and Health legislations, and continuously assessing and improving the safety protocols.  The Company prioritises the well-being of employees, reduces workplace accidents, and minimises health risks, creating a safer environment for everyone. A strong safety culture demonstrates a company's commitment to its employees, boosting morale and fostering trust. Additionally, it can lead to cost savings by reducing medical expenses, legal liabilities, and downtime caused by incidents. By embedding safety and health into everyday operations and encouraging proactive participation at all levels, Emtel Limited aims not only to comply with regulations but also cultivate a positive reputation and a sustainable path to long-term success.

**EMTEL LIMITED**

**CORPORATE GOVERNANCE REPORT 2024 (CONTINUED)**

**6 - Reporting with Integrity (Continued)**

**Health and Safety (Continued)**

The Company continued to enhance its commitment to creating a safe and healthy work environment by investing in proactive safety measures, robust training programs, and comprehensive health initiatives. Key Activities organised in 2024 were:

- Safety & Health awareness to all new joiners and employees in the Company;
- Ongoing partnership with service providers for a doctor to be present once a week in the Company;
- Employee Engagement: Participation in safety drills and health programs during the year;
- Training Programs – Certified First Aiders, Fire Fighting, Mental health awareness;
- Safety & Health Committee every 2 months, chaired by the Chief Financial Officer;
- Fitness programmes like weekly Zumba and Yoga;
- Dedicated week to create staff awareness on health matters and informative sessions with subject matter experts on key lifestyle diseases like Cancer, Stress & Mental Health, Heart Disease and Endometriosis;
- Mental wellbeing talks by a Psychologist for People Managers; and
- Health screening tests for employees.

Emtel Limited is proud of its ongoing efforts made in fostering a culture of safety and health in 2024. By continuing to prioritise the well-being of the workforce, the Company remains committed to have an even safer and healthier workplace in 2025.

## Donations

Donations made by the Company and its Subsidiaries were as follows:

| | The Company | | The Subsidiaries | |
|---|---|---|---|---|
| | 2024(Rs'000) | 2023(Rs'000) | 2024(Rs'000) | 2023(Rs'000) |
| **Political donations** | Nil | Nil | Nil | Nil |
| **Charitable donations*** | 3,127 | 5,675 | Nil | 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 based on the Audit & Risk Committee's recommendation. As part of their services, the Internal Auditor conducts a risk assessment, identifying additional risks not included in the existing risk register. A three-year internal audit plan is then developed with top management, focusing on high-risk areas and approved by the Audit & Risk Committee.

The internal audit aims to add strategic value by:

- Highlighting key risks to improve focus and work quality.
- Identifying opportunities for performance improvement, operational efficiency, and better resource use.
- Providing insights to enhance business performance.
- Prioritising recommendations for effective implementation.

**7 – Audit (Continued)**

**Internal Audit (Continued)**

Audits are conducted under an Internal Audit Charter, aligned with international standards and adapted for the outsourced model. The Internal Auditor assesses control effectiveness in key areas, reports findings to Management, and presents internal audit reports to the Audit & Risk Committee. Follow-up audits track progress on recommendations. The Internal Auditor also collaborates with external auditors.

Reporting independently to the Chairmen of the Audit & Risk Committee and the Board, the Internal Auditor provides assurance on the Company's internal controls. The audit plan ensures all significant areas are covered within a set timeframe. The Internal Auditor has unrestricted access to records, Leadership team, and employees for effective performance.

During the financial year 2024, the following internal audit assignments were deployed for the Company:

- Endpoint Security Maturity Assessment
- Inventory management
- Collection and Revenue Accounting
- Tax Compliance Review (VAT, TDS & Corporate Income Tax) (In Progress)

## External Audit

PricewaterhouseCoopers was re-appointed as Emtel's External Auditor for the 2024 financial year by the Shareholders in June 2024.

The Audit & Risk Committee reviewed the financial statements for clarity and accuracy, considering:

- Applied accounting policies and practices.
- Significant accounting judgments, assumptions, and audit risks.
- Compliance with accounting standards and regulatory requirements.

Any significant issues raised by the external auditors are monitored by the Committee until resolved. The auditors can meet the Committee without Leadership Members if needed and the Committee Chairman also has the authority to consult regularly with the External Audit Partner. 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. The Board is kept informed of all key discussions at the Audit & Risk Committee level.

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

## 8 - Relations with Shareholders and Other Key Stakeholders

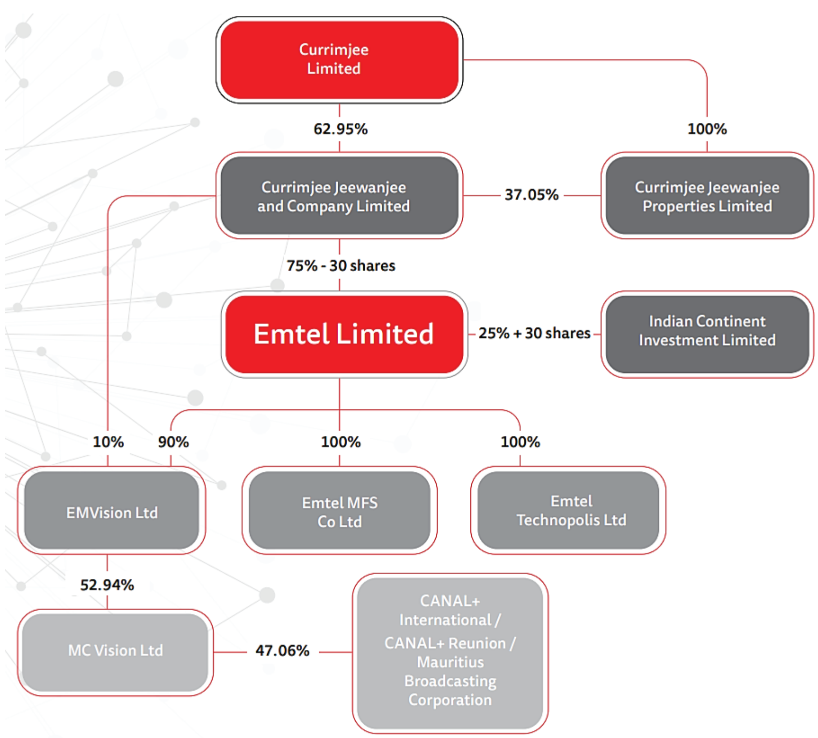
### Change in Capital Structure

- At 31 December 2023, the stated capital of Emtel Limited consisted of 15,180,000 ordinary shares of Rs 10 each.
- On 23 April 2024, the said ordinary shares issued had been divided in the ratio of 30 ordinary shares for every 1 ordinary share held in Emtel Limited. Following the split, the total number of shares in issue of Emtel Limited were 455,400,000 ordinary shares with no change in stated capital.
- At 31 December 2024, the stated capital of the Company remained MUR 151,800,000.
- On 05 July 2024, the Company was admitted on the Official List of the SEM and the resultant shareholding structure of Emtel was delineated as set out below:

| Shareholder | No. of ordinary shares held | % Holding |
|---|---|---|
| **Currimjee Jeewanjee and company Limited ("CJ & CO LTD")** | 273,239,970 | 60% |
| **Indian continent investment limited** | 68,310,030 | 15% |
| **Other Public Shareholders** | 113,850,000 | 25% |
| Total | 455,400,000 | 100% |

The organigram below shows the ownership structure of Emtel (i) prior and (ii) post its Listing on the Official Market of the SEM.

**Ownership structure of Emtel Prior to its Listing on SEM**



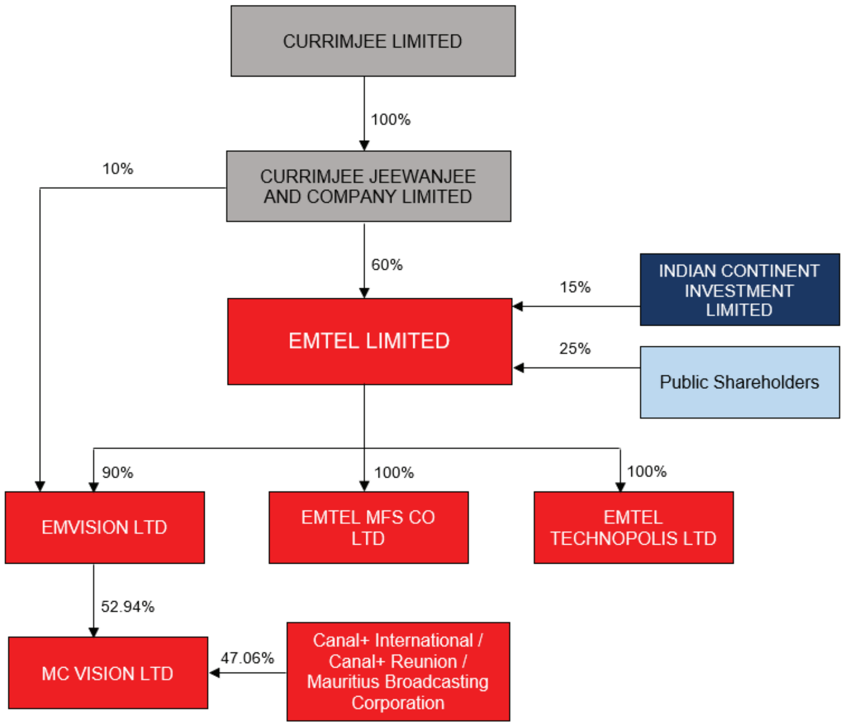
**EMTEL LIMITED**

**CORPORATE GOVERNANCE REPORT 2024 (CONTINUED)**

**8 - Relations with Shareholders and Other Key Stakeholders (Continued)**

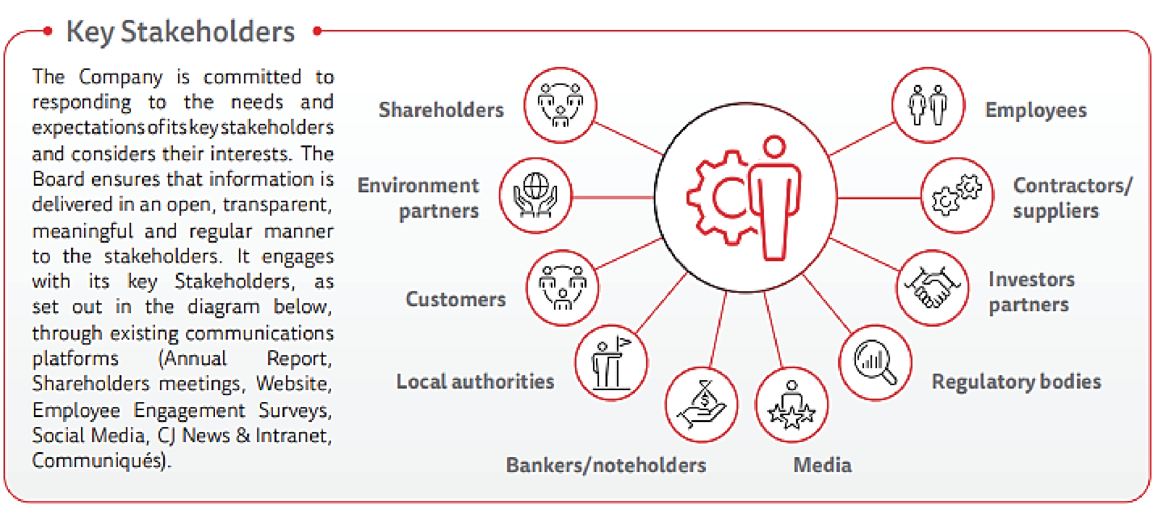
**Change in Capital Structure (Continued)**

**Ownership structure of Emtel Post its Listing on SEM**




## 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).



**EMTEL LIMITED**

**CORPORATE GOVERNANCE REPORT 2024 (CONTINUED)**

**8 - Relations with Shareholders and Other 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 was discontinued.

### Substantial Shareholding

With the exception of Currimjee Jeewanjee and Company Limited, Indian Continent Investment Limited and C J Investment Ltd, no other shareholder directly holds more than 5% of the share capital of the Company.

### Major Transactions

During the financial year, Emtel and its Subsidiaries did not enter into any major transaction, as defined undersection 130 (2) the Companies Act 2001.

### Share Registry and Transfer Office

The Share Registry is managed by MCB Registry and Securities Ltd (appointed on 23 April 2024) and reports to the Company Secretary. The Company had 4,132 registered Shareholders as at 31 December 2024.

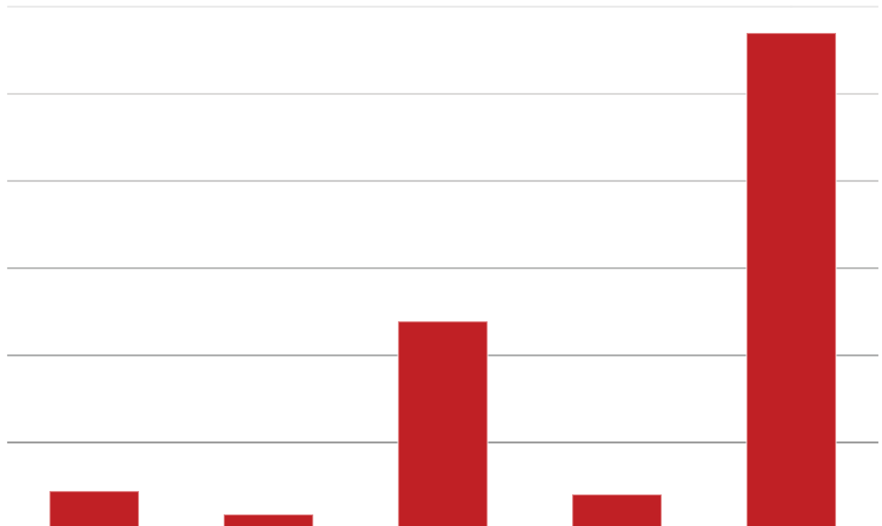
### Shareholding Profile

The share ownership and the category of shareholders as at 31 December 2024 are set out below:

| Spread | Number of shareholders | Number of shares held | % Holding |
|---|---|---|---|
| *1 - 500 shares* | 149 | 21,146 | 0.0046% |
| *501 - 1,000 shares* | 1,957 | 1,856,772 | 0.4077% |
| *1,001 - 5,000 shares* | 1,306 | 3,579,203 | 0.7859% |
| *5,001 - 10,000 shares* | 263 | 2,269,312 | 0.4983% |
| *10,001 - 50,000 shares* | 323 | 8,314,811 | 1.8258% |
| *50,001 - 100,000 shares* | 66 | 5,623,308 | 1.2348% |
| *100,001 - 250,000 shares* | 34 | 5,903,800 | 1.2964% |
| *250,001 - 500,000 shares* | 13 | 4,682,500 | 1.0282% |
| *>= 500,001 shares* | 21 | 423,149,148 | 92.9181% |
| ***Total*** | **4,132** | **455,400,000** | **100.00%** |

## 8 - Relations with Shareholders and Other Key Stakeholders (Continued)

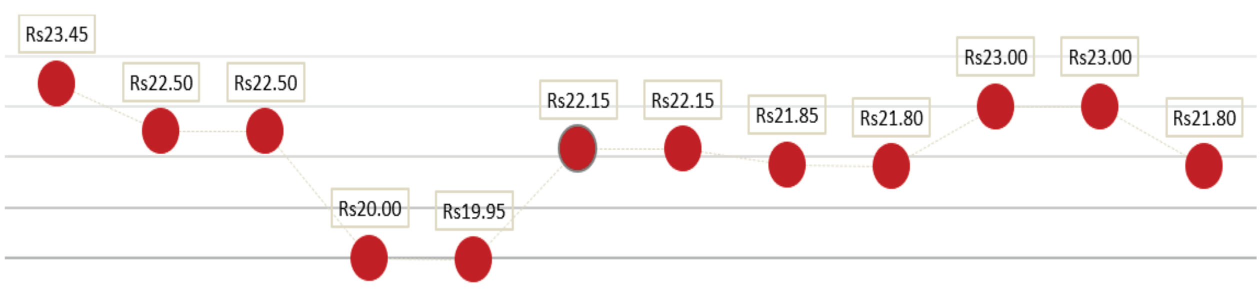
### Category of Investors as at 31 December 2024



| | Individual | Insurance and Assurance companies | Investment and Trust companies | Pensions and Provident funds | Other Corporate Bodies |
|---|---|---|---|---|---|
| % Holding | 4.85% | 1.91% | 26.24% | 4.43% | 62.57% |
| Number of shares held | 22,086,346 | 8,714,100 | 119,482,600 | 20,172,678 | 284,944,276 |
| Number of shareholders | 3,980 | 8 | 26 | 52 | 66 |

### Share Price Information

Emtel's share price movement since 5th July 2024 to 31st December 2024 is as follows:




| | 05/07/2024 | 31/07/2024 | 01/08/2024 | 30/08/2024 | 02/09/2024 | 30/09/2024 | 01/10/2024 | 30/10/2024 | 01/11/2024 | 29/11/2024 | 02/12/2024 | 31/12/2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Share Price | Rs23.45 | Rs22.50 | Rs22.50 | Rs20.00 | Rs19.95 | Rs22.15 | Rs22.15 | Rs21.85 | Rs21.80 | Rs23.00 | Rs23.00 | Rs21.80 |

**8 - Relations with Shareholders and Other Key Stakeholders (Continued)**

## Calendar of key events and publications

The Company's financial year starts on 1st January and ends on 31st December, every year. The calendar (tentative and subject to change) for approval of quarterly financial results are as under:


## Trading Windows Closure:

In accordance with the Rules, a Close Period shall be as follows:

a) the period of one month preceding the publication of an Emtel's annual results (or, if shorter, the period from its financial year end to the time of publication); or

b) the period of one month immediately preceding the notification of its interim (quarterly) results to the SEM or, if shorter, the period from the relevant financial period end up to and including the time of the notification; or

c) any other period when Emtel is in possession of unpublished price sensitive information; or

d) any time it has become reasonably probable that such information will be required by these rules to be notified to the SEM or by way of press release.

## Employee Share Scheme

The admission of the Company's shares on the Official List of the SEM represents a significant milestone for the CJ Group, which achievement has been made possible through the dedication and engaging contribution of all the employees of Emtel and the unfailing support of the staff of the Currimjee Limited Group ('CL Group') over the past 35 years. To show its deep appreciation for the commitment of all the employees of the CL Group, CJ & CO LTD, one of Shareholders of Emtel, with the approval of the Board of Emtel, has offered an aggregate of 908 shares to the entire 1,650 employees of the CL Group, including Emtel.

## 8 - Relations with Shareholders and Other Key Stakeholders (Continued)

### Dividend Policy

On 23rd April 2024, the Board of Emtel has approved a new Dividend Distribution Policy ('the Dividend Policy'). Emtel's dividend philosophy is premised on the principle that surplus cash in the Company be distributed to its shareholders when determined to be appropriate by the Board and taking all relevant internal and external factors into account. The Company's dividend policy is subject to review by the Board every three (3) years to determine its adequacy and can only be amended with the approval of the Board. The Company will aim to distribute a minimum of 75% of its full year net profits after tax and target two dividend payments to its Shareholders per annum to be declared in June (Interim) and December (Final). The Company believes in continuous shareholder value enhancement and will endeavor to pay an attractive, yet sustainable dividend to its Shareholders.

The Company has declared and paid a cash dividend for the calendar year 2024 amounting to Rs 699 million. (2023: Rs 546 million).

Approved by the Board of Directors on 20th March 2025

DocuSigned by:
Mr. Bashirali A Currimjee
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Signed by:
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**Names:**

Mr. Bashirali A Currimjee, G.O.S. K.
**Chairman**

Mrs Priscilla Balgobin-Bhoyrul
**Director & Chairperson of the Corporate Governance Committee**

## Annexure A: Profiles of Leadership Team

The profiles of the Leadership Team as at date of this Report are set out below:

### 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 28 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'

### Mrs Rajeshwaree (Priya) Foolchand-Chunderdeep | Head – People and Culture

*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 22 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.

### 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 29 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.

**EMTEL LIMITED**

**CORPORATE GOVERNANCE REPORT 2024 (CONTINUED)**

***Annexure A: Profiles of Leadership Team (Continued)***

### 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 27 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.
- 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 23 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 Paul Stafford | Chief Commercial Officer

*Qualifications:*

- Executive Leadership Development Program: Wharton Business School, University of Pennsylvania
- EMBA Program: Digicel University
- BTEC HNC in Management: Waltham Forest College, London, UK

*Experience:*

- Has overall 25 years of experience out of which 15 years in Telecom in various markets.
- Has previously worked as CEO / COO / CCO within Digicel
- Has also been an Independent / Freelance Management Consultant providing advisory, strategic planning/implementation, project management and due diligence services to clients including Private Equity companies and Telecommunications Consultancies
- Joined Emtel in June 2024 as Chief Commercial Officer to head the Sales (B2B and B2C), Marketing, and Customer Experience teams.

***Annexure A: Profiles of Leadership Team (Continued)***

The profiles below pertain to members of the Leadership team who have left the Company during the year 2024.

**Mr Vikas Khanna | Chief Information Officer (CIO)**

*Qualifications:*

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

*Experience:*

- Has over 25 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 digitalisation processes across Emtel, MC Vision Limited & Currimjee Jeewanjee Group companies and is also responsible for the creation of strategy for Data Science and Analytics.
- Contract with the Company ended on 31 December 2024

**Mr Pooroosotum ('Prakash') Bheekhoo | Chief Enterprise Solutions Officer**

*Qualifications:*

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

*Experience:*

- Has 27 years of experience in telecoms industry.
- Former Head of Business Development & Sales at Kathrein Africa Ltd.
- Joined the Company in July 2018.
- Left the Company on 13 August 2024

**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.
- 19 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 of the Company in April 2022.
- Retired from the Company on 14 July 2024

**EMTEL LIMITED**

**CORPORATE GOVERNANCE REPORT 2024**

**Annexure B: Profiles of Directors**

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

***Committee Membership:*** Chairman of Emtel Corporate Council and Member of the Human Resources Committee

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

*Experience:*
- 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 other listed and public companies:* None.

