

THE MAURITIUS POST LTD AND ITS SUBSIDIARY
CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2025

THE MAURITIUS POST LTD AND ITS SUBSIDIARY
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PART A

**THE MAURITIUS POST LTD AND ITS SUBSIDIARY
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

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Principal activities

The Mauritius Post Ltd (the "Company") provides nationwide and international distribution service, principally mails and parcels. The Company also provides access to a wide range of services through its network of post office branches.

The above activities were carried out by the Government Postal Services until 10 March 2003, when they were transferred to The Mauritius Post Ltd pursuant to the Post Office (Transfer of Undertaking) Act 2002.

It also has a wholly owned subsidiary company, the Mauritius Post Foreign Exchange Co Ltd, providing money transfer services throughout the world as agent of RIA and money changing since 05 December 2022. The Company and its subsidiary are together referred as the "Group".

Results

The Group and the Company made a loss of **Rs 206,081,496** and **Rs 212,496,430** respectively for the year ended 30 June 2025. (2024: Group's and Company's loss: Rs 114,557,452 and Rs 125,500,614 respectively).

The consolidated and separate financial statements for the year ended 30 June 2025 are set out on pages 5(a) to 60. The auditor's report on these consolidated and separate financial statements is on pages 1 to 4.

Dividends

No dividend has been proposed or paid during the year ended 30 June 2025 (30 June 2024: Nil).

Board of Directors

Me. Lovena Malina Sowkhee	Independent Director	(Appointed on 02 September 2025)
Mr Ferhan Khan Juhoor	Non-Executive Director	(Appointed on 05 November 2025)
Mrs. Kalpana Devi Gunpath-Lutchmun	Non-Executive Director	(Appointed on 14 November 2023)
Mr. Yasdev Japsy	Independent Director	(Appointed on 02 September 2025)
Mr. Satiarajsir Mohajur	Non-Executive Director	(Appointed on 05 February 2026)

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Board of Directors (Continued)

Mrs. Jessilah Maurimoothoo Armoogum	Independent Director	(Appointed on 02 September 2025)
Mr. Christopher Andrews Boyjoo	Independent Director	(Appointed on 02 September 2025)
Mr. Devesh Chatoo	Independent Director	(Appointed on 02 September 2025)
Mr Rajendra Jebodh	Independent Director	(Appointed on 05 November 2025)

Following a Shareholders' resolution dated 02 September 2025, the Board of Directors of The Mauritius Post Ltd was constituted as follows: -

- Me. Lovena Malina Sowkhee – Chairperson
- Mrs. Phoolranee Rampadarath – Director
- Mrs. Kalpana Devi Gunpath-Lutchumun - Director
- Ms. Pratima Bungaroo – Director
- Mr. Yasdev Japsy – Director
- Mrs. Jessilah Maurimoothoo Armoogum- Director
- Mr. Christopher Andrews Boyjoo – Director
- Mr. Devesh Chatoo – Director

Following a Shareholders' resolution dated 05 November 2025, the Board of Directors of The Mauritius Post Ltd was re-constituted as follows: -

- Me. Lovena Malina Sowkhee – Chairperson
- Mr. Ferhan Khan Juhoor– Director
- Mrs. Kalpana Devi Gunpath-Lutchumun - Director
- Ms. Pratima Bungaroo – Director
- Mr. Yasdev Japsy – Director
- Mrs. Jessilah Maurimoothoo Armoogum- Director
- Mr. Christopher Andrews Boyjoo – Director
- Mr. Devesh Chatoo – Director
- Rajendra Jebodh - Director

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Board of Directors (Continued)

Following a Shareholders' resolution dated 11 February 2026, the Board of Directors of The Mauritius Post Ltd has been re-constituted as follows: -

- Me. Lovena Malina Sowkhee – Chairperson
- Mr. Ferhan Khan Juhoor – Director
- Mrs. Kalpana Devi Gunpath-Lutchmun - Director
- Mr. Satiarajsir Mohajur – Director
- Mr. Yasdev Japsy – Director
- Mrs. Jessilah Maurimoothoo Armoogum- Director
- Mr. Christopher Andrews Boyjoo – Director
- Mr. Devesh Chatoo – Director
- Rajendra Jebodh - Director