**Mr Krishnaduth Goomany**
**Mauritian Citizen & Resident | Group Chief Executive Officer & Executive Director**

***Committee Membership:*** Member of Corporate Governance Committee, Human Resources Committee and Emtel Corporate Council

*Qualifications:*
- BEng (Hons) Electronic and Electrical Engineering, University of Birmingham, UK
- MSc Telematics, University of Surrey, UK
- MBA, Heriot-Watt University
- Cybersecurity: Managing Risk in the Information Age - Harvard 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)

*Experience:*
- Has over 33 years of experience – of which more than 25 years at Senior Management Level - in the telecommunications industry, with a deep understanding of the 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.
- Group Chief Executive Officer since January 2021.

*Directorship in other listed and public companies:* None.

**Annexure B: Profiles of Directors (Continued)**

**Mr Sahoud M Edoo**
**Mauritian Citizen & Resident | Group Chief Financial Officer & Executive Director**

***Committee Membership***: Member of Emtel Corporate Council

*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 29 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.

*Directorship in other listed and public companies:* None.

**Mr. Anil C Currimjee**
**Mauritian Citizen & Resident | Non-Executive Director**

***Committee Membership:*** Member of Emtel Corporate Council

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

*Experience:*
- 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.

**Annexure B: Profiles of Directors (Continued)**

**Mr Azim F Currimjee**

**Mauritian Citizen & Resident | Non-Executive Director**

***Committee Membership****:* Chairman of Human Resources Committee and Member of Corporate Governance 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 23 years and is the former 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.
- 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 Chairman of the Business Regulatory Review Council, set up under the aegis of Ministry of Finance, Economic Planning and Development of Mauritius.
- 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.
- Former Director of Air Mauritius Ltd

*Directorship in other listed and public companies:* Quality Beverages Limited

**Mr M Iqbal Oozeer**

**Mauritian Citizen & Resident | Non-Executive Director**

***Committee Membership:*** Member of Audit & Risk Committee, Human Resources Committee and Emtel Corporate Council

*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:*

- 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.
- 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:* Quality Beverages Limited, Compagnie Immobilière Limitée and Island Life Assurance Co Ltd.

**Annexure B: Profiles of Directors (Continued)**

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

***Committee Membership**:* Member of Audit & Risk Committee and 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 Bharti Global Limited 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-five years of experience of general and financial management experience in multinational and Indian corporations.
- Former Executive PB Corp. (Dictaphone Corp) and BT Plc (UK).
- Former Group CFO of Bharti Enterprises and of Bharti Airtel Limited.

*Directorship in other listed and public companies:* None

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

***Committee Membership***: Member of Corporate Governance 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

**Annexure B: Profiles of Directors (Continued)**

**Mrs Priscilla Balgobin-Bhoyrul**

**Mauritian Citizen & Resident | Independent Non-Executive Director**

***Committee Membership***: Chairperson of the Corporate Governance Committee and Member of Audit & Risk Committee

*Qualifications:*

- LLB (Hons), The London School of Economics and Political Science
- Higher Diploma in Law, City, University of London
- Authentic Leadership Development Program, Harvard Business School, Executive Education

*Experience:*

- Currently Senior Partner & Head of Financial Institutions (Africa), Dentons Mauritius
- 20+ years of experience in civil, commercial, and employment law
- An experienced board member with over 18 years of Board experience in companies operating in various sectors including financial, agricultural, property or investment
- Immediate past President of Bar Council Mauritius
- Current Vice Chair of Mauritius Finance
- Former directorship in Listed Companies: Mauritius Commercial Bank and Mauritius Union Assurance.

*Directorship in other listed and public companies*: Promotion and Development Ltd, Caudan Development Ltd, National Investment Trust Ltd, Alteo Limited

**Mr Peter J Lewis**

**British Citizen & Non-Resident | Independent Non-Executive Director**

***Committee Membership:*** Chairman of the Audit & Risk Committee

*Qualifications:*

- Executive MBA/MBI
- Associate of UK Chartered Institute of Bankers

*Experience:*

- Co-Founder & Director, Eastcastle Infrastructure Ltd (EI)
- EBRD Nominee Director, Connectis Tower
- Former Director, Bandwidth and Cloud Services Group (BCS)
- Former Group CFO, Eaton Towers Ltd
- Former Treasurer & Head of Corporate Finance, Millicom International Cellular
- Skilled in Strategy, Management, Mergers & Acquisitions (M&A), Finance, and Risk Management

*Directorship in other listed and public companies*: None

**Annexure B: Profiles of Directors (Continued)**

**Ms Charlotte M V Govin-Guiral**

**French Citizen & Mauritian Resident | Independent Non-Executive Director**

***Committee Membership:*** Audit & Risk Committee and Human Resources Committee

*Qualifications:*

- Master II, Engineer diploma, Centrale Lyon Engineer School
- MSc in Management, EMLyon Business School

*Experience:*

- Currently Founder & President of AI4GOOD Festival
- Former Managing Director, Indian Ocean Cluster, CMA CGM
- Over 13 years of experience in strategic leadership and operational management within the supply chain and shipping industry.
- Former Managing Director, New Caledonia Cluster, CMA CGM
- Former Military Officer, French Navy, Indian Ocean

*Directorship in other listed and public companies:* Velogic Holdings Company Limited.

**Mrs Shirin R Gunny**

**Mauritian Citizen & Resident | Independent Non-Executive Director**

*Committee Membership:* Human Resources Committee

*Qualifications:*

- BSc in Sociology & Anthropology (University of Montreal)
- Diplôme d'Études Supérieures en Gestion, Management (HEC Montréal)

*Experience:*

- Currently CEO, Association of Mauritian Manufacturers & Made in Moris from 2012 till date.
- Over 20 years of international and local experience in economic development, manufacturing, and strategic project leadership.
- Dedicated advocate for innovation, industrial policy reform, regional collaboration and SME development.
- Former Director, Client Strategy, Groupe Cossette Communication and Marketing (Canada).
- Former Entrepreneur, Shirin Spirited Designs (China).

*Directorship in other listed and public companies*: None

**STATEMENT OF COMPLIANCE**

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

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

**Reporting Period:** **01 January 2024 to 31 December 2024**

On behalf of the Board of Directors of Emtel Limited, we confirm to the best of our knowledge that the Company has complied with all the material obligations and requirements of the National Code of Corporate Governance for Mauritius (2016), except with the following:

**Principle 2 - The Structure of the Board and its Committees**

- *Profile of Directors*

The Board has decided to disclose directorship in only public and listed companies. Details of other directorships of the Directors on the Board of the Company are kept at the Company's registered office, 38, Royal Street, Port Louis.

**Principle 4 - Director Duties, Remuneration and Performance**

- *Individual remuneration(s) and benefit(s) received by the Directors of the Company*

The reason for non-compliance has been disclosed under 'Remuneration Policy' in the Corporate Governance Report.

**SIGNED BY:**

**Names:**

DocuSigned by:
Mr. Bashirali A Currimjee
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Mr. Bashirali A Currimjee, G.O.S.K.
**Chairman**

Signed by:
C75024C53327498...

Mrs Priscilla Balgobin-Bhoyrul
**Director & Chairperson of the Corporate Governance Committee**

**Date: 20th March 2025**

**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 2024, all such returns as are required of the Company under the Companies Act 2001 of Mauritius.

**Currimjee Secretaries Limited**
**Per Ramanuj Nathoo (Mr)**
**Secretary**

**Date: 20th March 2025**

# Independent Auditor's Report

## To the Shareholders of
## Emtel Limited

## Report on the Audit of the Consolidated and Separate Financial Statements

### Our Opinion

In our opinion, the consolidated and separate 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 2024, 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**

Emtel Limited's accompanying consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2024;
- the consolidated and separate statements of profit or loss for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include 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 Separate 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 Separate Financial Statements (Continued)

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Revenue Recognition – Group and Company**<br><br>As detailed in Note 3 to the consolidated and separate financial statements, the Group's and Company's revenue amounted to Rs 3,76 billion and Rs 3,69 billion, respectively for the year ended 31 December 2024 (2023: Rs 3,42 billion and Rs 3,43 billion respectively).<br><br>In addition to the above we also refer to Note 31 for revenue recognised in relation to the discontinued operation of MC Vision Ltd, amounting to Rs 1,1 billion for the year ended 31 December 2024 (2023: Rs 1,13 billion).<br><br>The occurrence, accuracy and completeness of amounts recorded as revenue is an inherent industry risk due to the complexity of billing systems and the combination of products sold and tariff structure changes during the year.<br><br>The application of revenue recognition from a Group and Company perspective in terms of IFRS 15: Revenue from contracts with customers, requires the use of multiple complex IT and accounting systems and tools which are compounded by the significant number of low monetary revenue transactions that is accounted for daily throughout the year. | Our audit approach included controls testing as well as substantive procedures as set out below:<br><br>• We obtained an understanding of the processes used to recognise the various revenue streams, from the contract signature and the initiation of the transactions to the invoicing and the receipt of payment;<br>• We updated our understanding on what type of transactions are included in each account making up all significant revenue streams, including changes in the revenue process such as new applications, interfaces, or changes in processing of data when compared to the prior period. This was confirmed through a walkthrough of the key processes;<br>• We discussed with management whether there were any changes to the application of the revenue recognition accounting policy and any new revenue recognition methods adopted, during the year; |

# Independent Auditor's Report

## To the Shareholders of
## Emtel Limited (Continued)

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

### Key Audit Matters (Continued)

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Revenue Recognition – Group and Company (Continued)**<br><br>The Company uses various information technology ('IT') applications to automate the recording and rating of the different streams of revenue related to revenue recognition. For example, various IT applications are involved in the computation and recording of voice services, including the collection, rating, and billing of Call Detail Records (CDRs). Other revenue streams may be simpler and are recognised based on performance obligations using pre-determined standalone selling price allocation method.<br><br>There are multiple interfaces and key reconciliations involved in the revenue process from a Group and Company perspective. IT dependent manual controls require a significant amount of testing over system reports utilised in performing these controls.<br><br>We therefore consider revenue and the audit of the related systems to be a key audit matter in our current year audit due to the significant amount of time involved in auditing revenue which is driven by auditing the different processes in line with the revenue recognition accounting standard IFRS 15, as well as the extent of involvement required from our internal IT audit specialists to test the various IT applications and ERP systems. | • We obtained an understanding and tested management's controls over the transfer of revenue information between the multiple systems involved in recording revenue. This included the testing of the controls in place over the authorisation of rate changes and a review of the new products recorded in the billing systems;<br>• We involved our internal specialists to test the IT general and key application controls of the relevant usage, rating, and billing environments, as well as to assess the relevant revenue and deferred revenue reports utilised for completeness purposes;<br>• We tested controls over the journal entry process from the billing applications to the general ledger to confirm accuracy;<br>• We tested the input data to the billing systems, including testing of the billing reports for completeness and accuracy.<br>• We performed detailed analytical review procedures over significant revenue streams where expectations could be set and assessed reasonability by determining the drivers that result in changes year on year to establish detailed monthly and annual expectations. Where movements were outside our precision level set, we performed substantive audit procedures; and<br>• We selected and tested a sample of revenue transactions and assessed, in line with the requirements of IFRS 15: Revenue from contracts with customers, that contracts with customers were valid, that performance obligations were agreed by the customer and that revenue was appropriately recognised and allocated to its relevant performance obligations. |

# Independent Auditor's Report

## To the Shareholders of
## Emtel Limited (Continued)

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

### Key Audit Matters (Continued)

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Impairment of financial assets at amortised cost (loan receivable) – Company**<br><br>As detailed in Note 14 (a), the Company has provided a loan amounting to Rs 105 million (2023: Rs 31 million) to one of its subsidiaries, Emtel MFS Co Ltd, and the loan was fully impaired at 31 December 2024. The loan is contractually repayable by 31 December 2026.<br><br>Management determines at the end of each reporting period the existence of any indication of impairment of the Company's financial assets at amortised cost.<br><br>The assessment of indicators of impairment and the determination of the recoverability of the financial assets at amortised cost require judgement.<br><br>The determination of the recoverability of the loan, using a discounted cash flow model, requires the use of a number of key assumptions and estimates such as the estimated future cash flows, discount rates and profitability levels.<br><br>This was an area of focus in light of the amount involved and the level of judgement and estimation required from management. | Our audit procedures included the following:<br><br>• We assessed for any indicators of impairment for the loan receivable from the subsidiary;<br>• We obtained management assessment of the recoverability of the loan receivable, which is based on a discounted cash flow model;<br>• With the support of our internal valuation experts, we challenged management's forecasted revenues, growth rates and discount rates based on our knowledge of the subsidiary's operation and compared them against actual performance. This included obtaining an understanding of management's planned business strategies around revenue and cost initiatives;<br>• We also assessed the reasonableness of the discount rate used by comparing same to discount rate independently calculated by us based on the market in which the subsidiary operates. We also tested the reasonableness of the other key assumptions used such as revenue growth rates and expenditure levels; and<br>• We assessed whether appropriate disclosures were made by management in the financial statements. |

# Independent Auditor’s Report

## To the Shareholders of
## Emtel Limited (Continued)

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

### Other Information

The directors are responsible for the other information. The other information comprises the corporate information, the directors' report, the corporate governance report, the statement of compliance and the secretary's certificate but does not include the consolidated and separate financial statements and our auditor’s report thereon, which we have obtained prior to the date of this auditor's report, and the “Emtel Limited 2024 Integrated Annual Report for the year ended 31 December 2024”, which is expected to be made available to us after that date.

Our opinion on the consolidated and separate 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 separate 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 separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

When we read the “Emtel Limited 2024 Integrated Annual Report for the year ended 31 December 2024” which has not been made available to us prior to the date of this auditor’s report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate 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 Separate Financial Statements (Continued)

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 separate 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 separate 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 separate 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 separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

# Independent Auditor's Report

## To the Shareholders of
## Emtel Limited (Continued)

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

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

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 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 of the Company and its subsidiaries, tax and business advisors of the Company and one of its subsidiaries and dealings in the ordinary course of business of the Company;
(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)

## 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.

pricewaterhousecoopers

PricewaterhouseCoopers

21 March 2025

sballah

Sharvin Ballah, licensed by FRC

## CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| **Continuing Operations** | | | | |
| Revenue from contracts with customers (Note 3) | **3,763,110** | 3,422,218 | **3,687,669** | 3,425,084 |
| Cost of operations | **(1,975,881)** | (1,817,362) | **(1,962,627)** | (1,813,065) |
| Gross profit | **1,787,229** | 1,604,856 | **1,725,042** | 1,612,019 |
| Selling and distribution expenses | **(473,779)** | (427,024) | **(422,893)** | (380,240) |
| Administrative expenses | **(675,667)** | (536,096) | **(644,228)** | (519,992) |
| Impairment loss on financial assets | **(4,345)** | (4,445) | **(109,345)** | (4,445) |
| Other income (Note 4) | **47,603** | 3,136 | **89,179** | 12,690 |
| Other gains (Note 5) | **217,073** | 132,363 | **216,982** | 132,355 |
| Other losses (Note 5) | **(27,043)** | (35,799) | **(26,380)** | (35,622) |
| Operating profit (Note 6) | **871,071** | 736,991 | **828,357** | 816,765 |
| Finance income (Note 8) | **2,072** | 4,160 | **6,129** | 4,321 |
| Finance costs (Note 8) | **(250,700)** | (210,831) | **(228,536)** | (198,363) |
| Finance costs – net (Note 8) | **(248,628)** | (206,671) | **(222,407)** | (194,042) |
| Profit before tax | **622,443** | 530,320 | **605,950** | 622,723 |
| Income tax expense (Note 9) | **(235,183)** | (157,472) | **(235,183)** | (157,472) |
| **Profit for the year from continued operation** | **387,260** | 372,848 | **370,767** | 465,251 |
| **Loss from discontinued operation (Note 31)** | **(111,142)** | (58,347) | **-** | - |
| **Profit for the year** | **276,118** | 314,501 | 370,767 | 465,251 |
| Profit / (loss) attributable to: | | | | |
| Owners of the parent | **350,652** | 361,401 | | |
| Non-controlling interest | **(74,534)** | (46,900) | | |
| | **276,118** | 314,501 | | |
| Profit / (loss) attributable to owners from: | | | | |
| Continued Operations | **387,260** | 372,847 | | |
| Discontinued Operations | **(36,608)** | (11,446) | | |
| | **350,652** | 361,401 | | |
| | **Rs** | **Rs** | | |
| **Earnings per share for profit from continuing operations attributable to the ordinary equity holders of** | | | | |
| Basic and diluted earnings per share (Note 34) | **0.85** | 0.82 | | |
| **Earnings per share for profit attributable to the ordinary equity holders of the company:** | | | | |
| Basic and diluted earnings per share (Note 34) | **0.77** | 0.79 | | |

The notes on pages 55 to 135 form an integral part of the financial statements.

**CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024**

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| **Profit for the year** | **276,118** | 314,501 | **370,767** | 465,251 |
| **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 | **183** | 22 | **183** | 22 |
| Revaluation of property, plant and equipment (Note 10) | **2,827** | 51,306 | **2,827** | 4,065 |
| Effect of deferred tax on revaluation of property, plant and equipment (Note 9(d)) | **(146)** | (309) | **(146)** | (309) |
| Re-measurements of post-employment benefits obligations (Note 22) | **2,468** | (9,313) | **5,117** | (5,807) |
| Effect of deferred tax on re-measurement of post-employment benefits obligations (Note 9(d)) | **(159)** | 1,590 | **(972)** | 987 |
| Other comprehensive income for the year | **5,173** | 43,296 | **7,009** | (1,042) |
| **Total comprehensive income for the year** | **281,291** | 357,797 | **377,776** | 464,209 |
| Total comprehensive income for the year attributable to: | | | | |
| Owners of the parent | **357,641** | 406,239 | | |
| Non-controlling interest | **(76,350)** | (48,442) | | |
| | **281,291** | 357,797 | | |
| Total comprehensive income for the year attributable to owners from: | | | | |
| Continued Operations | **395,902** | 419,087 | | |
| Discontinued Operations | **(38,261)** | (12,848) | | |
| | **357,641** | 406,239 | | |

**CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2024**

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment (Note 10) | **5,126,848** | 5,142,928 | **4,651,501** | 4,351,665 |
| Right-of-use assets (Note 11) | **783,986** | 876,076 | **783,986** | 853,956 |
| Intangible assets (Note 12) | **183,386** | 218,132 | **164,338** | 200,157 |
| Investment in subsidiaries (Note 13) | **-** | - | **55,000** | 1,122,875 |
| Financial assets at fair value through OCI (Note 14(a)) | **1,412** | 1,229 | **1,412** | 1,229 |
| Financial assets at amortised cost (Note 14(b)) | **-** | - | **-** | 31,000 |
| | **6,095,632** | 6,238,365 | **5,656,237** | 6,560,882 |
| **Current assets** | | | | |
| Cash and cash equivalents (Note 18) | **477,681** | 410,372 | **461,444** | 299,603 |
| Trade and other receivables (Note 16) | **369,200** | 403,162 | **388,809** | 387,567 |
| Inventories (Note 15) | **84,747** | 71,753 | **84,747** | 49,433 |
| Current tax receivables (Note 17) | **80,395** | 80,382 | **80,395** | 80,382 |
| | **1,012,023** | 965,669 | **1,015,395** | 816,985 |
| Assets classified as held for sale (Note 31(b)) | **402,128** | **-** | **1,067,875** | - |
| | **1,414,151** | 965,669 | **2,083,270** | 816,985 |
| **Total assets** | **7,509,783** | 7,204,034 | **7,739,507** | 7,377,867 |
| **EQUITY** | | | | |
| Stated capital (Note 19) | **151,800** | 151,800 | **151,800** | 151,800 |
| Fair value reserves | **1,392** | 1,209 | **1,392** | 1,209 |
| Revaluation reserves | **74,508** | 71,681 | **27,267** | 24,440 |
| Common control reserves (Note 30) | **(1,030,768)** | (1,030,768) | **-** | - |
| Retained earnings | **577,633** | 922,252 | **754,585** | 1,079,069 |
| Non controlling interest | **(76,587)** | (237) | **-** | - |
| **Total equity** | **(302,022)** | 115,937 | **935,044** | 1,256,518 |
| **LIABILITIES** | | | | |
| **Non-current liabilities** | | | | |
| Borrowings (Note 20) | **3,514,320** | 2,030,351 | **3,117,445** | 1,506,601 |
| Lease liabilities (Note 11) | **722,845** | 816,587 | **722,845** | 802,153 |
| Deferred tax liabilities (Note 21) | **392,298** | 311,529 | **392,298** | 275,348 |
| Post-employment benefits obligations (Note 22) | **22,365** | 28,633 | **21,302** | 26,222 |
| Asset retirement obligations (Note 23) | **66,562** | 74,397 | **66,562** | 74,397 |
| | **4,718,390** | 3,261,497 | **4,320,452** | 2,684,721 |
| **Current liabilities** | | | | |
| Borrowings (Note 20) | **483,108** | 1,809,846 | **411,964** | 1,711,805 |
| Lease liabilities (Note 11) | **155,074** | 145,876 | **155,074** | 137,365 |
| Trade and other payables (Note 24) | **1,656,320** | 1,598,644 | **1,647,340** | 1,394,700 |
| Contract liabilities (Note 25) | **143,052** | 201,141 | **143,052** | 121,665 |
| Provisions for solidarity levy (Note 9(c)) | **39,935** | 53,192 | **39,935** | 53,192 |
| Current income tax liabilities (Note 9(b)) | **86,646** | 17,901 | **86,646** | 17,901 |
| | **2,564,135** | 3,826,600 | **2,484,011** | 3,436,628 |
| Liabilities classified as held for sale (Note 31(b) & Note 13) | **529,280** | - | **-** | - |
| | **3,093,415** | 3,826,600 | **2,484,011** | 3,436,628 |
| **Total liabilities** | **7,811,805** | 7,088,097 | **6,804,463** | 6,121,349 |
| **Total equity and liabilities** | **7,509,783** | 7,204,034 | **7,739,507** | 7,377,867 |

**Authorised for issue by the Board of directors on 20th March 2025 and signed on**

DocuSigned by:
Mr. Bashirali A Currimjee
6402F0E96A7E443...
Mr. Bashirali A Currimjee, Chairman

DocuSigned by:
268F1F1A8C21463...
Mr. Krishnaduth Goomany, Executive Director

The notes on pages 55 to 135 form an integral part of the financial statements.

**CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024**

| **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 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 |
| **Transactions with Owners** | | | | | | | | |
| Dividends paid to owners (Note 26) | - | - | - | - | (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 |

| | **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 2024 | **151,800** | **71,681** | **(1,030,768)** | **1,209** | **922,252** | **116,174** | **(237)** | **115,937** |
| **Comprehensive income** | | | | | | | | |
| Profit for the year | **-** | **-** | **-** | **-** | **350,652** | **350,652** | **(74,534)** | **276,118** |
| **Items that will not be reclassified to profit or loss** | | | | | | | | |
| Changes in the fair value of financial assets (Note 14(a)) | **-** | **-** | **-** | **183** | **-** | **183** | **-** | **183** |
| Revaluation Adjustment (Note 10) | **-** | **2,827** | **-** | **-** | **-** | **2,827** | **-** | **2,827** |
| Effect of deferred tax on revaluation adjustment (Note 9(d)) | **-** | **-** | **-** | **-** | **(146)** | **(146)** | **-** | **(146)** |
| Re-measurements of post-employment benefits obligations (Note 22) | **-** | **-** | **-** | **-** | **4,284** | **4,284** | **(1,816)** | **2,468** |
| Effect of deferred tax on re-measurement of post-employment benefits obligations (Note 9(d)) | **-** | **-** | **-** | **-** | **(159)** | **(159)** | **-** | **(159)** |
| **Total comprehensive income** | **-** | **2,827** | **-** | **183** | **354,631** | **357,641** | **(76,350)** | **281,291** |
| **Transactions with Owners** | | | | | | | | |
| Dividends paid to owners (Note 26) | **-** | **-** | **-** | **-** | **(699,250)** | **(699,250)** | **-** | **(699,250)** |
| **At 31 December 2024** | **151,800** | **74,508** | **(1,030,768)** | **1,392** | **577,633** | **(225,435)** | **(76,587)** | **(302,022)** |

The notes on pages 55 to 135 form an integral part of the financial statements.

**CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024**

| 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 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 |

| | Stated capital Rs 000 | Revaluation reserves Rs 000 | Fair value reserves Rs 000 | Retained earnings Rs 000 | Total equity Rs 000 |
|---|---|---|---|---|---|
| At 1 January 2024 | **151,800** | **24,440** | **1,209** | **1,079,069** | **1,256,518** |
| **Comprehensive income** | | | | | |
| Profit for the year | **-** | **-** | **-** | **370,767** | **370,767** |
| **Items that will not be reclassified to profit or loss** | | | | | |
| Changes in the fair value of financial assets (Note 14(a)) | **-** | **-** | **183** | **-** | **183** |
| Revaluation adjustment (Note 10) | **-** | **2,827** | **-** | **-** | **2,827** |
| Effect of deferred tax on revaluation adjustment (Note 9(d)) | **-** | **-** | **-** | **(146)** | **(146)** |
| Re-measurements of post-employment benefits obligations (Note 22) | **-** | **-** | **-** | **5,117** | **5,117** |
| Effect of deferred tax on re- measurement of post-employment benefits obligation (Note 9(d)) | **-** | **-** | **-** | **(972)** | **(972)** |
| **Total comprehensive income** | **-** | **2,827** | **183** | **374,766** | **377,776** |
| **Transactions with owners** | | | | | |
| Dividends (Note 26) | **-** | **-** | **-** | **(699,250)** | **(699,250)** |
| **Total transactions with owners** | **-** | **-** | **-** | **(699,250)** | **(699,250)** |
| **At 31 December 2024** | **151,800** | **27,267** | **1,392** | **754,585** | **935,044** |

The notes on pages 55 to 135 form an integral part of the financial statements.

**CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024**

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| **Cash generated from operations (Note 29)** | **2,207,414** | 1,883,352 | **2,061,827** | 1,838,480 |
| Taxation paid (Note 9) | **(43,498)** | (125,843) | **(43,498)** | (125,843) |
| Corporate Social Responsibility contribution (Note 9) | **(6,659)** | (11,211) | **(6,659)** | (11,211) |
| Interest paid | **(247,325)** | (209,701) | **(216,757)** | (185,550) |
| Interest received | **2,183** | 4,226 | **6,135** | 4,297 |
| Contributions made for post-employment benefits obligations (Note 22) | **(14,208)** | (11,914) | **(8,789)** | (6,977) |
| **Net cash generated from operating activities** | **1,897,907** | 1,528,909 | **1,792,259** | 1,513,196 |
| ***Cash flows from investing activities*** | | | | |
| Payments made for the purchase of property, plant and equipment (Note 10) | **(1,075,256)** | (1,620,518) | **(988,516)** | (1,495,220) |
| Payments for purchase of intangible assets | **(9,652)** | (4,783) | **(5,385)** | (541) |
| Proceeds from disposal of property, plant and equipment | **16,599** | 6,703 | **5,050** | 1,349 |
| Loan to subsidiary (Note 14) | **-** | - | **(74,000)** | (31,000) |
| Refund of deposit from disposal of right of use asset | **494** | - | **-** | - |
| **Net cash used in investing activities** | **(1,067,815)** | (1,618,598) | **(1,062,851)** | (1,525,412) |
| ***Cash flows from financing activities*** | | | | |
| Proceeds from borrowings | **4,939,009** | 3,320,000 | **4,939,009** | 3,265,000 |
| Repayment of borrowings | **(4,715,259)** | (3,012,500) | **(4,629,009)** | (2,997,500) |
| Bond issue transaction costs | **(2,268)** | (1,065) | **(2,268)** | (1,065) |
| Lease payments (Note 11) | **(166,505)** | (157,148) | **(157,445)** | (147,022) |
| Dividends paid (Note 26) | **(699,250)** | (546,060) | **(699,250)** | (546,060) |
| **Net cash used in financing activities** | **(644,273)** | (396,773) | **(548,963)** | (426,647) |
| **Net increase / (decrease) in cash and cash equivalents** | **185,819** | (486,462) | **180,445** | (438,863) |
| Cash and cash equivalents at beginning of the year | **275,989** | 772,290 | **170,433** | 611,829 |
| Exchange losses on cash and cash equivalents | **(6,586)** | (9,839) | **(5,324)** | (2,533) |
| **Cash and cash equivalents at end of the year (Note 18 & 20)** | **455,222** | 275,989 | **345,554** | 170,433 |

The notes on pages 55 to 135 form an integral part of the financial statements.

## 1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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 financial statements of the Group and the Company have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee ("IFRIC® Interpretations"). The consolidated and separate financial statements comply 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.

***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 2024, the Group and Company had (i) net liabilities of **Rs 302 million** (2023: net assets of Rs 116 million) and net assets of **Rs 935 million** (2023: Rs 1,257 million) respectively, (ii) net current liabilities of **Rs 1,679 million** (2023: Rs 2,861 million) and **Rs 401 million** (2023: Rs 2,620 million) respectively and have made a profit for the year of **Rs 276 million** (2023: Rs 315 million) and **Rs 371 million** (2023: Rs 465 million) respectively.

The Group and the Company have  access to undrawn loan facility, overdraft and money market line facilities amounting to **Rs 831 million** and shall realise an estimated additional cash flows amounting to **Rs 698 million** on the finalisation of the sale of the stake in EMVision Ltd. 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.

## 1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

***Consolidation of subsidiaries***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the reporting period to 31 December 2024 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).

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.

***Non-controlling interests***

The Group has elected to account for non-controlling interests in the acquiree 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.

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 based on the depreciation rates set out in the accounting policy note on property, plant and equipment, refer to 1.3.5 and right of use assets, refer to 1.3.7. The depreciation rates have been estimated according to the respective property, plant and equipment and right of use assets 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 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 1.1 Critical accounting estimates and judgments (Continued)

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.

1.1.3 Lease term

At inception of a contract, the Company assesses 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 in the Company 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 in the Group 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 Provision for vacation leaves

The related provision in relation to vacation leaves requires the use of actuarial valuations. The actuarial valuation involves the use of significant estimates in respect of inter-alia, discount rate and future salary increases. Any change in these assumptions will impact the amount of provision. The Group and the Company determine the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. Other key assumptions for vacation leaves provision are based in part on the current market conditions.

## 1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 1.1 Critical accounting estimates and judgments (Continued)

1.1.7 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 on the 13 January 2025. Judgment is now reserved. 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.

1.1.8 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.

1.1.9 Contingent liability

A contingent liability has been disclosed relating to a tax dispute for the assessment year 2020 raised by the Mauritius Revenue Authority ("MRA") regarding capital and investment allowances against one of its subsidiaries. The subsidiary is appealing the claim and based on their discussion with their advisors, the directors believe that the claim will not materialise. Accordingly, this has been disclosed as a contingent liability in note 38.

### 1.2 Application of new and revised international financial reporting standards

1.2.1 Several new standards, amendments to existing standards and interpretation issued and effective for the first for the financial year beginning on 1 January 2024.

The following new standards, amendments to existing standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2024:

- Amendments to IAS 1, 'Presentation of Financial Statements' - Non-current liabilities with covenants
- Amendments to Supplier Finance Arrangements (IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosure')

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 2024.

## 1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 1.2 Application of new and revised international financial reporting standards (Continued)

The above new standards and amendments to existing standards and interpretations that are effective for annual period beginning on 1 January 2024 have been assessed and relevant disclosures have been amended on the Group's and Company's financial statements.

1.2.2 New standards, amendments to existing standards and interpretations issued but effective for financial year beginning after 1 January 2025 and not been early adopted by the Group and Company.

As at 31 December 2024, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2024.

| Standard, amendment and interpretation | Effective date |
| --- | --- |
| Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments | Annual periods beginning on or after 1 January 2026 |
| IFRS 18, 'Presentation and Disclosure in Financial Statements' | Annual periods beginning on or after 1 January 2027 |

The Directors and Management are still assessing the impact of these new or amended standards and they would apply the new or amended standards as from their applicable dates.

### 1.3 Accounting policies

1.3.1 Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls its subsidiaries as it 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 subsidiaries.

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. Any 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 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 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 1.3 Accounting policies (Continued)

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 (“Rs”), which is the functional currency of the 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.

1.3.4 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.

- Service revenue

(i) Mobile revenue

The Company 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, 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.

## 1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 1.3 Accounting policies (Continued)

1.3.4 Revenue recognition (Continued)

- Service revenue (Continued)

(ii) Roaming and interconnect

The Company has entered into international roaming agreements with foreign operators which allows network access to the mobile subscribers of one operator to 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 local 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.

(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 contract liabilities.

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.

(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.

**1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**1.3 Accounting policies (Continued)**

1.3.4 Revenue recognition (Continued)

- Service revenue (Continued)

(vii) Mobile financial services revenue

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

(viii) Revenue from site hosting and support services

Revenue is generated from hosting and support fees, recognised in profit or loss when contractual obligations are met, and economic benefits are probable.

- Non-service revenue

(i) 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.

1.3.5 Property, plant and equipment

Freehold land and buildings including buildings on leasehold land are shown at fair value 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 accumulated depreciation and accumulated impairment losses. All other repairs and maintenance are charged to 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 over their estimated useful lives.

## 1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 1.3 Accounting policies (Continued)

1.3.5 Property, plant and equipment (Continued)

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' 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 to sell and value in use.

Gains and losses on disposals 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.

1.3.6 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 at historical cost. The IRU is amortised on a straight-line basis over the contract period, ranging from 3 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 incurred with acquiring and implementing computer software programs and are amortised on a straight line basis over a period of 3 to 5 years. 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 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 1.3 Accounting policies (Continued)

1.3.7 Leases

The lease arrangements the Group and Company have entered into includes land and buildings, co-location of cell sites and motor vehicles. Management assessed that these lease arrangement contracts gives the Group and Company the ability to control substantially all of the economic benefits from the use of these assets, and has the ability to direct their use, for a period of time.

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 and they are thus expensed 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 (Continued)

1.3.7 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 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.

The Group and Company apply judgement in assessing whether it is reasonably likely that options to extend the lease 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.

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 2024, 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.

1.3.8 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.

1.3.9 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 (Continued)

1.3.10 Current and deferred tax

The tax expense for the period comprises current and deferred tax, solidarity levy, corporate social responsibility tax and corporate climate responsibility levy. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at 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, such as solidarity levy, where appropriate based on 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, revaluation of property, plant and equipment, provision for post-employment benefits obligations, tax losses, provision for vacation leaves and on recognition of lease liability.

1.3.11 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 Company provides 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 Company only recognises 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 in profit or loss.

1.3.12 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.

## 1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 1.3 Accounting policies (Continued)

1.3.12 Post-employment benefits obligations (Continued)

(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 credited or charged 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 2019 (WRA). 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.

## 1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 1.3 Accounting policies (Continued)

1.3.12 Post-employment benefits obligations (Continued)

(i) Pension obligations (Continued)

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

Prior to the implementation of the Portable Retirement Gratuity Fund (PRGF), the pension contribution benefits were 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 profit or loss 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 credited or charged 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.

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 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 1.3 Accounting policies (Continued)

1.3.12 Post-employment benefits obligations (Continued)

(v) Vacation leave

As per Section 47 of the Workers' Rights Act 2019 (WRA 2019), a worker, other than a migrant worker, who remains in continuous employment with the same employer for a period of at least 5 consecutive years shall be entitled to vacation leave of not more than 30 days, whether taken consecutively or otherwise, for every period of 5 consecutive years, to be spent abroad, locally or partly abroad and partly locally. As such, the Group and Company have a present obligation to pay employees earning less than Rs 50,000 per month for absence (or unused vacation leave). This entitlement to paid absences (vacation leave) is an accumulating one over a period of 5 years.

1.3.13 Provisions

Provisions are recognised when the Group and Company have a present legal or constructive obligation as a result of past events. 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.

A provision is also recorded in relation to the solidarity levy on telephony service providers introduced in Finance Act 2009 and amended in Finance Act 2024. More details available in Note 9(b).

1.3.14 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.

1.3.15 Financial instruments

Financial instruments carried on the statement of financial position include financial assets at fair value through other comprehensive income, financial assets at amortised costs, cash and cash equivalents, trade and other receivables, 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 and initial measurement*

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items and therefore the Group and Company classifies its financial assets in the following measurement categories, as set out in IFRS 9:

## 1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 1.3 Accounting policies (Continued)

1.3.15 Financial instruments (Continued)

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”) or through profit or loss); and
- those to be measured at amortised cost.

(i) Financial assets (Continued)

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows. In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (“FVOCI”), it needs to give rise to cash flows that are ‘solely payments of principal and interest’ (“SPPI”) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

At initial recognition, the Group and Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL’’), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

*Subsequent measurement*

- Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest.

Discounting is omitted where the effect of discounting is immaterial. The Group and Company’s cash and cash equivalents falls into this category of financial instruments.

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.

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.

Loans to related parties

The Company have entered into Loan Agreement with its subsidiary for funding of its operations. Interest on the loan facilities is accrued monthly in arrears. More details are available in Note 14(b).

**1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

## 1.3 Accounting policies (Continued)

1.3.15 Financial instruments (Continued)

(i) Financial assets (Continued)

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 as a separate line item in 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.

- Financial assets designated at fair value through other comprehensive income (“FVOCI”)

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.

*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.

The Group and Company recognise expected credit losses (ECL) on their financial assets in accordance with IFRS 9. The ECL model applies to trade receivables, loans to related parties, and cash and cash equivalents. The objective of the policy is to provide a forward-looking approach to credit loss recognition, which reflects changes in credit risk over the life of the financial asset.

The Group and Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due (Ageing of Receivables) for last two years, groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group’s historical observed default rates.

At each reporting date, the historical observed default rates are reviewed and changes in the forward-looking information are analysed. The forward looking information used are mainly available statistics on the macroeconomic environment affecting trade and business. The Group and Company utilise reasonable and supportable forward-looking information, which is based on assumptions regarding future movements of various economic drivers and the interrelationships between them. Loss Given Default (LGD) represents the estimated loss incurred upon default, calculated as the difference between the contractual cash flows due and the amounts the entity expects to receive, considering any cash flows from credit enhancements.

In applying this forward-looking approach, a distinction is made between:

## 1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 1.3 Accounting policies (Continued)

1.3.15 Financial instruments (Continued)

(i) Financial assets (Continued)

*Impairment of financial assets (Continued)*

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

'Stage 3' would cover financial assets that have objective evidence of impairment at the end of the reporting period.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The amount of ECL is sensitive to changes in both circumstances and forecasted economic conditions. It is important to note that the Group's and Company's historical credit loss experience, as well as their forecasts of economic conditions, may not fully reflect the actual defaults of customers in the future.

Assessment of Credit Risk

In assessing the credit risk of financial assets, the group considers a range of factors, including but not limited to:

- The customer's or borrower's payment history
- Overall financial health of the customer, including profitability, liquidity, solvency, and cash flow analysis
- Economic and market conditions, the macroeconomic factors that may affect the customer or borrower's ability to repay.
- Other qualitative factors such as credit rating or relationship with its subsidiaries.

*Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the consolidated and separate statements of financial position) when:

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

## 1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 1.3 Accounting policies (Continued)

1.3.15 Financial instruments (Continued)

(ii) Financial liabilities

*Classification and initial measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. All financial liabilities are recognised initially at fair value.

The Group’s and Company’s financial liabilities consist of borrowings, lease liabilities and trade and other payables. The Group’s and Company’s financial liabilities are presented as current liabilities unless payment is not due within 12 months after the reporting period.

*Subsequent measurement*

The Group’s and the Company’s financial liabilities are subsequently measured at amortised cost using the effective interest method.

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.

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.

*Derecognition*

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

## 1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 1.3 Accounting policies (Continued)

1.3.15 Financial instruments (Continued)

(iii) 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.

1.3.16 Share capital

Ordinary shares are classified as ‘stated capital’ in equity.

1.3.17 Assets Held for Sale and Discontinued Operations

The consolidated and separate financial statements comprise of non-current assets held for sale and discontinued operations under IFRS 5 – *Non-Current Assets Held for Sale and Discontinued Operations*.

The Group and Company classified a disposal group/ asset as held for sale when the sale is highly probable and the asset or disposal group is available for immediate sale in its current condition.

The Group actions to complete the sale demonstrate that it is unlikely that significant changes will occur to the sale plan, or that the decision to sell will be reversed. Additionally, management are fully committed to the sale plan and the sale is expected to be completed within one year from the date of classification.

Due to the discontinued operations, the statement of profit or loss of the Group for the comparative period has been revised accordingly. The effects of these adjustments have been fully disclosed in Note 33 for further clarification.

1.3.18 Earnings before interest, tax, depreciation, amortisation and one off transactions (EBITDA)

EBITDA is stated after adding to earnings before interest, tax, depreciation, amortisation and off-one transactions are classified separately in order to draw the attention of the users of the financial statements. In the judgement of the Directors, this presentation shows the underlying performance of the Group more accurately.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 2024, 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: lower/higher by Rs 8,695,000 in 2024 (2023 – pre-tax profit would have been lower/higher by Rs 24,025,000); Company: lower/higher by Rs 8,712,000 in 2024 (2023 – pre-tax profit would have been lower/higher by Rs 23,541,000), 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 2024, 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: lower/higher by Rs 336,000 in 2024 (2023 – pre-tax profit would have been lower/higher by Rs 5,215,000); Company: lower/higher by Rs 336,000 in 2024 (2023 – pre-tax profit would have been lower/higher by Rs 576,000), 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 2024 Rs 000** | **Financial liabilities 2024 Rs 000** | Financial assets 2023 Rs 000 | Financial liabilities 2023 Rs 000 |
|---|---|---|---|---|
| United States dollar | **54,003** | **227,894** | 107,387 | 587,896 |
| Euro | **193,296** | **200,020** | 197,830 | 302,124 |
| Great Britain pound | **5** | **242** | 17 | 28 |
| Swiss franc | **1** | **-** | 3 | 3 |
| Mauritian rupee | **522,960** | **6,101,465** | 441,675 | 5,471,782 |
| | **770,265** | **6,529,621** | 746,912 | 6,361,833 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 2024 Rs 000** | **Financial liabilities 2024 Rs 000** | Financial assets 2023 Rs 000 | Financial liabilities 2023 Rs 000 |
|---|---|---|---|---|
| United States dollar | **52,231** | **226,475** | 103,467 | 574,286 |
| Euro | **193,296** | **200,020** | 187,401 | 175,891 |
| Great Britain pound | **5** | **8** | 17 | 28 |
| Swiss franc | **1** | **-** | 3 | 3 |
| Mauritian rupee | **535,860** | **5,626,745** | 383,792 | 4,772,555 |
| | **781,393** | **6,053,248** | 674,680 | 5,522,763 |

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

| | **THE GROUP** | | **THE COMPANY** | |
|---|---|---|---|---|
| | **Non-Financial assets** | | **Non-Financial assets** | |
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Prepayment | **43,762** | 55,327 | **42,821** | 39,097 |
| VAT receivable | **18,797** | 6,881 | **12,585** | - |
| Advance to suppliers | **15,443** | 5,622 | **14,866** | 5,622 |
| Current tax receivables | **80,395** | 80,382 | **80,395** | 80,382 |
| Other receivables | **26** | 21 | **-** | - |
| | **158,423** | 148,233 | **150,667** | 125,101 |

| | **Non-Financial liabilities** | | **Non-Financial liabilities** | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| VAT payable | **508** | 42,939 | **-** | 33,329 |
| Provision of solidarity levy | **39,935** | 53,192 | **39,935** | 53,192 |
| Deferred tax liabilities | **392,298** | 311,529 | **392,298** | 275,348 |
| Post employee benefits | **22,365** | 28,633 | **21,302** | 26,222 |
| Current income tax liabilities | **86,646** | 17,901 | **86,646** | 17,901 |
| Contract liabilities | **143,052** | 201,141 | **143,052** | 121,665 |
| Prepaid bond issue cost | **(2,148)** | (3,468) | **(2,148)** | (3,468) |
| Asset retirement obligation | **66,562** | 74,397 | **66,562** | 74,397 |
| Provision for vacation leaves | **3,686** | - | **3,568** | - |
| | **752,904** | 726,264 | **751,215** | 598,586 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 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 | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Gross debt – fixed interest rates | **1,980,805** | 3,603,452 | **1,518,197** | 3,121,874 |
| Gross debt – variable interest rates | **2,018,771** | 240,213 | **2,013,360** | 100,000 |
| Total debt | **3,999,576** | 3,843,665 | **3,531,557** | 3,221,874 |
| Debt exposed to interest rate risk | **50%** | 6% | **57%** | 3% |

Based on the simulations performed, at 31 December 2024, 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 decreased/increased for the Group by **Rs 10,094,000** (2023- Rs 1,201,000) and the Company by **Rs 10,067,000** (2023- Rs 500,000), 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 trade and other receivables and financial asset at amortised cost. Credit risk is managed on a company-wide basis. The financial assets exposed to credit risk is the interest bearing loans receivable from its subsidiary, Emtel MFS Co Ltd. The subsidiary has settled the interest payable on the loans when they fall due and there is no evidence of default.

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 provided a loan of Rs 31 million to its subsidiary in December 2023 and an additional Rs 74 million in year 2024 to 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 fulfil its forthcoming obligations. As at 31 December 2024, management has assessed the potential credit risk and has recognised an impairment loss of Rs 105 million on the intercompany loan as per IFRS 9.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 2024** | | | | | |
| Borrowings | **773,232** | **732,832** | **2,403,914** | **844,138** | **4,754,116** |
| Lease liabilities | **197,815** | **169,006** | **480,795** | **285,281** | **1,132,897** |
| Trade and other payables | **1,652,126** | **-** | **-** | **-** | **1,652,126** |
| | **2,623,173** | **901,838** | **2,884,709** | **1,129,419** | **7,539,139** |
| | 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 |
| Trade and other payables | 1,555,705 | - | - | - | 1,555,705 |
| | 3,664,345 | 770,772 | 1,536,380 | 1,063,912 | 7,035,409 |

VAT payable of **Rs 508,000** (2023 – Rs 42,939,000) and provision for vacation leaves of **Rs 3,686,000** (2023- Rs Nil) are excluded from Trade and other payables.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 2024** | | | | | |
| Borrowings | **635,693** | **642,742** | **2,154,357** | **713,820** | **4,146,612** |
| Lease liabilities | **197,815** | **169,006** | **480,795** | **285,281** | **1,132,897** |
| Trade and other payables | **1,643,772** | **-** | **-** | **-** | **1,643,772** |
| | **2,477,280** | **811,748** | **2,635,152** | **999,101** | **6,923,281** |

| | 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 |
| Trade and other payables | 1,361,371 | - | - | - | 1,361,371 |
| | 3,344,527 | 626,122 | 1,267,742 | 853,808 | 6,092,199 |

VAT payable of **Rs Nil** (2023 – Rs 33,329,000) and provision for vacation leaves **Rs 3,568,000** (2023 : Nil ) are excluded from Trade and other payables.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 adjusted for the prepaid bonds issuance costs) less cash and cash equivalents (excluding restricted cash). Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2024 and 2023 were as follows:

| | **THE GROUP** | | **THE COMPANY** | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Total borrowings –excluding transaction costs (Note 20) | **3,999,576** | 3,843,665 | **3,531,557** | 3,221,874 |
| Less: Cash and cash equivalents (Note 18) | **(361,791)** | (281,202) | **(345,554)** | (170,433) |
| Net debt (Note 27) | **3,637,785** | 3,562,463 | **3,186,003** | 3,051,441 |
| Total equity | **(302,022)** | 115,937 | **935,044** | 1,256,518 |
| Total capital | **3,335,763** | 3,678,400 | **4,121,047** | 4,307,959 |
| **Gearing ratio** | **100%** | 97% | **77%** | 71% |

The Company gearing ratio at 31 December 2024 is **75%** (2023: 71%) 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 and trade and other payables 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).

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 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 2024 by an independent professional valuer.

| | THE GROUP | | | THE COMPANY | | |
|---|---|---|---|---|---|---|
| **At 31 December 2024** | **Level 1** | **Level 2** | **Total** | **Level 1** | **Level 2** | **Total** |
| | | | | **Rs 000** | **Rs 000** | **Rs 000** |
| Financial assets at fair value through OCI | | | | | | |
| - Equity shares | **1,412** | **-** | **1,412** | **1,412** | **-** | **1,412** |
| Non financial asset at fair value through OCI | | | | | | |
| - Land and buildings | **-** | **406,718** | **406,718** | **-** | **32,725** | **32,725** |
| | **1,412** | **406,718** | **408,130** | **1,412** | **32,725** | **34,137** |
| At 31 December 2023 | Level 1 | Level 2 | Total | Level 1 | Level 2 | Total |
| | Rs 000 | Rs 000 | Rs 000 | Rs 000 | Rs 000 | Rs 000 |
| Financial assets at fair value through OCI | | | | | | |
| - Equity shares | 1,229 | - | 1,229 | 1,229 | - | 1,229 |
| Non financial asset at fair value through OCI | | | | | | |
| - Land and buildings | - | 404,543 | 404,543 | - | 30,299 | 30,299 |
| | 1,229 | 404,543 | 405,772 | 1,229 | 30,299 | 31,528 |

The Group and Company are exposed to equity securities price risks. If the fair value of the investments increases/ decreases by 5%, other factors remaining unchanged, the Group's and Company's profit for the year and financial assets (financial assets at fair value through OCI) would increase/decrease by **Rs 57,000** (2023 – Rs 51,000).

The sensitivity analysis of an increase/decrease by 1% in price per square meter, other factors remaining unchanged, on the fair value Group's freehold land and buildings, total comprehensive income for the year and its valuation of the land and buildings (revaluation reserves through OCI) would have increased/decreased by **Rs 4,067,000** (2023- Rs 4,045,000) and for the Company would have increase/decrease by **Rs 327,000** (2023: Rs 303,000) respectively.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Financial instruments by category

**At 31 December 2024**

| | 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 | - | 1,412 | 1,412 | - | - | 1,412 | 1,412 | - |
| Financial assets at amortised cost | - | - | - | - | - | - | - | 105,000 |
| Trade and other receivables | 291,172 | - | 291,172 | 40,879 | 318,537 | - | 318,537 | 40,879 |
| Cash and cash equivalents | 477,681 | - | 477,681 | - | 461,444 | - | 461,444 | - |
| Total | 768,853 | 1,412 | 770,265 | 40,879 | 779,981 | 1,412 | 781,393 | 145,879 |

| | 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 | 3,999,576 | 3,999,576 | 3,531,557 | 3,531,557 |
| Lease liabilities | 877,919 | 877,919 | 877,919 | 877,919 |
| Trade and other payables excluding non-financial liabilities | 1,652,126 | 1,652,126 | 1,643,772 | 1,643,772 |
| Total | 6,529,621 | 6,529,621 | 6,053,248 | 6,053,248 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Financial instruments by category (Continued)

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 |
| Trade and other payables excluding non-financial liabilities | 1,555,705 | 1,555,705 | 1,361,371 | 1,361,371 |
| Total | 6,361,833 | 6,361,833 | 5,522,763 | 5,522,763 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 3 REVENUE FROM CONTRACT WITH CUSTOMERS

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Services Revenue | **3,365,432** | **3,021,411** | **3,365,928** | 3,050,514 |
| Non Services Revenue | **321,741** | **374,570** | **321,741** | 374,570 |
| Fintech Digital solution Revenue | **22,933** | **7,829** | **-** | - |
| Space Economy business Revenue | **53,004** | **18,408** | **-** | - |
| Media revenue | **1,101,166** | **1,128,552** | **-** | - |
| | **4,864,276** | 4,550,770 | **3,687,669** | 3,425,084 |

| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
|---|---|---|---|---|
| Revenue recognised: | | | | |
| At the point of time | **407,931** | 409,655 | **321,741** | 374,570 |
| Over time | **4,456,345** | 4,141,115 | **3,365,928** | 3,050,514 |
| | **4,864,276** | 4,550,770 | **3,687,669** | 3,425,084 |
| Attributable to: | | | | |
| Continuing operations | **3,763,110** | 3,422,218 | | |
| Discontinued operations | **1,101,166** | 1,128,552 | | |
| | **4,864,276** | 4,550,770 | | |
| Total revenue generated by the provision of international roaming service to inbound roamers (include only inbound roaming) | **101,123** | 91,398 | **101,123** | 91,398 |
| | **Minutes** | Minutes | **Minutes** | Minutes |
| Number of minutes from incoming international calls terminating in Mauritius | **1,880,930** | 1,482,586 | **1,880,930** | 1,482,586 |

The disaggregated revenue is linked to the Group reportable segment in Note 32. Any differences in the above Group figures and that shown in Note 32 are due to consolidation adjustments.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 4 OTHER INCOME

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Management fee | **-** | - | **10,000** | 10,000 |
| Other income | **83,762** | 31,874 | **79,179** | 2,690 |
| | **83,762** | 31,874 | **89,179** | 12,690 |
| Attributable to: | | | | |
| Continuing operations | **47,603** | 3,136 | | |
| Discontinued operations | **36,159** | 28,738 | | |
| | **83,762** | 31,874 | | |

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

## 5 OTHER GAINS / (LOSSES)

| | **2024** | 2023 | **2024** | 2023 |
|---|---|---|---|---|
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| *Other gains* | | | | |
| Profit on disposal of property, plant and equipment | **212,953** | 133,491 | **206,902** | 131,205 |
| Property, plant and equipment and intangibles written back | **73** | 1,556 | **-** | - |
| Foreign exchange gain | **2,099** | 8 | **-** | - |
| Gain arising on derecognition of lease liabilities | **4,927** | 1,653 | **4,692** | 1,150 |
| Gain on change in assumption in ARO | **5,388** | - | **5,388** | - |
| | **225,440** | 136,708 | **216,982** | 132,355 |
| Attributable to: | | | | |
| Continuing operations | **217,073** | 132,363 | | |
| Discontinued operations | **8,367** | 4,345 | | |
| | **225,440** | 136,708 | | |
| *Other Losses* | | | | |
| Foreign exchange loss | **(26,065)** | (11,315) | **(25,402)** | (7,398) |
| Property, plant and equipment and intangibles written off | **(1,662)** | (28,224) | **(978)** | (28,224) |
| Loss on disposal of property, plant and equipment | **-** | (21) | **-** | - |
| | **(27,727)** | (39,560) | **(26,380)** | (35,622) |
| Attributable to: | | | | |
| Continuing operations | **(27,043)** | (35,799) | | |
| Discontinued operations | **(684)** | (3,761) | | |
| | **(27,727)** | (39,560) | | |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 6 OPERATING PROFIT

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| The following items have been charged in arriving at operating profit: | | | | |
| **Continuing Operations:** | | | | |
| Depreciation on property, plant and equipment (Note 32): | | | | |
| *Owned assets* | | | | |
| - Buildings | **652** | 486 | **401** | 299 |
| - Asset Infrastructure | **10,292** | 3,173 | **864** | 864 |
| - Technical equipment | **504,253** | 480,048 | **505,451** | 481,246 |
| - Motor vehicles | **2** | 2 | **2** | 2 |
| - Furniture, fixtures and fittings | **11,576** | 9,838 | **9,728** | 9,129 |
| - Office equipment | **149,164** | 102,020 | **147,574** | 101,366 |
| Depreciation on right-of-use assets (Note 32) | **170,509** | 160,970 | **170,509** | 160,970 |
| Amortisation of licence and IRU (Note 32) | **44,885** | 48,266 | **40,885** | 44,962 |
| Impairment loss on financial asset at amortised cost (Note 14(b)) | **-** | - | **105,000** | - |
| Advertising and promotion | **80,485** | 73,400 | **67,434** | 60,274 |
| Commission to dealers | **76,635** | 72,913 | **76,635** | 72,913 |
| Consultancy fees | **17,447** | 17,548 | **17,447** | 17,548 |
| Employee benefits expense (Note 7) | **658,101** | 503,931 | **626,220** | 477,179 |
| Cost of inventories expensed | **243,296** | 262,920 | **243,296** | 262,920 |
| Repairs and maintenance costs | **151,193** | 109,511 | **143,242** | 104,051 |
| Increase in loss allowance on trade receivables | **4,345** | 4,445 | **4,345** | 4,445 |
| Audit fees | **5,705** | 4,247 | **4,609** | 3,280 |
| Non-audit fees | **2,926** | 2,778 | **1,715** | 1,588 |
| Business support services fees (Note 28 (vi)) | **10,000** | 82,202 | **10,000** | 82,202 |
| Solidarity levy tax on turnover (Note 9) | **39,919** | 53,193 | **39,919** | 53,193 |

| | THE GROUP | |
|---|---|---|
| | **2024** | 2023 |
| | **Rs 000** | Rs 000 |
| **Discontinuing Operations:** | | |
| Depreciation on property, plant and equipment (Note 32): | | |
| *Owned assets* | | |
| - Technical equipment | **140,059** | 156,806 |
| - Motor vehicles | **-** | 45 |
| - Furniture, fixtures and fittings | **3,546** | 3,852 |
| - Office equipment | **2,691** | 2,685 |
| Depreciation on right-of-use assets (Note 32) | **8,507** | 10,205 |
| Amortisation of licence (Note 32) | **896** | 1,533 |
| Consultancy fees | **150** | - |
| Employee benefits expense (Note 7) | **98,651** | 81,331 |
| Cost of inventories expensed | **12,310** | 11,594 |
| Repairs and maintenance costs | **1,366** | 662 |
| Increase in loss allowance on trade receivables | **2,729** | 7,604 |
| Audit fees | **1,281** | 1,137 |
| Non-audit fees | **64** | 58 |
| Property, plant and equipment write off | **684** | - |
| 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.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 7 EMPLOYEE BENEFITS EXPENSE

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Wages and salaries | **485,319** | 390,965 | **382,398** | 302,986 |
| Social security cost | **27,650** | 22,917 | **22,534** | 18,567 |
| Pension cost – defined contribution plans | **29,646** | 15,056 | **28,551** | 15,056 |
| Pension costs – defined benefit plans (Note 22) | **13,710** | 12,811 | **8,986** | 7,239 |
| *Other costs:* | | | | |
| Training costs | **5,652** | 4,675 | **5,479** | 4,441 |
| Bonus and commissions | **94,532** | 71,404 | **93,394** | 70,024 |
| Other commissions | **36,209** | 31,678 | **33,868** | 31,678 |
| Recruitment costs | **6,578** | 901 | **6,578** | 901 |
| Staff Welfare | **48,218** | 34,855 | **37,755** | 26,287 |
| Vacation leaves (Note 24(a)) | **9,238** | - | **6,677** | - |
| | **756,752** | 585,262 | **626,220** | 477,179 |
| Attributable to: | | | | |
| Continuing operations | **658,101** | 503,931 | | |
| Discontinued operations | **98,651** | 81,331 | | |
| | **756,752** | 585,262 | | |
| | **2024** | 2023 | **2024** | 2023 |
| | **Number** | Number | **Number** | Number |
| Number of employees at end of year | **509** | 492 | **481** | 462 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 8 FINANCE COSTS – NET

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| *Finance income* | | | | |
| Interest income | **2,183** | 4,251 | **6,129** | 4,321 |
| Foreign exchange gain | **328** | 12 | **-** | - |
| | **2,511** | 4,263 | **6,129** | 4,321 |
| Attributable to: | | | | |
| Continuing operations | **2,072** | 4,160 | | |
| Discontinued operations | **439** | 103 | | |
| | **2,511** | 4,263 | | |
| *Finance costs* | | | | |
| Interest payable on: | | | | |
| Bank overdrafts | **(708)** | (458) | **(113)** | (153) |
| Loans | **(112,587)** | (63,992) | **(83,470)** | (40,541) |
| Bonds | **(77,086)** | (93,061) | **(77,086)** | (93,061) |
| Interest and finance charges for lease liabilities | **(57,007)** | (58,670) | **(55,774)** | (57,328) |
| Amortisation of bond and loan issue transaction costs | **(3,588)** | (2,823) | **(3,588)** | (2,823) |
| Unwinding of asset retirement obligations (Note 23) | **(3,181)** | (1,924) | **(3,181)** | (1,924) |
| Foreign exchange loss | **(6,913)** | (9,851) | **(5,324)** | (2,533) |
| | **(261,070)** | (230,779) | **(228,536)** | (198,363) |
| Attributable to: | | | | |
| Continuing operations | **(250,700)** | (210,831) | | |
| Discontinued operations | **(10,370)** | (19,948) | | |
| | **(261,070)** | (230,779) | | |
| Finance costs - net | **(258,559)** | (226,516) | | |
| Attributable to: | | | | |
| Continuing operations | **(248,628)** | (206,671) | | |
| Discontinued operations | **(9,931)** | (19,845) | | |
| | **(258,559)** | (226,516) | | |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 9 TAXATION

(a) Recognised in profit or loss

This note provides an analysis of the Group's and 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:

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| *Recognised under administrative expenses* | | | | |
| Solidarity levy charge on revenue (Note 6) | **39,919** | 53,193 | **39,919** | 53,193 |
| *Recognised under income tax expense* | | | | |
| Income tax expense | **235,183** | 157,472 | **235,183** | 157,472 |
| | **235,183** | 157,472 | **235,183** | 157,472 |

Taxes paid during the year are as follows:

| | **2024** | 2023 | **2024** | 2023 |
|---|---|---|---|---|
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Income tax | **10,151** | 93,842 | **10,151** | 93,842 |
| Solidarity levy on profit | **33,796** | 32,184 | **33,796** | 32,184 |
| Adjustment for tax deduction at source | **(449)** | (183) | **(449)** | (183) |
| Income tax (net) | **43,498** | 125,843 | **43,498** | 125,843 |
| Corporate Social Responsibility | **6,659** | 11,211 | **6,659** | 11,211 |
| Taxation paid | **50,157** | 137,054 | **50,157** | 137,054 |

(b) Income tax

Under the Finance Act 2024, a new levy, the Corporate Climate Responsibility (CCR) Levy, was introduced. The levy is applicable at a tax rate of 2% on chargeable income. The CCR levy is applicable only if a company's turnover exceeds MUR 50m.

The Company and its subsidiaries are liable to income tax on its profit, as adjusted for income tax purposes, at the rate of 19% (2023 – 17%), including CSR of 2% (2023 – 2%) and CCR of 2% (2023 - Nil).

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| *Charge for the year:* | | | | |
| Based on profit for the year, as adjusted for tax purposes | **63,485** | 41,049 | **63,485** | 41,049 |
| Movement in deferred tax | **88,496** | 59,039 | **115,832** | 77,856 |
| Solidarity levy based on book profit | **37,543** | 33,796 | **37,543** | 33,796 |
| Corporate Social Responsibility (CSR) fund | **8,465** | 5,473 | **8,465** | 5,473 |
| Corporate Climate Responsibility (CCR) levy | **8,465** | - | **8,465** | - |
| Income tax and CSR adjustment for prior year | **1,393** | (702) | **1,393** | (702) |
| Income tax expense | **207,847** | 138,655 | **235,183** | 157,472 |
| Attributable to: | | | | |
| Continuing operations | **235,183** | 157,472 | | |
| Discontinued operations | **(27,336)** | (18,817) | | |
| | **207,847** | 138,655 | | |
| Movement in deferred tax | | | | |
| Continued Operation (Note 21) | **115,832** | 77,856 | | |
| Discontinued Operation (Note 31) | **(27,336)** | (18,817) | | |
| | **88,496** | **59,039** | | |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**9 TAXATION (CONTINUED)**
(b) Income tax (Continued)

The following tax rules were applicable during the year ended 31 December 2024:

• Solidarity levy

The Solidarity levy on telephony service providers was introduced in 2009 and is aplicable to every provider of fixed and mobile telephone services. The Solidarity Levy is applicable at the rate of 5% of accounting profit (i.e. derived by an operator from all its activities and computed in accordance with IFRS) and 1% of turnover. In the Finance Act 2024, Solidarity levy on turnover has been revised from 1.5% to 1%.