Outgoing Directors

Mr. Ranna Swamber	Independent Director	(Appointed on 22 July 2021 up to 13 November 2024)
Mrs. Phoolranee Rampadarath	Non-Executive Director	(Appointed on 23 June 2025 up to 17 October 2025)
Mrs. Hemadevi Boodadoo	Non-Executive Director	(Appointed on 27 March 2025 up to 02 September 2025)
Mr. Trilok Dabeasing	Non-Executive Director	(Appointed on 27 March 2025 up to 02 September 2025)
Mr. Doonunjoy Dassaye	Non-Executive Director	(Appointed on 07 May 2024 up to 24 March 2025) (Re-appointed on 11 April 2025 up to 23 June 2025)
Mrs. Shakuntala Devi Gujadhur-Nowbuth	Non-Executive Director	(Appointed on 27 March 2025 up to 11 April 2025)
Mr. Rishi Nand Jhuboo	Independent Director	(Appointed on 08 October 2020 up to 15 November 2024)
Mrs. Marie Noelle Doris Sybille Lolocho	Independent Director	(Appointed on 21 May 2015 up to 15 November 2024)
Mrs. Boomeswary Moorooogen-Saminaden	Independent Director	(Appointed on 19 December 2023 up to 15 November 2024)
Mrs. Zeba Huroosa Soogun	Independent Director	(Appointed on 19 December 2023 up to 15 November 2024)
Mr. Pramanund Newoor, MSK	Independent Director	(Appointed on 19 December 2023 up to 15 November 2024)
Ms. Pratima Bungaroo	Non-Executive Director	(Appointed on 05 July 2024 up to 05 February 2026)

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SECRETARY

Prime Partners Ltd – appointed on 02 August 2021

Significant contracts

No contracts of significance or loans existed during the year under review between the Group and its directors.

Shareholding

The shareholders of the Company as at 30 June 2025 were as follows:

Government of Mauritius	99.99998%
State Investment Corporation	0.00002%

Mauritius Post Foreign Exchange Co Ltd

Mauritius Post Foreign Exchange Co Ltd is a wholly owned subsidiary of The Mauritius Post Ltd. The subsidiary was incorporated on 26 October 2017. It is engaged in money transfer services throughout the world as agent of RIA which is the third largest money transfer service provider and it also provides money changing services since 05 December 2022. The subsidiary recorded a profit before tax of Rs 9,174,474 for the financial year ended 30 June 2025 (2024: Rs 6,907,974).

Statement of directors' responsibilities for the consolidated and separate financial statements

The Board is responsible for the proper keeping of accounting records, which disclose, with reasonable accuracy, at any time, the financial position of the Group and the Company.

The Board is also responsible for the preparation of the consolidated and separate financial statements for each financial year in accordance with IFRS Accounting Standards (IFRSs), Mauritius Companies Act 2001 and the Financial Reporting Act 2004. The Board is responsible for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management.

In preparing these consolidated and separate financial statements, the Board ensures that:

- The consolidated and separate financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company;
- Suitable accounting policies are selected and applied consistently;

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Statement of directors' responsibilities for the consolidated and separate financial statements (continued)

- The external auditor is responsible for reporting on whether the consolidated and separate financial statements are fairly presented;
- Adequate accounting records and an effective system of internal controls and risk management have been maintained;
- Judgements and estimates are reasonable and prudent;
- IFRS Accounting Standards have been followed, subject to any material departures disclosed and explained in the consolidated and separate financial statements;
- The consolidated and separate financial statements have been prepared on the going concern basis; and
- The Group and the Company adhere to good corporate governance principles and procedures in its business strategy, operations and organizational culture.