**THE GROUP**

| | **Current tax liabilities** | **Solidarity Levy based on profit** | **Corporate Social Responsibility** | **Corporate Climate Responsibility** | **Total** |
|---|---|---|---|---|---|
| | **2024** | **2024** | **2024** | **2024** | **2024** |
| | **Rs 000** | **Rs 000** | **Rs 000** | **Rs 000** | **Rs 000** |
| At 1 January | **(22,787)** | **33,796** | **6,892** | **-** | **17,901** |
| Charge for the year | **63,485** | **37,543** | **8,465** | **8,465** | **117,958** |
| Adjustment for prior year | **1,229** | **-** | **164** | **-** | **1,393** |
| Paid during the year | **(10,151)** | **(33,796)** | **(6,659)** | **-** | **(50,606)** |
| At 31 December | **31,776** | **37,543** | **8,862** | **8,465** | **86,646** |

| | Current tax liabilities | Solidarity Levy based on profit | Corporate Social Responsibility | Corporate Climate Responsibility | Total |
|---|---|---|---|---|---|
| | 2023 | 2023 | 2023 | 2023 | 2023 |
| | Rs 000 | 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 |

**THE COMPANY**

| | **Current tax liabilities** | **Solidarity Levy based on profit** | **Corporate Social Responsibility** | **Corporate Climate Responsibility** | **Total** |
|---|---|---|---|---|---|
| | **2024** | **2024** | **2024** | **2024** | **2024** |
| | **Rs 000** | **Rs 000** | **Rs 000** | **Rs 000** | **Rs 000** |
| At 1 January | **(22,787)** | **33,796** | **6,892** | **-** | **17,901** |
| Charge for the year | **63,485** | **37,543** | **8,465** | **8,465** | **117,958** |
| Adjustment for prior year | **1,229** | **-** | **164** | **-** | **1,393** |
| Paid during the year | **(10,151)** | **(33,796)** | **(6,659)** | **-** | **(50,606)** |
| At 31 December | **31,776** | **37,543** | **8,862** | **8,465** | **86,646** |

| | Current tax liabilities | Solidarity Levy based on profit | Corporate Social Responsibility | Corporate Climate Responsibility | Total |
|---|---|---|---|---|---|
| | 2023 | 2023 | 2023 | 2023 | 2023 |
| | Rs 000 | 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 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 | |
|---|---|---|
| | **2024** | 2023 |
| | **Rs 000** | Rs 000 |
| At 1 January | **53,192** | 50,344 |
| Charge for the year | **39,936** | 53,193 |
| Adjustment for prior year | **(17)** | - |
| Paid during the year | **(53,176)** | (50,345) |
| At 31 December | **39,935** | 53,192 |

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

| | THE GROUP | | | THE COMPANY | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2024 | | |
| | **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 (Note 10) | **2,827** | **(146)** | **2,681** | **2,827** | **(146)** | **2,681** |
| Re-measurements of post-employment benefits obligations (Note 22) | **2,468** | **(159)** | **2,309** | **5,117** | **(972)** | **4,145** |
| Other comprehensive income | **5,295** | **(305)** | **4,990** | **7,944** | **(1,118)** | **6,826** |

| | 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 | 51,306 | (309) | 50,997 | 4,065 | (309) | 3,756 |
| Re-measurements of post-employment benefits obligations (Note 22) | (9,313) | 1,590 | (7,723) | (5,807) | 987 | (4,820) |
| Other comprehensive income | 41,993 | 1,281 | 43,274 | (1,742) | 678 | (1,064) |

A reconciliation between the effective rate of income tax of the Group **37.79%** (2023- 29.69%) and Company of **38.82%** (2023 – 25.29%) and the applicable income tax rate of **19%** (2023 – 17%) follows:

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| (As a percentage of profit before tax) | **%** | % | **%** | % |
| Applicable income tax rate | **19.00** | 17.00 | **19.00** | 17.00 |
| Impact of: | | | | |
| Non-tax deductible expenses | **3.44** | 1.93 | **6.79** | 1.41 |
| Income not subject to tax | **(0.36)** | (0.10) | **-** | - |
| Under / over provision for taxes | **5.56** | 2.38 | **5.58** | - |
| Unrecognised deferred tax assets | **2.16** | - | **-** | - |
| Solidarity levy based on revenue – (Non deductible) | **1.22** | 2.00 | **1.25** | 1.45 |
| Solidarity levy based on book profit | **6.03** | 7.48 | **6.20** | 5.43 |
| Tax attributable to discontinued operation | **0.94** | - | **-** | - |
| Other adjustment | **(0.20)** | (1.00) | **-** | - |
| Effective tax rate | **37.79** | 29.69 | **38.82** | 25.29 |

At 31 December 2024, one of its subsidiaries Emtel MFS Co Ltd has an accumulated tax loss of **Rs 177 million** (2023: 112 million) and therefore does not have any tax liability. Emtel MFS Co Ltd has not recognised a deferred tax asset for the year under review (2023: Nil) as it is not expected to generate taxable profit in the foreseeable future where the tax losses can be utilised. The accumulated tax losses at the end of the reporting period are as follows:

**Tax loss**

| | | **2024** | 2023 |
|---|---|---|---|
| | **Expiry** | **Rs 000** | Rs 000 |
| Tax loss in 2019 | 2024 | **-** | 1 |
| Tax loss in 2020 | 2025 | **-** | - |
| Tax loss in 2021 | 2026 | **3,957** | 3,957 |
| Tax loss in 2022 | 2027 | **47,926** | 47,926 |
| Tax loss in 2023 | 2028 | **60,190** | 60,271 |
| Tax loss in 2024 | 2029 | **65,411** | - |
| | | **177,484** | **112,155** |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 2023 | 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 Reserve | 51,306 | - | - | - | - | - | - | 51,306 |
| Transfer | 318,538 | 65,861 | 221,813 | - | 2,037 | 50,895 | (659,144) | - |
| ARO adjustment (Note 23) | - | - | 7,049 | - | - | - | - | 7,049 |
| Transfer to inventories | - | - | - | - | - | - | (4,631) | (4,631) |
| Transfer to Intangible assets (Note 12) | - | - | - | - | - | - | (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** |
| Additions | **-** | **-** | **465,254** | **-** | **7,140** | **124,657** | **404,469** | **1,001,520** |
| Disposals | **-** | **-** | **(382,355)** | **(1,118)** | **(1,540)** | **(563)** | **-** | **(385,576)** |
| Write off | **-** | **(1,144)** | **(450,365)** | **(56)** | **(24,960)** | **(167,900)** | **-** | **(644,425)** |
| Revaluation of assets | **2,827** | **-** | **-** | **-** | **-** | **-** | **-** | **2,827** |
| Transfer | **-** | **(904)** | **436,394** | **-** | **1,129** | **39,442** | **(476,061)** | **-** |
| ARO adjustment (Note 23) | **-** | **-** | **(6,233)** | **-** | **-** | **-** | **-** | **(6,233)** |
| Transfer to inventories | **-** | **-** | **-** | **-** | **-** | **-** | **(790)** | **(790)** |
| Transfer to assets held for sale (Note 31(a)) | **-** | **-** | **(1,194,861)** | **(4,410)** | **(30,988)** | **(43,182)** | **(36)** | **(1,273,477)** |
| **At 31 December 2024** | **409,175** | **118,950** | **7,221,310** | **1,549** | **154,804** | **1,411,857** | **690,046** | **10,007,691** |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 2023 | 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** |
| Charge for the year | **652** | **10,292** | **541,544** | **2** | **12,436** | **149,582** | **-** | **714,508** |
| Disposals adjustment | **-** | **-** | **(352,386)** | **(1,118)** | **(1,437)** | **(554)** | **-** | **(355,495)** |
| Write off | **-** | **(690)** | **(450,166)** | **73** | **(24,954)** | **(167,893)** | **-** | **(643,630)** |
| Transfer to assets held for sale (Note 31(a)) | **-** | **-** | **(939,598)** | **(4,411)** | **(21,539)** | **(39,909)** | **-** | **(1,005,457)** |
| **At 31 December 2024** | **2,457** | **31,735** | **3,620,868** | **1,545** | **103,620** | **1,120,618** | **-** | **4,880,843** |
| *Net book value:* | | | | | | | | |
| **At 31 December 2024** | **406,718** | **87,215** | **3,600,442** | **4** | **51,184** | **291,239** | **690,046** | **5,126,848** |
| At 31 December 2023 | 404,543 | 98,865 | 3,532,002 | 134 | 64,909 | 280,011 | 762,464 | 5,142,928 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 2023 | 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 (Note 23) | - | - | 7,049 | - | - | - | - | 7,049 |
| Transfer to inventories | - | - | - | - | - | - | (4,631) | (4,631) |
| Transfer to intangible assets (Note12) | - | - | - | - | - | - | (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** |
| Additions | **-** | **-** | **465,254** | **-** | **4,631** | **123,519** | **404,204** | **997,608** |
| Disposals | **-** | **-** | **(379,126)** | **-** | **(1,496)** | **(563)** | **-** | **(381,185)** |
| Write off | **-** | **(1,144)** | **(374,438)** | **(64)** | **(24,960)** | **(167,900)** | **-** | **(568,506)** |
| Revaluation of assets | **2,827** | **-** | **-** | **-** | **-** | **-** | **-** | **2,827** |
| Transfer | **-** | **-** | **436,394** | **-** | **225** | **39,215** | **(475,834)** | **-** |
| ARO adjustment (Note 23) | **-** | **-** | **(6,233)** | **-** | **-** | **-** | **-** | **(6,233)** |
| Transfer to inventories | **-** | **-** | **-** | **-** | **-** | **-** | **(790)** | **(790)** |
| **At 31 December 2024** | **34,744** | **36,396** | **7,226,102** | **1,549** | **134,144** | **1,395,274** | **689,555** | **9,517,764** |

**NOTES TO THE CONSOLIDATED AND SEPARATE 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 2023 | 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** |
| Charge for the year | **401** | **864** | **505,451** | **2** | **9,728** | **147,574** | **-** | **664,020** |
| Disposals adjustment | **-** | **-** | **(350,341)** | **-** | **(1,393)** | **(554)** | **-** | **(352,288)** |
| Write off | **-** | **(690)** | **(374,246)** | **(64)** | **(24,954)** | **(167,893)** | **-** | **(567,847)** |
| **At 31 December 2024** | **2,019** | **19,998** | **3,623,264** | **1,545** | **101,063** | **1,118,374** | **-** | **4,866,263** |
| *Net book value:* | | | | | | | | |
| **At 31 December 2024** | **32,725** | **16,398** | **3,602,838** | **4** | **33,081** | **276,900** | **689,555** | **4,651,501** |
| At 31 December 2023 | 30,299 | 17,716 | 3,241,851 | 6 | 38,062 | 261,756 | 761,975 | 4,351,665 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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.

| *Significant other observable inputs (Level 2)* | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Recurring fair value measurements | | | | |
| Land | **2,060** | 49,486 | **2,060** | 2,245 |
| Building | **767** | 1,820 | **767** | 1,820 |
| | **2,827** | 51,306 | **2,827** | 4,065 |

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 totalling Rs 644.4 million and Company Rs 568.5 million of its assets with a depreciated value for the Group of Rs 643.6 million and Company Rs 567.8 million respectively. These assets consist mainly of technical Equipment (O3B, Servers, software, links, batteries, junipers modules & others) which were scrapped, 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 2024.

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Additions to property, plant and equipment | **1,086,628** | 1,949,790 | **997,608** | 1,824,492 |
| Unpaid at 1 January | **538,622** | 420,878 | **538,175** | 420,878 |
| Unpaid at 31 December | **(318,606)** | (538,175) | **(315,879)** | (538,175) |
| Trade-In arrangement | **(230,667)** | (211,043) | **(230,667)** | (211,043) |
| ARO provision for the year | **(721)** | (932) | **(721)** | (932) |
| Payments for purchase of property, plant and equipment | **1,075,256** | 1,620,518 | **988,516** | 1,495,220 |

As at 31 December 2024, if no revaluation was done on land and building, the historical cost would have been as follows:

| | **2024** | 2023 | **2024** | 2023 |
|---|---|---|---|---|
| Land | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Cost | **320,022** | 320,022 | **5,213** | 5,213 |
| Net Book Value | **320,022** | 320,022 | **5,213** | 5,213 |
| Building | | | | |
| Cost | **14,647** | 14,647 | **2,266** | 2,266 |
| Accumulated Depreciation | **(2,180)** | (1,871) | **(1,742)** | (1,684) |
| Net Book Value | **12,467** | 12,776 | **524** | 582 |

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

| | | **2024** | 2023 | **2024** | 2023 |
|---|---|---|---|---|---|
| | **Change in Assumption** | **Impact** | | **Impact** | |
| | **%** | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Increase in weighted average useful life | 1 | **55,339** | 64,657 | **46,790** | 46,513 |
| Decrease in weighted average useful life | 1 | **(54,243)** | (49,482) | **(45,863)** | (34,655) |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 2023 | 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** |
| Remeasurement | **13,863** | **7,995** | **-** | **21,858** | **13,863** | **7,995** | **-** | **21,858** |
| Additions | **77,310** | **7,136** | **9,795** | **94,241** | **75,820** | **7,136** | **9,795** | **92,751** |
| Depreciation | **(122,544)** | **(47,287)** | **(3,013)** | **(172,844)** | **(120,506)** | **(47,287)** | **(2,716)** | **(170,509)** |
| De-recognition | **(13,975)** | **(560)** | **-** | **(14,535)** | **(13,510)** | **(560)** | **-** | **(14,070)** |
| Transfer to assets held for sale (Note 31(a)) | **(16,858)** | **-** | **(3,952)** | **(20,810)** | **-** | **-** | **-** | **-** |
| **At 31 December 2024** | **675,090** | **95,468** | **13,428** | **783,986** | **675,090** | **95,468** | **13,428** | **783,986** |

| 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 2023 | 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** |
| Remeasurement | **13,862** | **7,995** | **-** | **21,857** | **13,862** | **7,995** | **-** | **21,857** |
| Additions | **77,310** | **7,136** | **9,795** | **94,241** | **75,820** | **7,136** | **9,795** | **92,751** |
| Interest expense | **49,170** | **6,051** | **876** | **56,097** | **48,901** | **6,051** | **822** | **55,774** |
| Payments | **(156,581)** | **(55,621)** | **(3,359)** | **(215,561)** | **(154,239)** | **(55,621)** | **(3,359)** | **(213,219)** |
| De-recognition | **(16,105)** | **(2,985)** | **(344)** | **(19,434)** | **(15,777)** | **(2,985)** | **-** | **(18,762)** |
| Transfer to assets held for sale (Note 31(a)) | **(17,536)** | **-** | **(4,208)** | **(21,744)** | **-** | **-** | **-** | **-** |
| **At 31 December 2024** | **755,903** | **107,802** | **14,214** | **877,919** | **755,903** | **107,802** | **14,214** | **877,919** |

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Current | **155,074** | 145,876 | **155,074** | 137,365 |
| Non-current | **722,845** | 816,587 | **722,845** | 802,153 |
| **At 31 December** | **877,919** | 962,463 | **877,919** | 939,518 |

The future cash outflows on the lease liabilities are disclosed under the financial risk management, liquidity risk (Note 2(c)).
The movement in lease liabilities for the Group reflects only 3 months results of the discontinued operation as of the date the Share Purchase Agreement was signed.

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

| | **2024** | 2023 | **2024** | 2023 |
|---|---|---|---|---|
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Depreciation charge of right-of-use assets | **179,016** | 171,175 | **170,509** | 160,970 |
| Interest expense (included in finance cost) | **57,007** | 58,890 | **55,774** | 57,549 |
| Total lease payment | **166,505** | 157,148 | **157,445** | 147,022 |
| Expense relating to variable lease payments not included in lease liabilities | **5,802** | 4,096 | **5,802** | 5,802 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 2023 | 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 |
| Intangibles write off | - | - | - | (82,659) | - | (82,659) | - | (82,659) | (82,659) |
| Transfer from property, plant and equipment (Note 10) | 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** |
| Additions | **-** | **2,920** | **1,296** | **4,089** | **3,251** | **11,556** | **1,296** | **4,089** | **5,385** |
| Write off | **-** | **-** | **(11,201)** | **(72,548)** | **-** | **(83,749)** | **(11,201)** | **(72,548)** | **(83,749)** |
| Transfer | **-** | **1,582** | **-** | **-** | **(1,582)** | **-** | **-** | **-** | **-** |
| Assets held for sale | **(34,849)** | **-** | **-** | **-** | **-** | **(34,849)** | **-** | **-** | **-** |
| **At 31 December 2024** | **0** | **22,048** | **106,232** | **508,723** | **6,124** | **643,127** | **106,232** | **508,723** | **614,955** |
| ***Accumulated Amortisation:*** | | | | | | | | | |
| At 1 January 2023 | 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** |
| Charge for the year | **145** | **4,000** | **5,830** | **35,055** | **-** | **45,030** | **5,830** | **35,055** | **40,885** |
| Write off | **-** | **-** | **(10,882)** | **(72,548)** | **-** | **(83,430)** | **(10,882)** | **(72,548)** | **(83,430)** |
| Assets held for sale | **(33,896)** | **-** | **-** | **-** | **-** | **(33,896)** | **-** | **-** | **-** |
| **At 31 December 2024** | **-** | **9,124** | **72,832** | **377,785** | **-** | **459,741** | **72,832** | **377,785** | **450,617** |
| *Net book value:* | | | | | | | | | |
| **At 31 December 2024** | **-** | **12,924** | **33,400** | **130,938** | **6,124** | **183,386** | **33,400** | **130,938** | **164,338** |
| At 31 December 2023 | 1,098 | 12,422 | 38,253 | 161,904 | 4,455 | 218,132 | 38,253 | 161,904 | 200,157 |

The Intangible assets consist of acquired licences from the Information and Communication Technologies Authority (ICTA), capacity purchased on an Indefeasible Rights of Use (“IRU”), During the year, the Group and Company have incurred a write off totalling Rs 84 million on its intangibles assets with amortisation value of Rs 83 million. These assets consist mainly of licences and IRU which no longer in use.

In 2024,the Group has made payments for intangibles of Rs 9,652,000, representing additions of Rs 11,556,000 and unpaid intangibles assets of Rs 1,904,000.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 provides building and infrastructure facility on lease for a satellite farming project.

The directors have reviewed the financial position of the subsidiaries at 31 December 2024 and are of the opinion that these investments have not suffered any impairment in the current year (2023: Nil).

| | THE COMPANY | |
|---|---|---|
| | **2024** | 2023 |
| | **Rs 000** | Rs 000 |
| At 1 January | **1,122,875** | 1,122,875 |
| Transfer to held for sale | **(1,067,875)** | - |
| **At 31 December** | **55,000** | 1,122,875 |

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

| | THE GROUP & COMPANY | |
|---|---|---|
| | **2024** | 2023 |
| | **Rs 000** | Rs 000 |
| ***At fair value:*** | | |
| At 1 January | **1,229** | 1,207 |
| Movement in fair value | **183** | 22 |
| **At 31 December (Note 2(e))** | **1,412** | 1,229 |

The financial assets represent investment in listed equity securities.

## 14(b) FINANCIAL ASSETS HELD AT AMORTISED COST

| | THE COMPANY | |
|---|---|---|
| | **2024** | 2023 |
| | **Rs 000** | Rs 000 |
| At 01 January | **31,000** | **31,000** |
| Additions during the year | **74,000** | - |
| Impairment loss recognised | **(105,000)** | - |
| **At 31 December (Note 28(x))** | **-** | 31,000 |

As at end of December 2024, the company (Emtel Limited) has provided a loan of Rs 105 million to one of its subsidiaries Emtel MFS Co Ltd, with an interest rate of MCB's PLR per annum, repayable over 3 years. In accordance with IFRS 9, the Company made an assessment on the financial health of Emtel MFS Co Ltd, including (1) Financial Performance indicators namely: profitability, liquidity and solvency. (2) Assessment whether there are any significant changes in it's credit worthiness, and (3) the economic environment and industry risks. Following this assessment, management identified indicators of potential credit risk and, in accordance with IFRS 9, recognized an impairment loss of Rs 105 million on the intercompany loan.

## 15 INVENTORIES

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Telephone sets, related spares and accessories: | | | | |
| At cost | **84,371** | 70,819 | **84,371** | 48,499 |
| At net realisable value | **376** | 934 | **376** | 934 |
| | **84,747** | 71,753 | **84,747** | 49,433 |

The Group and Company have cost of inventories recognised as an expense of **Rs 256 million** (2023: Rs 274 million) and Rs 243m (2023: Rs 263 million) respectively.

## 16 TRADE AND OTHER RECEIVABLES

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Trade receivables | **221,722** | 236,792 | **219,824** | 206,666 |
| Less: Loss allowance on trade receivables | **(40,879)** | (69,569) | **(40,879)** | (47,365) |
| | **180,843** | 167,223 | **178,945** | 159,301 |
| Prepayments | **43,762** | 55,327 | **42,821** | 39,097 |
| Advance to supplier | **15,443** | 5,622 | **14,866** | 5,622 |
| Deposit | **22,241** | 23,795 | **21,924** | 21,081 |
| VAT receivable | **18,797** | 6,881 | **12,585** | - |
| Accrued income | **44,261** | 46,226 | **44,261** | 46,226 |
| Accrued interest income | **18** | 24 | **18** | 24 |
| Other receivables | **41,010** | 88,006 | **40,940** | 76,436 |
| Receivable from related parties (Note 28 (viii)) | **2,825** | 10,058 | **32,449** | 39,780 |
| | **369,200** | 403,162 | **388,809** | 387,567 |

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 do not have any security over its trade and other receivables. The trade receivables are non-interest bearing and generally on average 30-90 days term.

The Company's accrued income mainly consists of inbound roaming commitment. The Company has a discount agreement with some of its roaming partners for a guaranteed send or pay commitment to its 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 2024 and 31 December 2023 was determined as follows for the trade receivables:

**THE GROUP**

| **31 December 2024** | **Current** | **Up to 1 month past due** | **1 to 2 months past due** | **Over 2 months past due** | **Total** |
|---|---|---|---|---|---|
| **Expected loss rate** | **0.69%** | **2.47%** | **6.58%** | **89.43%** | |
| **Gross carrying value (Rs 000)** | **109,205** | **58,380** | **11,741** | **42,396** | **221,722** |
| **Loss allowance (Rs 000)** | **750** | **1,441** | **773** | **37,915** | **40,879** |

| 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 |

**THE COMPANY**

| **31 December 2024** | **Current** | **Up to 1 month past due** | **1 to 2 months past due** | **Over 2 months past due** | **Total** |
|---|---|---|---|---|---|
| **Expected loss rate** | **0.69%** | **2.50%** | **6.62%** | **89.66%** | |
| **Gross carrying value (Rs 000)** | **108,309** | **57,544** | **11,683** | **42,288** | **219,824** |
| **Loss allowance (Rs 000)** | **750** | **1,441** | **773** | **37,915** | **40,879** |

| 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 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 16 TRADE AND OTHER RECEIVABLES (CONTINUED)

At 31 December 2024, if the expected credit losses had increased/decreased by 1%, pre-tax profit and equity for the year would have been Group: lower/higher by **Rs 2,217,000** in 2024 (2023 – pre-tax profit would have been lower/higher by Rs 2,368,000); Company: lower/higher by **Rs 2,198,000** in 2024 (2023 – pre-tax profit would have been lower/higher by Rs 2,067,000).

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Mauritian rupee | **327,599** | 358,231 | **347,379** | 344,394 |
| United States dollar | **29,610** | 16,438 | **29,439** | 15,950 |
| Euro | **11,985** | 28,473 | **11,985** | 27,203 |
| Great Britain pound | **5** | 17 | **5** | 17 |
| Swiss franc | **1** | 3 | **1** | 3 |
| | **369,200** | 403,162 | **388,809** | 387,567 |

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| At 1 January | **69,569** | 106,194 | **47,365** | 81,374 |
| Receivables written off during the year as uncollectible | **(20,400)** | (48,674) | **(10,831)** | (38,454) |
| Increase in loss allowance recognised in profit of loss during the year | **4,345** | 12,049 | **4,345** | 4,445 |
| Assets held for sale | **(12,635)** | - | **-** | - |
| At 31 December | **40,879** | 69,569 | **40,879** | 47,365 |

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 | |
|---|---|---|
| | **2024** | 2023 |
| | **Rs 000** | Rs 000 |
| Amount receivable from MRA | **80,395** | 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 of MUR 80.4 million claimed by the MRA has been paid under protest inclusive of the penalties and interest (Tax assessment of MUR 47.8 million, plus penalties and interest of MUR 32.6 million).The Company disagreed with the MRA regarding whether the concessionary tax rate of 15% continued to apply to the Company for the years 2005 and 2006, instead of the applicable rates of 25% and 22.5%, respectively.

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 the ARC's decision to the Supreme Court on 24 May 2014. The two case was then referred for a Judicial Review. The Judicial Review case was heard on 13th March 2018, and judgment is reserved. The two appeal cases are in abeyance pending the judgment of the Judicial Review of a connecting case, as outlined below.

In parallel, in 2012, the Company wrote to the MRA to avail itself of the Voluntary Disclosure of Income Arrangement Scheme ("VDIA Scheme"). However, the MRA rejected the Company's request on the grounds that it was not eligible for this scheme. On 27 June 2012, the Company applied for leave to move the Court for a Judicial Review. On 20th January 2023, the Supreme Court delivered a judgment dismissing Emtel's application for Judicial Review. On 7th and 8th February 2023, the Company lodged an application for permission to appeal that judgment to the Judicial Committee of the Privy Council. The case was initially scheduled for its merits hearing on 6th November 2023; however, it was postponed to 27th May 2024. The case was fixed for 13th January 2025. Judgement is now reserved.

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 judgement that has been applied by the Board of directors, following advice from its legal advisor, the payments made to the MRA have been recorded as a current tax receivable as they remain confident in recovering this amount and that the matter will be resolved.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 18 CASH AND CASH EQUIVALENTS

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Cash and cash equivalents | **460,633** | 281,202 | **345,554** | 170,433 |
| Restricted cash | **115,890** | 129,170 | **115,890** | 129,170 |
| | **576,523** | 410,372 | **461,444** | 299,603 |
| Attributable to: | | | | |
| Continuing operation | **477,681** | 410,372 | | |
| Discontinued operation (note 31(b)) | **98,842** | - | | |
| | **576,523** | 410,372 | | |

For the purpose of presentation in the statement of cash flows, cash and cash equivalents excluding restricted cash amounts to Group **Rs 460,633,000** (2023 – Rs 281,202,000) and the Company **Rs 345,554,000** (2023: Rs 170,433,000). The restricted cash held at local banks represents the amount which the Company can use to pay specific suppliers relating to Metiss consortium (Note 24).

## 19 STATED CAPITAL

| | THE GROUP & COMPANY | | | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Number** | Number | **Rs 000** | Rs 000 |
| ***Authorised:*** | | | | |
| Ordinary shares | **600,000,000** | 20,000,000 | **200,000** | 200,000 |
| ***Issued and fully paid:*** | | | | |
| At 31 December | **455,400,000** | 15,180,000 | **151,800** | 151,800 |

As at 31 December 2023, the Company has authorised share capital of Rs 200,000,000 comprising of 20,000,000 ordinary shares of Rs 10 each of which Rs 151,800,000 comprising 15,180,000 ordinary shares of Rs 10 each have been issued and allotted to the existing shareholders.

On 24 April 2024, the ordinary shares of Emtel Limited has been converted into 455,400,000 ordinary shares of no par value following a share split exercise.

Each share confers to its holder the right (i) to vote at annual general meetings and special meetings, (ii) a proportional right to dividends and, (iii) to the distribution of surplus assets in case of winding up.

## 20 BORROWINGS

| | THE GROUP | | | | | |
|---|---|---|---|---|---|---|
| | **2024** | | | 2023 | | |
| | **Current** | **Non-Current** | **Total** | Current | Non-Current | Total |
| | **Rs 000** | **Rs 000** | **Rs 000** | Rs 000 | Rs 000 | Rs 000 |
| Loan | **149,375** | **2,415,625** | **2,565,000** | 1,276,250 | 632,500 | 1,908,750 |
| Interest on loan | **20,345** | **-** | **20,345** | 19,807 | - | 19,807 |
| Bank overdraft | **5,411** | **-** | **5,411** | 5,213 | - | 5,213 |
| | **175,131** | **2,415,625** | **2,590,756** | 1,301,270 | 632,500 | 1,933,770 |
| Bond | **300,000** | **1,100,000** | **1,400,000** | 500,000 | 1,400,000 | 1,900,000 |
| Unamortised transaction cost | **(843)** | **(1,305)** | **(2,148)** | (1,319) | (2,149) | (3,468) |
| Interest on bonds | **8,820** | **-** | **8,820** | 9,895 | - | 9,895 |
| | **307,977** | **1,098,695** | **1,406,672** | 508,576 | 1,397,851 | 1,906,427 |
| **Total borrowings** | **483,108** | **3,514,320** | **3,997,428** | 1,809,846 | 2,030,351 | 3,840,197 |

The Group and the Company have assessed their financial covenants in accordance with the terms of their financing arrangements and confirm that the Group and the Company are within their covenant ratios.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 20 BORROWINGS (CONTINUED)

| | THE COMPANY | | | | | |
|---|---|---|---|---|---|---|
| | **2024** | | | 2023 | | |
| | **Current** | **Non-Current** | **Total** | Current | Non-Current | Total |
| | **Rs 000** | **Rs 000** | **Rs 000** | Rs 000 | Rs 000 | Rs 000 |
| Loan | **90,000** | **2,018,750** | **2,108,750** | 1,190,000 | 108,750 | 1,298,750 |
| Interest on loan | **13,987** | **-** | **13,987** | 13,229 | - | 13,229 |
| | **103,987** | **2,018,750** | **2,122,737** | 1,203,229 | 108,750 | 1,311,979 |
| Bond | **300,000** | **1,100,000** | **1,400,000** | 500,000 | 1,400,000 | 1,900,000 |
| Unamortised transaction cost | **(843)** | **(1,305)** | **(2,148)** | (1,319) | (2,149) | (3,468) |
| Interest on bonds | **8,820** | **-** | **8,820** | 9,895 | - | 9,895 |
| | **307,977** | **1,098,695** | **1,406,672** | 508,576 | 1,397,851 | 1,906,427 |
| **Total borrowings** | **411,964** | **3,117,445** | **3,529,409** | 1,711,805 | 1,506,601 | 3,218,406 |

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| At 1 January | **3,468** | 5,226 | **3,468** | 5,226 |
| Bond issue transaction costs incurred | **888** | 1,065 | **888** | 1,065 |
| Amortisation | **(2,208)** | (2,823) | **(2,208)** | (2,823) |
| At 31 December | **2,148** | 3,468 | **2,148** | 3,468 |

| | **Maturity Date** | **2024 Rs 000** | 2023 Rs 000 | **2024 Rs 000** | 2023 Rs 000 |
|---|---|---|---|---|---|
| **Secured bank loans** | | | | | |
| ABSA loan | Jun 2026 | **56,250** | 93,750 | **56,250** | 93,750 |
| ABSA loan | Sep 2029 | **100,000** | 100,000 | **-** | - |
| ABSA loan | Feb 2032 | **281,250** | 300,000 | **-** | - |
| ABSA loan | Sep 2032 | **75,000** | 75,000 | **-** | - |
| ABSA loan | Aug 2029 | **500,000** | - | **500,000** | - |
| AfrAsia loan | Aug 2025 | **52,500** | 105,000 | **52,500** | 105,000 |
| MCB short term loan | Jan 2024 | **-** | 100,000 | **-** | 100,000 |
| MCB loan | Jun 2027 | **500,000** | - | **500,000** | - |
| MCB loan | Jun 2030 | **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 | **-** | - |
| SBM loan | Sep 2032 | **500,000** | - | **500,000** | - |
| Repayable within one year | | **(149,375)** | (1,276,250) | **(90,000)** | (1,190,000) |
| Repayable by instalments in the second to tenth year | | **2,415,625** | 632,500 | **2,018,750** | 108,750 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 20 BORROWINGS (CONTINUED)

The Group's debts and other banking facilities are secured by fixed and floating charges on the Company's total assets and Corporate guarantees given by the parent Company. The Group loans have been contracted on both fixed and variable interest rates. The interest rates for the fixed loan varies between **3.60%-5.75%** (2023: 3.60%-5.75%) while the variable loans varies between **4.00%-4.80%** (2023 : 7.40% - 7.55%).

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%** (2023: 7.40%-7.55%). This loan has been excluded in year 2024 under IFRS 5 for liabilities associated with assets held for sale.

The Company's debts and other banking facilities are secured by floating charges on the Company's assets. The interest rate on fixed loans varies between **3.60%-5.40%** (2023: 3.60%-5.40%) and variable loans varies between **4.00%-4.80%** (2023: Nil). The rate of interest applicable on bank overdraft varies between **6.20%-6.70%** (2023: 6.70%-6.75%) during the year ended 31 December 2024.

At 31 December 2024, the Mauritius Commercial Bank's Prime Lending rate was **6.25%** (2023: 6.75%), the ABSA Prime Lending rate was **6.95%** (2023: 7.45%) and SBM Prime Lending rate was **6.55%** (2023: 7.05%). The borrowings have been contracted on fixed and variable 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 **4.50%** (2023:5.31%) and are within level 2 of the fair value hierarchy.

| | | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|---|
| | **Maturity Date** | **2024 Rs 000** | 2023 Rs 000 | **2024 Rs 000** | 2023 Rs 000 |
| **Secured bonds** | | | | | |
| MCB 5 years Bond | June 2024 | **-** | 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 |
| SBM 7 years Bond | June 2026 | **200,000** | 200,000 | **200,000** | 200,000 |
| MCB 5 years Bond | April 2025 | **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 |
| | | **1,400,000** | 1,900,000 | **1,400,000** | 1,900,000 |

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%** (2023: 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 | |
|---|---|---|---|---|
| | **2024 Rs 000** | 2023 Rs 000 | **2024 Rs 000** | 2023 Rs 000 |
| Mauritian rupee | **3,997,428** | 3,840,197 | **3,529,409** | 3,218,406 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 21 DEFERRED TAX LIABILITIES

The movement in deferred tax is as follows:

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| At 1 January | **311,529** | 253,771 | **275,348** | 198,170 |
| Statement of profit or loss (Note 9(b)) | **109,969** | 59,039 | **115,832** | 77,856 |
| Charge relating to components of other comprehensive income | **1,118** | (1,281) | **1,118** | (678) |
| Transfer to assets held for sale (Note 31(a)) | **(30,318)** | - | **-** | - |
| At 31 December | **392,298** | 311,529 | **392,298** | 275,348 |
| Movement in deferred tax: | | | | |
| Continued operations | **115,832** | 77,856 | | |
| Discontinued operations | **(5,863)** | (18,817) | | |
| | **109,969** | 59,039 | | |

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

| | THE GROUP | | | | THE COMPANY | | | |
|---|---|---|---|---|---|---|---|---|
| | **At 1 January 2024** | **Credited to profit or loss** | **Credited to Other Comprehensive Income** | **At 31 December 2024** | **At 1 January 2024** | **Credited to profit or loss** | **Credited to Other Comprehensive Income** | **At 31 December 2024** |
| | **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 | **(11,827)** | **112** | **-** | **(11,715)** | **(8,053)** | **285** | **-** | **(7,768)** |
| Allowance for tax losses | **(7,706)** | **159** | **-** | **(7,547)** | **-** | **-** | **-** | **-** |
| Provision for post-employment benefit obligations | **(4,514)** | **(562)** | **972** | **(4,104)** | **(4,458)** | **(562)** | **972** | **(4,048)** |
| Provision for vacation leaves | **-** | **(678)** | **-** | **(678)** | **-** | **(678)** | **-** | **(678)** |
| Lease liabilities | **(14,657)** | **(3,320)** | **-** | **(17,977)** | **(14,545)** | **(3,301)** | **-** | **(17,846)** |
| Transfer to assets held for sale (Note 31(a)) | **-** | **-** | **-** | **11,681** | **-** | **-** | **-** | **-** |
| | **(38,704)** | **(4,289)** | **972** | **(30,340)** | **(27,056)** | **(4,256)** | **972** | **(30,340)** |
| *Deferred tax liabilities* | | | | | | | | |
| Accelerated capital allowances | **349,924** | **114,222** | **-** | **464,146** | **302,095** | **120,052** | **-** | **422,147** |
| Revaluation of property, plant and equipment | **309** | **36** | **146** | **491** | **309** | **36** | **146** | **491** |
| Transfer to assets held for sale (Note 31(a)) | **-** | **-** | **-** | **(41,999)** | **-** | **-** | **-** | **-** |
| | **350,233** | **114,258** | **146** | **422,638** | **302,404** | **120,088** | **146** | **422,638** |
| Net deferred tax liabilities | **311,529** | **109,969** | **1,118** | **392,298** | **275,348** | **115,832** | **1,118** | **392,298** |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 21 DEFERRED TAX LIABILITIES (CONTINUED)

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

| | THE GROUP | | | | THE COMPANY | | | |
|---|---|---|---|---|---|---|---|---|
| | At 1 January 2023 | Credited to profit or loss | Charged to Other Comprehensive Income | At 31 December 2023 | At 1 January 2023 | Credited to profit or loss | Charged 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) |
| Allowances for tax losses | (3,009) | (4,697) | - | (7,706) | - | - | - | - |
| 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 | 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 CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| **Statement of financial position** | | | | |
| Post-employment benefits obligation | **22,365** | 28,633 | **21,302** | 26,222 |
| **Profit or loss charge included in operating profit** | | | | |
| Defined pension and gratuity benefit (Note 7) | **13,710** | 12,811 | **8,986** | 7,239 |
| **Re-measurements for:** | | | | |
| Defined pension and gratuity benefit | **(2,468)** | 9,313 | **(5,117)** | 5,807 |

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.

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **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 | **112,535** | 164,940 | **111,400** | 102,589 |
| Fair value of plan assets | **(90,170)** | (136,307) | **(90,098)** | (76,367) |
| Deficit of funded plans | **22,365** | 28,633 | **21,302** | 26,222 |
| Net liability in the statement of financial position | **22,365** | 28,633 | **21,302** | 26,222 |

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Present value of obligations | **112,535** | 164,940 | **111,400** | 102,589 |
| Fair value of plan assets | **(90,170)** | (136,307) | **(90,098)** | (76,367) |
| **Total** | **22,365** | 28,633 | **21,302** | 26,222 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 2024 | **164,940** | **(136,307)** | **28,633** | **102,589** | **(76,367)** | **26,222** |
| Current service cost | **12,521** | **-** | **12,521** | **7,768** | **-** | **7,768** |
| Interest expense/(income) | **8,726** | **(7,537)** | **1,189** | **5,452** | **(4,248)** | **1,204** |
| Past service cost and gains and losses on settlement | **-** | **-** | **-** | **14** | **-** | **14** |
| | **21,247** | **(7,537)** | **13,710** | **13,234** | **(4,248)** | **8,986** |
| Remeasurements | | | | | | |
| - Return on plan asset, excluding amount included in interest income | **-** | **(13,783)** | **(13,783)** | **-** | **(7,753)** | **(7,753)** |
| - Loss from change in financial assumptions | **(2,248)** | **-** | **(2,248)** | **(1,727)** | **-** | **(1,727)** |
| - Experience loss | **13,563** | **-** | **13,563** | **4,363** | **-** | **4,363** |
| | **11,315** | **(13,783)** | **(2,468)** | **2,636** | **(7,753)** | **(5,117)** |
| Exchange differences | | | | | | |
| Contributions: | | | | | | |
| - Employers | **-** | **(14,208)** | **(14,208)** | **-** | **(8,789)** | **(8,789)** |
| Payment from plans: | | | | | | |
| - Benefit payments | **(11,896)** | **11,896** | **-** | **(6,745)** | **6,745** | **-** |
| Transfer in | **(865)** | **865** | **-** | **(314)** | **314** | **-** |
| | **(12,761)** | **(1,447)** | **(14,208)** | **(7,059)** | **(1,730)** | **(8,789)** |
| Asset held for sale | **(72,206)** | **68,904** | **(3,302)** | **-** | **-** | **-** |
| **At 31 December 2024** | **112,535** | **(90,170)** | **22,365** | **111,400** | **(90,098)** | **21,302** |

| | 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 in interest income | - | 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 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 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 2024, the Group has recognised a net liability of **Rs 6,662,000** (2023: Rs 10,242,000) and the Company has a net liability of **Rs 6,662,000** (2023: Rs 10,782,000) for the plan.

The Company also participates in a defined contribution (DC) pension plan. Its contributions for DC employees are expensed to profit or loss and amounted to **Rs 28,551,000** for the year ended 31 December 2024 (2023: Rs 15,056,000).

In addition, the Group has recognised in its statement of financial position as at 31 December 2024 a net defined benefit liability of **Rs 15,703,000** (2023: Rs 18,391,000) and the Company **Rs 14,640,000** (2023: Rs 15,440,000) 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.

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

| | **2024** | 2023 |
|---|---|---|
| Discount rate | **5.3%** | 5.5% |
| Inflation rate | **2.7%** | 3.2% |
| Salary growth rate | **3.0%** | 3.5% |
| Average retirement age (ARA) | **65/63*** | 65/63* |

*ARA 63 for scheme members and 65 for non-scheme members

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 CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 22 POST-EMPLOYMENT BENEFITS OBLIGATIONS (CONTINUED)

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| Assume Island Life Assurance annuity rates: | | | | |
| - Male at Average Retirement Age | **10.8** | 10.6 | **10.8** | 10.6 |
| - Female at Average Retirement Age | **12.4** | 12.1 | **12.4** | 12.1 |

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** | |
| | | **2024** | 2023 | **2024** | 2023 |
| | **%** | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Increase in liability due to decrease in discount rate by | **1** | **29,225** | 42,649 | **28,683** | 26,410 |
| Decrease in liability due to increase in discount rate by | **1** | **20,002** | 30,246 | **19,750** | 18,060 |

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 | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| Expected employer contribution for next year | **8,503** | 12,631 | **8,418** | 7,478 |
| Weighted average duration of the defined benefit obligation: | | | | |
| - Pension scheme | **15** | 19 | **15** | 15 |
| - Retirement gratuities / Residual retirement gratuities | **19** | 20 | **19** | 19 |

The above sensitivity analysis has been carried out by recalculating the present value of obligation at the end of the reporting 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**

| | **2024** | | | 2023 | | |
|---|---|---|---|---|---|---|
| | **Quoted** | **Unquoted** | **Total** | Quoted | Unquoted | Total |
| | **Rs 000** | **Rs 000** | **Rs 000** | Rs 000 | Rs 000 | Rs 000 |
| **Local equities** | **26,910** | **897** | **27,807** | 38,107 | 1,361 | 39,468 |
| **Loan** | **12,558** | **12,558** | **25,116** | 20,415 | 20,415 | 40,830 |
| **Overseas bonds and equities** | **30,498** | **-** | **30,498** | 35,385 | - | 35,385 |
| **Others** | **6,279** | **-** | **6,279** | 20,415 | - | 20,415 |
| | **76,245** | **13,455** | **89,700** | 114,322 | 21,776 | 136,098 |

**THE COMPANY**

| | **2024** | | | 2023 | | |
|---|---|---|---|---|---|---|
| | **Quoted** | **Unquoted** | **Total** | Quoted | Unquoted | Total |
| | **Rs 000** | **Rs 000** | **Rs 000** | Rs 000 | Rs 000 | Rs 000 |
| **Local equities** | **26,910** | **897** | **27,807** | 21,335 | 762 | 22,097 |
| **Loan** | **12,558** | **12,558** | **25,116** | 11,429 | 11,430 | 22,859 |
| **Overseas bonds and equities** | **30,498** | **-** | **30,498** | 19,811 | - | 19,811 |
| **Others** | **6,279** | **-** | **6,279** | 11,430 | - | 11,430 |
| | **76,245** | **13,455** | **89,700** | 64,005 | 12,192 | 76,197 |

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 470,000** for Group (2023: Rs 209,000) and **Rs 398,000** for Company (2023: Rs 170,000).

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 | |
|---|---|---|
| | **2024** | 2023 |
| | **Rs 000** | Rs 000 |
| At 1 January | **74,397** | 64,492 |
| Additional provision during the year | **721** | 932 |
| Unwinding of asset retirement obligation (Note 8) | **3,181** | 1,924 |
| Change in assumptions credited to other gains (Note 5) | **(5,388)** | - |
| Change in assumptions (Note 10) | **(6,233)** | 7,049 |
| Disposal adjustments | **(116)** | - |
| **At 31 December** | **66,562** | 74,397 |

The significant assumption used were as follows:

| | **2024** | 2023 |
|---|---|---|
| Inflation rate | **3.52%** | 3.78% |
| *Bond Rate:* | | |
| 5 years | **4.76%** | 3.78% |
| 10 years | **5.08%** | 4.28% |
| 15 years | **5.27%** | 4.78% |
| 20 years | **5.10%** | 5.28% |

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 | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Trade payables | **411,277** | 425,894 | **408,745** | 415,266 |
| Accruals | **386,075** | 590,688 | **372,289** | 547,322 |
| VAT payables | **508** | 42,939 | **-** | 33,329 |
| Payables to related parties (Note 28 (viii)) | **2,998** | 113,839 | **12,986** | 7,555 |
| Payable to Parent (Note 28 (viii) & (ix)) | **660,306** | 48,663 | **660,582** | 23,750 |
| Amount due to Metiss Consortium (Note 18) | **115,890** | 129,170 | **115,890** | 129,170 |
| Other payables | **33,912** | 206,203 | **31,612** | 199,395 |
| Provision for vacation leaves (Note 24 (a)) | **3,686** | - | **3,568** | - |
| Deposit roaming and others | **41,668** | 41,248 | **41,668** | 38,913 |
| | **1,656,320** | 1,598,644 | **1,647,340** | 1,394,700 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**Note 24(a) - Provisions for vacation leaves**

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| | **Present value of obligation** | | **Present value of obligation** | |
| At 1 January | **-** | - | **-** | - |
| Current service cost | **1,488** | - | **1,418** | - |
| Interest expense/(income) | **185** | - | **183** | - |
| Past service cost and gains and losses on settlement | **5,122** | - | **5,076** | - |
| - Return on plan asset, excluding amount included in interest income | **6,795** | - | **6,677** | - |
| Exchange differences | | | | |
| Contributions: | | | | |
| - Employers | | | | |
| Payment from plans: | | | | |
| - Benefit payments | **(3,109)** | - | **(3,109)** | - |
| | **(3,109)** | - | **(3,109)** | - |
| **At 31 December** | **3,686** | - | **3,568** | - |
| Total Expenses recognised in profit or loss (Note 7) | **9,238** | - | **6,677** | - |

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

| | | | | |
|---|---|---|---|---|
| Discount rate - Pre retirement | **4.10%** | - | **3.80%** | - |
| Rate of salary increase | **3.00%** | - | **3.00%** | - |

**Sensitivity analysis**

| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
|---|---|---|---|---|
| Increase due to 1% decrease in discount rate | **31** | - | **28** | - |
| Decrease due to 1% increase in discount rate | **30** | - | **27** | - |
| Increase due to 1% increase in salary increase rate | **29** | - | **26** | - |
| Decrease due to 1% decrease in salary increase rate | **30** | - | **27** | - |

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged.

**NOTES TO THECONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 25 CONTRACT LIABILITIES

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| At 1 January | **201,141** | 205,953 | **121,665** | 124,186 |
| Additions | **4,488,832** | 4,277,217 | **3,413,439** | 3,231,868 |
| Released | **(4,466,508)** | (4,277,160) | **(3,392,052)** | (3,229,520) |
| Other Adjustment | **-** | (4,869) | **-** | (4,869) |
| Assets held for sale | **(80,413)** | - | **-** | - |
| **At 31 December** | **143,052** | 201,141 | **143,052** | 121,665 |

The Group and Company have contract liabilities relating mainly to airtime sold to distributors for which revenue will be recognised once it is utilised by the subscribers as well as subscription fees received in advance from media customers.

## 26 DIVIDENDS PAID

In March 2024, the Company declared and paid an interim dividend of **Rs 130** million to ordinary shareholders. This represented a dividend of **Rs 8.56** per ordinary share, based on 15,180,000 shares prior to the share split. Following the share split in April 2024, the adjusted dividend per share for the interim dividend amounts to **Rs 0.28.** In December 2024, a final dividend of **Rs 1.25** per ordinary share was declared and paid (2023: Rs 35.97 per share). The total dividend declared for the year ended 31 December 2024 amounted to **Rs 699,250,000** (2023: Rs 546,060,000), as detailed below:

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| At 1 January | **-** | - | **-** | - |
| Dividend proposed | **699,250** | 546,060 | **699,250** | 546,060 |
| Dividend paid | **(699,250)** | (546,060) | **(699,250)** | (546,060) |
| **At 31 December** | **-** | - | **-** | - |

**NOTES TO THECONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 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 to align the financial covenants.

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Cash and cash equivalents (excluding restricted cash) | **361,791** | 281,202 | **345,554** | 170,433 |
| Interest on bonds - repayable within one year | **(8,820)** | (9,895) | **(8,820)** | (9,895) |
| Bonds - repayable within one year | **(300,000)** | (500,000) | **(300,000)** | (500,000) |
| Bonds - repayable after more than one year | **(1,100,000)** | (1,400,000) | **(1,100,000)** | (1,400,000) |
| Interest on borrowings - | **(20,345)** | (19,807) | **(13,987)** | (13,229) |
| Borrowings - repayable within one year (including overdraft) | **(154,786)** | (1,281,463) | **(90,000)** | (1,190,000) |
| Borrowings - repayable after one year | **(2,415,625)** | (632,500) | **(2,018,750)** | (108,750) |
| Net debt (Note 29(d)) | **(3,637,785)** | (3,562,463) | **(3,186,003)** | (3,051,441) |

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| Cash and cash equivalents (excluding restricted cash) | **361,791** | 281,202 | **345,554** | 170,433 |
| Gross debt - fixed interest | **(1,980,805)** | (3,634,625) | **(1,518,197)** | (3,121,874) |
| Gross debt - variable interest | **(2,018,771)** | (209,040) | **(2,013,360)** | (100,000) |
| Net debt | **(3,637,785)** | (3,562,463) | **(3,186,003)** | (3,051,441) |

| | THE GROUP | | | | THE COMPANY | | | |
|---|---|---|---|---|---|---|---|---|
| | **Borrowings** | **Overdraft** | **Cash and cash equivalents** | **Total** | **Borrowings** | **Overdraft** | **Cash and cash equivalents** | **Total** |
| | **Rs 000** | **Rs 000** | **Rs 000** | **Rs 000** | **Rs 000** | **Rs 000** | **Rs 000** | **Rs 000** |
| At 1 January 2023 | (3,524,253) | - | 772,290 | (2,751,963) | (2,948,841) | - | 611,829 | (2,337,012) |
| Financing cash flows | | | | | | | | |
| New borrowings | (3,320,000) | (5,213) | - | (3,325,213) | (3,265,000) | - | - | (3,265,000) |
| Forex | - | - | (9,839) | (9,839) | - | - | (2,533) | (2,533) |
| Cash flows | 3,012,500 | - | (481,249) | 2,531,251 | 2,997,500 | - | (438,863) | 2,558,637 |
| Interest expense (Note 8) | (157,053) | (458) | - | (157,511) | (133,602) | (153) | - | (133,755) |
| Borrowing costs capitalised | (9,187) | - | - | (9,187) | - | - | - | - |
| Interest paid | 159,541 | 458 | - | 159,999 | 128,069 | 153 | - | 128,222 |
| At 31 December 2023 | **(3,838,452)** | **(5,213)** | **281,202** | **(3,562,463)** | **(3,221,874)** | **-** | **170,433** | **(3,051,441)** |
| Financing cash flows | | | | | | | | |
| New borrowings | **(4,939,009)** | **(5,411)** | **-** | **(4,944,420)** | **(4,939,009)** | **-** | **-** | **(4,939,009)** |
| Forex | **-** | **-** | **(6,586)** | **(6,586)** | **-** | **-** | **(5,324)** | **(5,324)** |
| Cash flows | **4,715,259** | **5,213** | **284,859** | **5,005,331** | **4,629,009** | | **180,445** | **4,809,454** |
| Interest expense (Note 8) | **(189,673)** | **(708)** | **-** | **(190,381)** | **(160,556)** | **(113)** | **-** | **(160,669)** |
| Interest paid | **190,210** | **708** | **-** | **190,918** | **160,873** | **113** | **-** | **160,986** |
| Liabilities held for sale | **67,500** | **-** | **(98,842)** | **(31,342)** | **-** | **-** | **-** | **-** |
| **At 31 December 2024** | **(3,994,165)** | **(5,411)** | **460,633** | **(3,538,943)** | **(3,531,557)** | **-** | **345,554** | **(3,186,003)** |

| | **2024** |
|---|---|
| | **Rs 000** |
| Net debt as per above | **(3,538,943)** |
| Cash and cash equivalent - for discontinued operation ( Note 18) | **(98,842)** |
| Adjusted net debt | **(3,637,785)** |

Borrowings excludes unamortised transaction costs.

Lease liabilities are not included in the net debt reconciliation above. For details on lease liabilities, refer to Note 11 of the financial statements. Interest paid on lease liabilities for the Group is **Rs 56,407** (2023: Rs 49,702) and the Company is **Rs 55,771** (2023: Rs 57,328)

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 28 RELATED PARTY TRANSACTIONS

As at 31 December 2024, the Company's issued share capital is owned by Currimjee Jeewanjee and Company Limited Group ("Currimjee Group") at 60%, public shareholders at 25% and Indian Continent Investment Ltd at 15% (2023: 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 | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| **(i) Sales of services** | | | | |
| Immediate parent | **5,149** | 11,599 | **5,149** | 11,599 |
| Fellow subsidiaries | **32,858** | 19,837 | **32,858** | 100,522 |
| Other related parties | **11,112** | 9,316 | **11,112** | 9,316 |
| | **49,119** | 40,752 | **49,119** | 121,437 |
| **(ii) Income from Management fee** | | | | |
| Subsidiaries (Note 4) | **-** | - | **10,000** | 10,000 |
| **(iii) Income from sublease** | | | | |
| Subsidiary | **-** | - | **1,984** | 2,322 |

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 2024 Rs 000 | THE GROUP 2023 Rs 000 | THE COMPANY 2024 Rs 000 | THE COMPANY 2023 Rs 000 |
|---|---|---|---|---|
| **(iv) Interest income** | | | | |
| Immediate parent | **-** | - | **4,385** | 173 |
| **(v) Income from shared services** | | | | |
| Immediate parent | **5,031** | - | **5,031** | - |
| Fellow subsidiaries | **-** | - | **66,171** | - |
| | **5,031** | - | **71,202** | - |
| **(vi) Purchases of goods and services** | | | | |
| *Purchases of goods included in cost of operations and administrative expenses:* | | | | |
| Other related parties | **14,185** | 13,907 | **14,185** | 13,907 |
| *Purchases of services included in cost of operations and administrative expenses:* | | | | |
| Immediate parent | **11,094** | (80,405) | **-** | 2,480 |
| Fellow subsidiaries | **43,926** | 30,706 | **43,697** | 30,529 |
| Other related parties | **28,294** | 22,578 | **27,166** | 21,491 |
| | **83,314** | -27,121 | **70,863** | 54,500 |
| Shareholders (Note 6) | **10,000** | 82,202 | **10,000** | 82,202 |
| *Payment for rentals:* | | | | |
| Parent | **752** | 3,260 | **752** | 3,260 |
| Fellow subsidiaries | **41,105** | 37,151 | **41,105** | 37,151 |
| Other related parties | **2,686** | 1,514 | **2,686** | 1,514 |
| | **44,543** | 41,925 | **44,543** | 41,925 |

## 28 RELATED PARTY TRANSACTIONS (CONTINUED)

### (vii) Key management compensation

Key management includes directors and the leadership team. The compensation paid to key management for employee services is shown below:

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| Salaries and other short term benefits | **128,676** | 104,493 | **115,740** | 92,800 |
| Post-employment benefits | **5,561** | 5,468 | **5,561** | 5,468 |
| | **134,237** | 109,961 | **121,301** | 98,268 |

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

| | THE GROUP 2024 | THE GROUP 2023 | THE COMPANY 2024 | THE COMPANY 2023 |
|---|---|---|---|---|
| *Receivables from related parties:* | | | | |
| Immediate parent | **557** | 1,921 | **353** | 1,191 |
| Fellow subsidiaries | **527** | 5,521 | **30,355** | 37,244 |
| Other related parties | **1,741** | 2,616 | **1,741** | 1,345 |
| Total (Note 16) | **2,825** | 10,058 | **32,449** | 39,780 |
| *Payables to related parties:* | | | | |
| Immediate parent | **306** | 24,913 | **582** | 23,750 |
| Fellow subsidiaries | **289** | - | **10,277** | 7,214 |
| Other related parties | **2,709** | 137,589 | **2,709** | 341 |
| Total (Note 24) | **3,304** | 162,502 | **13,568** | 31,305 |

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

### (ix) Year-end balances for advances

| | THE GROUP 2024 | THE GROUP 2023 | THE COMPANY 2024 | THE COMPANY 2023 |
|---|---|---|---|---|
| *Advances payable to related parties:* | | | | |
| Parent (Note 24) | **660,000** | - | **660,000** | - |

The advance provided by the parent company, Currimjee Jeewanjee Co Ltd was provided to Emtel Ltd on the condition that the sale of EM Vision shall be completed by 20 January 2025. Due to this condition not being met, the loan shall be repayable on demand.

### (x) Shareholders Loan to subsidiary

| | THE GROUP 2024 | THE GROUP 2023 | THE COMPANY 2024 | THE COMPANY 2023 |
|---|---|---|---|---|
| *Receivables from subsidiaries:* | | | | |
| Subsidiaries (Note 14(b)) | **-** | - | **-** | 31,000 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 29 CASH GENERATED FROM OPERATIONS

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs 000** | Rs 000 | **Rs 000** | Rs 000 |
| **Profit/(loss) before income tax:** | | | | |
| Continuing Operation | **622,443** | 530,320 | **605,950** | 622,723 |
| Discontinued Operation (Note 31) | **(138,478)** | (77,164) | **-** | - |
| Profit before income tax including discontinued operation | **483,965** | 453,156 | **605,950** | 622,723 |
| Adjustments for: | | | | |
| Depreciation (Note 6) | **822,235** | 758,957 | **664,020** | 592,907 |
| Depreciation of Right-of-use assets (Note 6) | **179,016** | 171,175 | **170,509** | 160,970 |
| Impairment of financial asset at amortised cost (Note 14) | **-** | - | **105,000** | - |
| Amortisation (Note 6) | **45,781** | 49,799 | **40,885** | 44,962 |
| Profit on disposal of property, plant and equipment (Note 5) | **(212,953)** | (133,491) | **(206,902)** | (131,205) |
| Loss on disposal and written off of property, plant and equipment and intangible assets (Note 5) | **1,662** | 28,245 | **978** | 28,224 |
| Property, Plant and Equipment write back (Note 5) | **(73)** | (1,439) | **-** | - |
| Inventory write back | **1,908** | (17) | **-** | - |
| Derecognition of lease liabilities (Note 5) | **(4,927)** | (1,653) | **(4,692)** | (1,150) |
| Gain on reassessment in asset retirement obligation (Note 5) | **(5,388)** | - | **(5,388)** | - |
| Increase in provision for loss allowance on trade receivables | **7,073** | 12,049 | **4,345** | 4,296 |
| Unwinding of asset retirement obligation (Note 23) | **3,181** | 1,924 | **3,181** | 1,924 |
| Interest income (Note 8) | **(2,183)** | (4,251) | **(6,129)** | (4,321) |
| Interest expense (Note 8) | **190,381** | 157,511 | **160,669** | 133,755 |
| Interest and finance charges for lease liabilities (Note 8) | **57,007** | 58,670 | **55,774** | 57,328 |
| Amortisation of bond and loan issue transaction costs (Note 8) | **3,588** | 2,823 | **3,588** | 2,823 |
| Foreign exchange losses | **30,551** | 21,145 | **30,726** | 9,931 |
| Increase in provision for post-employment benefits expense (Note 22) | **13,710** | 12,809 | **8,986** | 7,239 |
| | **1,614,534** | 1,587,412 | **1,631,500** | 1,530,406 |
| (Increase) / Decrease in inventories | **(27,360)** | 26,905 | **(34,524)** | 20,544 |
| (Increase) / Decrease in trade and other receivables | **(11,202)** | 4,420 | **(3,387)** | 3,315 |
| Increase / (Decrease) / Increase in trade and other payables | **622,373** | 266,577 | **460,107** | 283,888 |
| Increase / (Decrease) in contract liabilities | **22,325** | (4,810) | **21,387** | (2,521) |
| (Decrease) / Increase in provisions | **(13,256)** | 2,848 | **(13,256)** | 2,848 |
| **Cash generated from operations** | **2,207,414** | 1,883,352 | **2,061,827** | 1,838,480 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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 was 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 and its subsidiary were 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 were restated.

The following is a reconciliation of the effect arising from the acquisition of EMVision Ltd in February 2020 which was 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 CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 31 ASSET HELD FOR SALE AND DISCONTINUED OPERATIONS

In April 2024, EMVision Ltd signed a share purchase agreement ("SPA") for the sale of 27.94% shareholding in MC Vision Ltd (subsidiary), which would reduce its shareholding in its subsidiary from 52.94% to 25% and Emtel Limited signed a SPA with Currimjee Jeewanjee Company Limited for the sale of its 90% stake in EMVision Ltd. At the date of the signed SPA, the Company has classified its investment in EMVision Ltd as held for sale in line with IFRS 5 'Discontinued Activities and Held for Sale'.

The results of EMVision Ltd and its subsidiary for the periods presented have been classified as discontinued operations. The financial performance of EMVision Ltd and its subsidiary for the years ended 31 December 2024 and 2023 are as follows:

| | **2024** | 2023 |
|---|---|---|
| | **Rs 000** | Rs 000 |
| Revenue from contracts with customers (Note 3) | **1,101,166** | 1,128,552 |
| Cost of operations | **(1,019,981)** | (978,462) |
| **Gross profit** | **81,185** | 150,090 |
| Selling and distribution expenses | **(40,189)** | (33,426) |
| Administrative expenses | **(210,656)** | (203,305) |
| Impairment loss on financial assets | **(2,729)** | - |
| Other income (Note 4) | **36,159** | 28,738 |
| Other gains (Note 5) | **8,367** | 4,345 |
| Other losses (Note 5) | **(684)** | (3,761) |
| **Operating loss** | **(128,547)** | (57,319) |
| Finance income (Note 8) | **439** | 103 |
| Finance costs (Note 8) | **(10,370)** | (19,948) |
| Finance costs - net | **(9,931)** | (19,845) |
| **Loss before tax** | **(138,478)** | (77,164) |
| Income tax credit | **27,336** | 18,817 |
| **Loss from discontinued operation, net of tax** | **(111,142)** | (58,347) |

**Statement of Cash flow from Discontinued operation**

| | **2024** | 2023 |
|---|---|---|
| | **Rs 000** | Rs 000 |
| Net cash inflow from operating activities | **150,584** | 56,735 |
| Net cash outflow from investing activities | **(73,722)** | (66,666) |
| Net cash outflow from financing activities | **(77,561)** | (26,391) |
| Net decrease in cash generated by the discontinued operations | **(699)** | (36,322) |
| Effects of Exchange rate changes | **(2,929)** | (7,696) |
| Cash and Cash equivalent at the beginning of the year | **102,470** | 146,488 |
| Cash and Cash equivalent at end of year (Note 31(b)) | **98,842** | 102,470 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**31 (a) ASSET HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)**

The carrying amount of assets and liabilities of EMVision Ltd and its subsidiary classified was as held for sale following the share purchase agreement in April 2024:

**Extract of the statement of financial position of EMVision Ltd and its subsidiary at April 2024**

| | **April 2024** |
|---|---|
| | Rs 000 |
| **Non-current assets** | |
| Property, plant and equipment (Note 10) | 268,020 |
| Right-of-use assets (Note 11) | 20,810 |
| Intangible assets (Note 12) | 953 |
| | **289,783** |
| **Current assets** | |
| Cash and cash equivalents | 146,908 |
| Trade and other receivables | 38,705 |
| Inventories | 17,965 |
| | **203,578** |
| **Total assets** | **493,361** |
| **LIABILITIES** | |
| **Non-current liabilities** | |
| Borrowings | 67,500 |
| Lease liabilities (Note 11) | 12,764 |
| Deferred tax liabilities (Note 21) | 30,318 |
| Post-employment benefits obligations | 330 |
| | **110,912** |
| **Current liabilities** | |
| Borrowings | 67,500 |
| Lease liabilities (Note 11) | 8,980 |
| Trade and other payables | 265,035 |
| Contract liabilities | 75,450 |
| | **416,965** |
| **Total liabilities** | **527,877** |

The Company - The carrying amount of the investment in subsidiary classified as held for sale amounted to Rs 1,067,875,000.

**Note 31 (b)**

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2024:

**Extract of the statement of financial position of EMVision Ltd and its subsidiary at 31 December 2024**

| | **2024** |
|---|---|
| | Rs 000 |
| **Non-current assets** | |
| Property, plant and equipment | 239,928 |
| Right-of-use assets | 17,316 |
| Intangible assets | 812 |
| | **258,056** |
| **Current assets** | |
| Cash and cash equivalents | 98,842 |
| Trade and other receivables | 31,983 |
| Inventories | 13,247 |
| | **144,072** |
| **Total assets** | **402,128** |
| **LIABILITIES** | |
| **Non-current liabilities** | |
| Lease liabilities | 9,586 |
| Deferred tax liabilities | 8,032 |
| Post-employment benefits obligations | 3,302 |
| | **20,920** |
| **Current liabilities** | |
| Borrowings | 67,500 |
| Lease liabilities | 8,157 |
| Trade and other payables | 352,289 |
| Contract liabilities | 80,414 |
| | **508,360** |
| **Total liabilities** | **529,280** |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 32 SEGMENT ANALYSIS

The Group operating segments are identified based on the internal management structure in which financial performance and resource allocation decisions are made. The operating segments have been defined as (i) Telecommunication business comprising of service revenue and non service revenue, (ii) Fintech digital solution,(iii) Space economy business and (iv) Media business. The service revenue and non service revenue for the telecommunication business have been aggregated due to its nature and dependency to operate.

The Group four reportable segments have been identified by the Chief Operating Decision Maker ("CODM") who uses to make key operating decisions, allocate resources, and assess performance. The Group has designated the Emtel Corporate Council ("ECC Board") as the CODM consisting of the Executive Directors (Chief Executive Officer and the Chief Financial Officer) and the two Non Executive Directors, who examines the group's performance and regularly reviews the financial position of the Group's distinct business units.

The CODM evaluates the performance of each operating segment based on its contribution to the overall revenue, operating profit, profit before tax & profit after tax. The CODM uses a measure of profit or loss that is derived from segment-specific revenues and expenses, statement of financial position for segment assets and liabilities ,which are directly attributable to the segment's operations.

***Changes to the segment in group structure in 2024***

Pursuant to the agreement finalised in April 2024, the Group has disclosed its decision to divest its shareholding in EMVision Ltd. As a direct outcome of this planned disposal, the Media segment has been reclassified as discontinued operations in accordance with to IFRS 5-"Non-current assets held for sale and discontinued operations". As a result of this reclassification, the Media segment is no longer considered a reporting segment within the Group's financial statements and will no longer be included in the Group's segment reporting moving forward.

In the event of this change in the structure of the Group's operating segments, prior period segment information is restated to provide comparability.

The Group has opted to report on the operating segments even though the Fintech digital solution and the space economy business fall below the reporting threshold in terms of IFRS 8.

Information regarding Emtel Group operating segments is set out below in accordance with IFRS 8 operating Segments :

**THE GROUP - 2024** — **IFRS 8-Segmental Reporting**

| **Segment revenues and results** | **Tele-communication business** | **Fintech digital solution** | **Space economy business** | **Media business** | **Consolidation adjustments** | **Total** |
|---|---|---|---|---|---|---|
| | **Rs 000** | **Rs 000** | **Rs 000** | **Rs 000** | **Rs 000** | **Rs 000** |
| Revenue - (i) | **3,687,669** | **22,933** | **53,004** | | **(496)** | **3,763,110** |
| Operating profit | **828,357** | **(59,459)** | **27,036** | **-** | **75,137** | **871,071** |
| Finance Income | **-** | **39** | **289** | **-** | **-** | **328** |
| Interest Income | **6,129** | **-** | **-** | **-** | **(4,385)** | **1,744** |
| Finance Costs | **(12,093)** | **-** | **-** | **-** | **-** | **(12,093)** |
| Interest Expense | **(216,443)** | **(9,854)** | **(16,695)** | | **4,385** | **(238,607)** |
| Profit before tax | **605,950** | **(69,274)** | **10,630** | **-** | **75,137** | **622,443** |
| Income tax expense | **(235,183)** | **-** | **-** | **-** | **-** | **(235,183)** |
| Profit after tax from continuing operation | **370,767** | **(69,274)** | **10,630** | **-** | **75,137** | **387,260** |
| Loss from discontinued operation | **-** | **-** | **-** | **(111,142)** | **-** | **(111,142)** |
| **Profit after tax** | **370,767** | **(69,274)** | **10,630** | **(111,142)** | **75,137** | **276,118** |

**THE GROUP - 2023** — **IFRS 8-Segmental Reporting**

| Segment revenues and results | **Tele-communication business** | **Fintech digital solution** | **Space economy business** | **Media business** | **Consolidation adjustments** | **Total** |
|---|---|---|---|---|---|---|
| | Rs 000 | Rs 000 | Rs 000 | Rs 000 | Rs 000 | Rs 000 |
| Revenue - (i) | 3,425,084 | 7,829 | 18,408 | - | (29,103) | 3,422,218 |
| Operating profit | 816,765 | (59,606) | 9,935 | - | (30,103) | 736,991 |
| Finance Income | - | - | 12 | - | - | 12 |
| Interest Income | 4,321 | - | - | - | (173) | 4,148 |
| Finance Costs | (7,280) | - | - | - | - | (7,280) |
| Interest Expense | (191,083) | (5,397) | (7,244) | - | 173 | (203,551) |
| Profit before tax | 622,723 | (65,003) | 2,703 | - | (30,103) | 530,320 |
| Income tax expense | (157,472) | - | - | - | - | (157,472) |
| Profit after tax from continuing operation | 465,251 | (65,003) | 2,703 | - | (30,103) | 372,848 |
| Loss from discontinued operation | - | - | - | (58,347) | - | (58,347) |
| Profit after tax | 465,251 | (65,003) | 2,703 | (58,347) | (30,103) | 314,501 |

(i) The revenues comprise of both revenues from external customers and intra group transactions which are eliminated as consolidation adjustments. The intra group transactions are not significant to be disclosed separately. All revenues are generated locally in Mauritius except revenue generated from roaming revenues derived from tourists arrivals.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 32 SEGMENT ANALYSIS (CONTINUED)

### THE GROUP - 2024

| | Tele-communication business Rs 000 | Fintech digital solution Rs 000 | Space economy business Rs 000 | Media business Rs 000 | Consolidation adjustments Rs 000 | Discontinued operation Rs 000 | Total Continuing operation Rs 000 |
|---|---|---|---|---|---|---|---|
| **Material non cash items:** | | | | | | | |
| Depreciation on property, plant and equipment (Note 6) | **664,020** | **-** | **13,117** | **146,296** | **(1,198)** | **(146,296)** | **675,939** |
| Amortisation on intangible assets (Note 6) | **40,885** | **4,000** | **-** | **896** | **-** | **(896)** | **44,885** |
| Depreciation on rights of use (Note 6) | **170,509** | **-** | **-** | **9,636** | **(1,129)** | **(8,507)** | **170,509** |
| Impairment loss on financial asset (Note 14(b) and 16) | **109,345** | **-** | **-** | **-** | **(105,000)** | **-** | **4,345** |
| Profit on disposal of property, plant and equipment | **(206,902)** | **-** | **-** | **(6,051)** | **-** | **6,051** | **(206,902)** |
| Forex exchange loss / (gain) | **(30,726)** | **(624)** | **380** | **419** | **-** | **(419)** | **(30,970)** |
| | **747,131** | **3,376** | **13,497** | **151,196** | **(107,327)** | **(150,067)** | **657,806** |
| Additions to Property, plant and equipment | **997,608** | **-** | **3,255** | **85,765** | **-** | **(85,765)** | **1,000,863** |
| Additions to Intangible Assets | **5,385** | **6,171** | **-** | **-** | **-** | **-** | **11,556** |
| Additions to Right of Use Assets | **92,751** | **-** | **-** | **8,990** | **(3,621)** | **(8,990)** | **89,130** |
| | **1,095,744** | **6,171** | **3,255** | **94,755** | **(3,621)** | **(94,755)** | **1,101,549** |

### THE GROUP - 2023

| | Tele-communication business Rs 000 | Fintech digital solution Rs 000 | Space economy business Rs 000 | Media business Rs 000 | Consolidation adjustments Rs 000 | Discontinued operation Rs 000 | Total Continuing operation Rs 000 |
|---|---|---|---|---|---|---|---|
| **Material non cash items:** | | | | | | | |
| Depreciation on property, plant and equipment | 592,906 | - | 3,859 | 163,388 | (1,198) | (163,388) | 595,567 |
| Amortisation on intangible assets | 44,962 | 3,304 | - | 1,533 | - | (1,533) | 48,266 |
| Depreciation on rights of use | 160,970 | - | - | 11,560 | (1,355) | (10,205) | 160,970 |
| Profit on disposal of property, plant and equipment | (131,205) | - | - | (2,286) | - | 2,286 | (131,205) |
| Forex exchange loss / (gain) | (9,931) | 8 | (144) | (11,079) | - | (11,079) | (32,225) |
| | 657,702 | 3,312 | 3,715 | 163,116 | (2,553) | (183,919) | 641,373 |
| Additions to property, plant and equipment | 1,824,492 | - | 51,826 | 73,472 | - | (73,472) | 1,876,318 |
| Additions to intangible assets | 541 | 4,242 | - | - | - | - | 4,783 |
| Additions to right of Use assets | 72,393 | - | - | 4,660 | | (4,660) | 72,393 |
| | 1,897,426 | 4,242 | 51,826 | 78,132 | - | (78,132) | 1,953,494 |

The additions to property, plant and equipment, intangible assets and right of use are reported for the full year for the continuing operation.

## 32 SEGMENT ANALYSIS (CONTINUED)

### THE GROUP - 2024

| | Tele-communication business Rs 000 | Fintech digital solution Rs 000 | Space economy business Rs 000 | Media business Rs 000 | Consolidation adjustments Rs 000 | Total Continuing operation Rs 000 |
|---|---|---|---|---|---|---|
| **Segment assets and liabilities** | | | | | | |
| **Non-current assets** | | | | | | |
| Property, plant and equipment | 4,651,501 | - | 477,743 | - | (2,396) | 5,126,848 |
| Right-of-use assets | 783,986 | - | - | - | - | 783,986 |
| Intangible assets | 164,338 | 19,048 | - | - | - | 183,386 |
| Investment in subsidiaries | 55,000 | - | - | - | (55,000) | - |
| Financial assets at fair value through OCI | 1,412 | - | - | - | - | 1,412 |
| | **5,656,237** | **19,048** | **477,743** | **-** | **(57,396)** | **6,095,632** |
| Current assets | 1,015,395 | 24,449 | 2,007 | - | (29,828) | **1,012,023** |
| Assets classified as held for sale (Note 31(b)) | - | - | - | 402,128 | - | **402,128** |
| **Total Assets** | **6,671,632** | **43,497** | **479,750** | **402,128** | **(87,224)** | **7,509,783** |
| **Non-current liabilities** | | | | | | |
| Borrowings | 3,117,445 | 192,500 | 309,375 | - | (105,000) | **3,514,320** |
| Lease liabilities | 722,845 | - | - | - | - | **722,845** |
| Deferred tax liabilities | 392,298 | - | - | - | - | **392,298** |
| Post-employment benefits obligations | 21,302 | 1,063 | - | - | - | **22,365** |
| Asset retirement obligations | 66,562 | - | - | - | - | **66,562** |
| | **4,320,452** | **193,563** | **309,375** | **-** | **(105,000)** | **4,718,390** |
| **Current liabilities** | | | | | | |
| Borrowings | 411,964 | 13,933 | 57,211 | - | - | **483,108** |
| Lease liabilities | 155,074 | - | - | - | - | **155,074** |
| Trade and other payables | 1,647,340 | 16,564 | 3,219 | - | (10,803) | **1,656,320** |
| Contract liabilities | 143,052 | - | - | - | - | **143,052** |
| Provisions for solidarity levy | 39,935 | - | - | - | - | **39,935** |
| Current income tax liabilities | 86,646 | - | - | - | - | **86,646** |
| Liabilities classified as held for sale (Note 31(b)) | - | - | - | 529,280 | | **529,280** |
| | **2,484,011** | **30,497** | **60,430** | **529,280** | **(10,803)** | **3,093,415** |
| **Total liabilities** | **6,804,463** | **224,060** | **369,805** | **529,280** | **(115,803)** | **7,811,805** |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 32 SEGMENT ANALYSIS (CONTINUED)

### THE GROUP - 2023

| | Tele-communication business Rs 000 | Fintech digital solution Rs 000 | Space economy business Rs 000 | Media business Rs 000 | Consolidation adjustments Rs 000 | Total Continuing operation Rs 000 |
|---|---|---|---|---|---|---|
| **Segment assets and liabilities** | | | | | | |
| **Non-current assets** | | | | | | |
| Property, plant and equipment | 4,351,665 | - | 487,605 | 307,253 | (3,595) | 5,142,928 |
| Right-of-use assets | 853,956 | - | - | 22,730 | (610) | 876,076 |
| Intangible assets | 200,157 | 16,877 | - | 1,098 | - | 218,132 |
| Investment in subsidiaries | 1,122,875 | - | - | - | (1,122,875) | - |
| Financial assets at fair value through OCI | 1,229 | - | - | - | - | 1,229 |
| Financial assets at amortised cost | 31,000 | - | - | - | (31,000) | - |
| | **6,560,882** | **16,877** | **487,605** | **331,081** | **(1,158,080)** | **6,238,365** |
| Current assets | 816,985 | 16,073 | 1,461 | 170,822 | (39,672) | **965,669** |
| **Total Assets** | **7,377,867** | **32,950** | **489,066** | **501,903** | **(1,197,752)** | **7,204,034** |
| **Non-current liabilities** | | | | | | |
| Borrowings | 1,506,601 | 131,000 | 356,250 | 67,500 | (31,000) | **2,030,351** |
| Lease liabilities | 802,153 | - | - | 14,602 | (168) | **816,587** |
| Deferred tax liabilities | 275,348 | - | - | 36,181 | - | **311,529** |
| Post-employment benefits obligations | 26,222 | 2,081 | - | 330 | - | **28,633** |
| Asset retirement obligations | 74,397 | - | - | - | - | **74,397** |
| | **2,684,721** | **133,081** | **356,250** | **118,613** | **(31,168)** | **3,261,497** |
| **Current liabilities** | | | | | | |
| Borrowings | 1,711,805 | 1,606 | 29,108 | 67,500 | (173) | **1,809,846** |
| Lease liabilities | 137,365 | - | - | 8,786 | (275) | **145,876** |
| Trade and other payables | 1,394,700 | 11,184 | 4,392 | 228,073 | (39,705) | **1,598,644** |
| Contract liabilities | 121,665 | - | - | 79,476 | - | **201,141** |
| Provisions for solidarity levy | 53,192 | - | - | - | - | **53,192** |
| Current income tax liabilities | 17,901 | - | - | - | - | **17,901** |
| | **3,436,628** | **12,790** | **33,500** | **383,835** | **(40,153)** | **3,826,600** |
| **Total liabilities** | **6,121,349** | **145,871** | **389,750** | **502,448** | **(71,321)** | **7,088,097** |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 33 ADJUSTMENTS IN ACCORDANCE WITH DISCONTINUED OPERATIONS

In April 2024, EMVision Ltd signed a share purchase agreement for the sale of its shares in MC Vision Ltd and in December 2024, Emtel signed a share purchase agreement with Currimjee Jeewanjee and Company Limited for the sale of its stake in EMVision Ltd. The Group has adjusted its comparatives in its statement of profit and loss for the discontinued operations.

As a result, the comparatives have been adjusted as follows:

| | As per audited 2023 | Adjustment for discontinued operations (Note a) | Consolidation adjustments pertaining to discontinued operations (Note b) | Revised consolidation adjustments pertaining to ceased services (Note c) | Adjusted 2023 |
|---|---|---|---|---|---|
| | **Rs 000** | **Rs 000** | **Rs 000** | **Rs 000** | **Rs 000** |
| Revenue from contracts with customers | 4,491,388 | (1,128,552) | 78,362 | (18,980) | 3,422,218 |
| Cost of operations | (2,753,471) | 978,462 | (42,353) | | (1,817,362) |
| Gross profit | **1,737,917** | **(150,090)** | **36,009** | **(18,980)** | **1,604,856** |
| Selling and distribution expenses | (456,837) | 33,426 | (3,613) | | (427,024) |
| Administrative expenses | (699,946) | 226,966 | (63,116) | | (536,096) |
| Impairment Loss on Receivables | (12,049) | 7,604 | | | (4,445) |
| Other income | 13,439 | (28,738) | 28,435 | (10,000) | 3,136 |
| Other gains | 136,708 | (4,345) | | | 132,363 |
| Other (losses) | (39,560) | 3,761 | | | (35,799) |
| Operating profit | **679,672** | **88,584** | **(2,285)** | **(28,980)** | **736,991** |
| Finance income | 4,263 | (103) | | | 4,160 |
| Finance costs | (230,779) | 20,156 | (208) | | (210,831) |
| Finance costs - net | **(226,516)** | **20,053** | **(208)** | **-** | **(206,671)** |
| Profit before tax | 453,156 | 108,637 | (2,493) | (28,980) | 530,320 |
| Income tax expense | (138,655) | (18,817) | | | (157,472) |
| **Profit for the year** | 314,501 | 89,820 | (2,493) | (28,980) | 372,848 |

Note a- Adjustments for discontinued operation for EMVision Ltd and its subsidiary.
Note b- Consolidated adjustments for discontinued operation for EMVision Ltd and its subsidiary.
Note c- Consolidated adjustments for ceased operation for EMVision Ltd and its subsidiary.

Management has conducted a review of its arrangements with MC Vision Ltd regarding intercompany services. In accordance with applicable accounting standards, management has determined that intercompany transactions, which are expected to cease in 2025, should be eliminated in both continuing and discontinued operations. This classification ensures that the financial statements accurately reflect the ongoing performance of the continuing business post-disposal, focusing only on those services that will persist with MC Vision Ltd in the foreseeable future.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

## 34 BASIC AND DILUTED EARNINGS PER SHARE

| | **2024** | 2023 |
|---|---|---|
| | **Rs** | Rs |
| From continuing operations attributable to the ordinary equity holders of the company | **0.85** | 0.82 |
| From discontinued operations | **(0.08)** | (0.03) |
| Basic and diluted earnings per share attributable to the ordinary equity holders of the company | **0.77** | 0.79 |

For comparative purpose, year 2023 has been adjusted based on share split.

## 35 CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the reporting period but not yet incurred amounted to approximately for the Group **Rs 420,000,000** (2023: Rs 291,000,000) and the Company **Rs 420,000,000** (2023: Rs 291,000,000).

## 36 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 immediate and ultimate parent, Currimjee Limited, is at 38, Royal Street, Port Louis.

## 37 GUARANTEES

Bank guarantees

There were contingent liabilities in respect of the Company's bank guarantees amounting to **Rs 51,077,500** (2023: Rs 51,276,100) in the ordinary course of business from which it is anticipated that no material liability will arise. As at 31 December 2024, there were no bank guarantees issued by the subsidiaries.

Corporate guarantees

The Company has provided a corporate guarantee to its subsidiaries for their bank loans amounting to Rs 300,000,000 (2023: Rs 300,000,000)

## 38 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.

## 38 CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

One of the Company's subsidiaries (MC Vision Ltd) is currently involved in a tax dispute with the Mauritius Revenue Authority ("MRA") regarding the treatment of capital allowance and investment allowance claimed for the assessment year 2020. The tax authority has assessed a claim of Rs 31,680,977 asserting that the allowances were incorrectly applied under the Mauritius Income Tax Act 1995.

MC Vision Ltd has paid an advanced amount of Rs 4,548,270 to have the right to appeal the tax authority's claim and believes that the treatment of the allowances was correct. The appeal is currently in progress, and while the outcome of the appeal cannot be reliably determined, management believes there is a strong ground to appeal. The tax authority's claim is being vigorously contested, and legal advice indicates that a favourable outcome is possible.

As the tax investigation is ongoing and the outcome is uncertain, the Company has disclosed a contingent liability.

## 39 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. The case was called on 13 January 2025 for leave to appeal to the Privy Council. The judgment is now reserved.

(b) The Company has provided an additional loan to one of its subsidiaries, Emtel MFS Co Ltd to meet its working capital requirements for the year 2025.

## 39 EVENTS AFTER THE REPORING PERIOD (CONTINUED)

(c) 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.

The case was initially scheduled from January 20 to January 25, 2025. Mauritius Telecom, Cellplus, and ICTA have indicated that they will no longer retain the services of their counsels. The matter was subsequently called on February 3, 2025, and again on February 17, 2025. It will be rescheduled via circular once the legal advisors have provided common available dates. On February 11, 2025, the Privy Council ordered Mauritius Telecom, Cellplus, and ICTA to bear Emtel's costs related to the two appeals heard before the Privy Council. Emtel's counsels will be submitting a bill of costs for each appeal.

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 2024.

## 40 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.

## 41 INCORPORATION

The Company is incorporated as a private company with limited liability and is domiciled in the Republic of Mauritius. The Company has been listed on the official list of the Stock Exchange of Mauritius as a public company on 5 July 2024.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**42 FINANCIAL SUMMARY OF THE GROUP**

## Condensed Statements of Profit and Loss

| | 2024 Rs 000 | 2023 Rs 000 |
|---|---|---|
| **Continuing operations** | | |
| Service revenue | **3,441,369** | 3,047,648 |
| Non service revenue | **321,741** | 374,570 |
| **Revenue** | **3,763,110** | 3,422,218 |
| **Net revenue** | **3,356,732** | 3,043,755 |
| **EBITDA** | **1,739,115** | 1,496,700 |
| Depreciation and amortisation | **(891,333)** | (804,803) |
| **Underlying operating profit** | **847,782** | 691,897 |
| Solidarity levy on revenue | **(39,919)** | (53,193) |
| Other gains and losses | **216,004** | 104,110 |
| Other one off transactions | **(152,796)** | (5,823) |
| **Operating profit** | **871,071** | 736,991 |
| Net finance costs | **(248,628)** | (206,671) |
| **Profit before tax** | **622,443** | 530,320 |
| Tax expense | **(185,541)** | (157,472) |
| Corporate climate responsibility levy | **(49,642)** | - |
| **Profit for the period from continuing operations** | **387,260** | 372,848 |
| **Discontinued operations** | | |
| Loss for the period from discontinued operations | **(111,142)** | (58,347) |
| **Profit for the period** | **276,118** | 314,501 |
| Other comprehensive income for the period | **5,173** | 43,296 |
| **Total comprehensive income for the period** | **281,291** | 357,797 |
| Total comprehensive income attributable to :- | | |
| Owners of the parent | **357,641** | 406,239 |
| Non-controlling interests | **(76,350)** | (48,442) |
| | **281,291** | 357,797 |

## Condensed Statements of Financial Position

| | 2024 Rs 000 | 2023 Rs 000 |
|---|---|---|
| **Assets** | | |
| Property, plant and equipment | **5,126,848** | 5,142,928 |
| Right-of-use assets | **783,986** | 876,076 |
| Intangible assets | **183,386** | 218,132 |
| Financial assets at fair value through OCI | **1,412** | 1,229 |
| **Total Non-current assets** | **6,095,632** | 6,238,365 |
| Current assets | **1,012,023** | 965,669 |
| Assets held for sale | **402,128** | - |
| **Total Assets** | **7,509,783** | 7,204,034 |
| **Equity and Liabilities** | | |
| Stated capital | **151,800** | 151,800 |
| Retained earnings | **577,633** | 922,252 |
| Other reserves | **75,900** | 72,890 |
| Non controlling interests | **(76,587)** | (237) |
| **Total equity before common control reserves** | **728,746** | 1,146,705 |
| Common control reserves | **(1,030,768)** | (1,030,768) |
| **Total equity** | **(302,022)** | 115,937 |
| Non-current liabilities | **4,718,390** | 3,261,497 |
| Current liabilities | **2,564,135** | 3,826,600 |
| Liabilities held for sale | **529,280** | - |
| **Total Equity and Liabilities** | **7,509,783** | 7,204,034 |

## Condensed Statements of Cash Flows

| | 2024 Rs 000 | 2023 Rs 000 |
|---|---|---|
| Net cash generated from operating activities | **1,897,907** | 1,528,909 |
| Net cash used in investing activities | **(1,067,815)** | (1,618,598) |
| Net cash used in financing activities | **(644,273)** | (396,773) |
| **Net increase / (decrease) in cash and cash equivalents** | **185,819** | (486,462) |
| Net foreign exchange difference | **(6,586)** | (9,839) |
| Cash and cash equivalents at 01 January | **275,989** | 772,290 |
| **Cash and cash equivalents at end of the period** | **455,222** | 275,989 |