The Board is also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of The Mauritius Post Ltd and its subsidiary recognizes that it is responsible for the process of risk management and to establish an informed opinion on the effectiveness of this process. It has, through the setting up of the Audit and Risk Committee, set the scene for appropriate structures to be put in place for this activity. Management is responsible for identifying, implementing and monitoring the process of risk management and to integrate these within the daily activities of the Group. Management should also ensure accurate reporting thereon.

The Internal Audit function is considered vital to the Group and the Company and plays an independent assurance and monitoring role, providing independent opinion on the effectiveness or otherwise of the system of internal control. The Board, through the Internal

Audit, which assists both management and the Board by monitoring, examining, evaluating, reporting on and recommending improvement to the adequacy and effectiveness of the Group risk management processes, derives assurance that the risk management process is in place and effective. Regular reports from the Internal Audit Division are sent to the Audit and Risk Committee and to the Board.

Directors' remuneration

Fees paid to directors during the year ended 30 June 2025 were **Rs 1,679,270** (2024: Rs 2,123,352).

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Directors' services contracts

There is no service contract agreement with any director of the Company.

There was a service contract agreement with Mr V. A. Ramchurn, Chief Executive Officer of the Mauritius Post Ltd as from 16 January 2023 for a period of two years (Resigned on 06th October 2024).

In light of the urgency to maintain the operational stability and leadership continuity, following the approval of the Board on 10 October 2024, Mr. Jayraj Ittoo holding the post of Business Development, Sales and Marketing Manager at Mauritius Post Ltd was appointed as the Officer-in-Charge effective as from 06 October 2024 until further notice.

The Board at its Special Meeting held on 14 August 2025, approved the appointment of Mr. Premchand Seeruttun, GOSK as the Chief Executive Officer of The Mauritius Post Ltd.

The service contract agreement with Mr J. Naggea, Managing Director of the subsidiary company (MPFE) has been renewed for a further period of three and a half years effective from 01st July 2024.

Directors' share interest

The directors hold no shares in the Group and the Company, whether directly or indirectly.

Donation

No donation was made during the year ended 30 June 2025 by the Company and the Group (2024: Company and the Group: Nil).

Auditor

Auditor's remuneration was as follows:

	The Group		The Company	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Audit fees (inclusive of VAT)	1,298,750	1,181,988	948,750	862,500
Others	75,000	190,200	-	-
	1,373,750	1,372,188	948,750	862,500

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25 JUN 2026

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



Chairperson

Me. Lovena Malina Sowkhee



Director

Mr. Yasdev Japsy

**THE MAURITIUS POST LTD
CORPORATE GOVERNANCE REPORT
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The **Mauritius Post Ltd** ("MPL" or the "Company") has pleasure in submitting its Corporate Governance Report for the financial year ended 30 June 2025, inclusive of other statutory disclosures as per Section 221 of the Mauritius Companies Act 2001.

MPL is a Public Interest Entity (PIE) as defined in the Financial Reporting Act 2004. This Corporate Governance Report highlights the application of the new Code of Corporate Governance 2016 (the Code).

The Company is committed to operating with the highest standards of integrity, transparency, and professionalism, maintaining ethical and responsible management practices to maximize value for all stakeholders.

The Board of Directors recognizes the National Code of Corporate Governance for Mauritius (2016) as a benchmark for best practices and is dedicated to aligning the Company's operations with the Code's principles of sound governance, including transparency, independence, accountability, fairness, social responsibility, and professionalism. The Board tailors the application of the Code to suit the Company's unique circumstances, size, complexity, and the specific risks and challenges it encounters.

The Company

MPL was incorporated in October 2001 as a private company under the Mauritius Companies Act 2001. It was set up to take on the activities operated by the Government Postal Services until 10 March 2003, when they were transferred to MPL pursuant to the Post Office (Transfer of Undertaking) Act 2002.

MPL provides nationwide and international distribution service, principally of mails and parcels. The Company also provides access to a wide range of services through its network of post office branches.

It has a wholly owned subsidiary company, the Mauritius Post Foreign Exchange Co Ltd., providing money transfer services and money changing services. The Company and its subsidiary are together referred as the "Group".

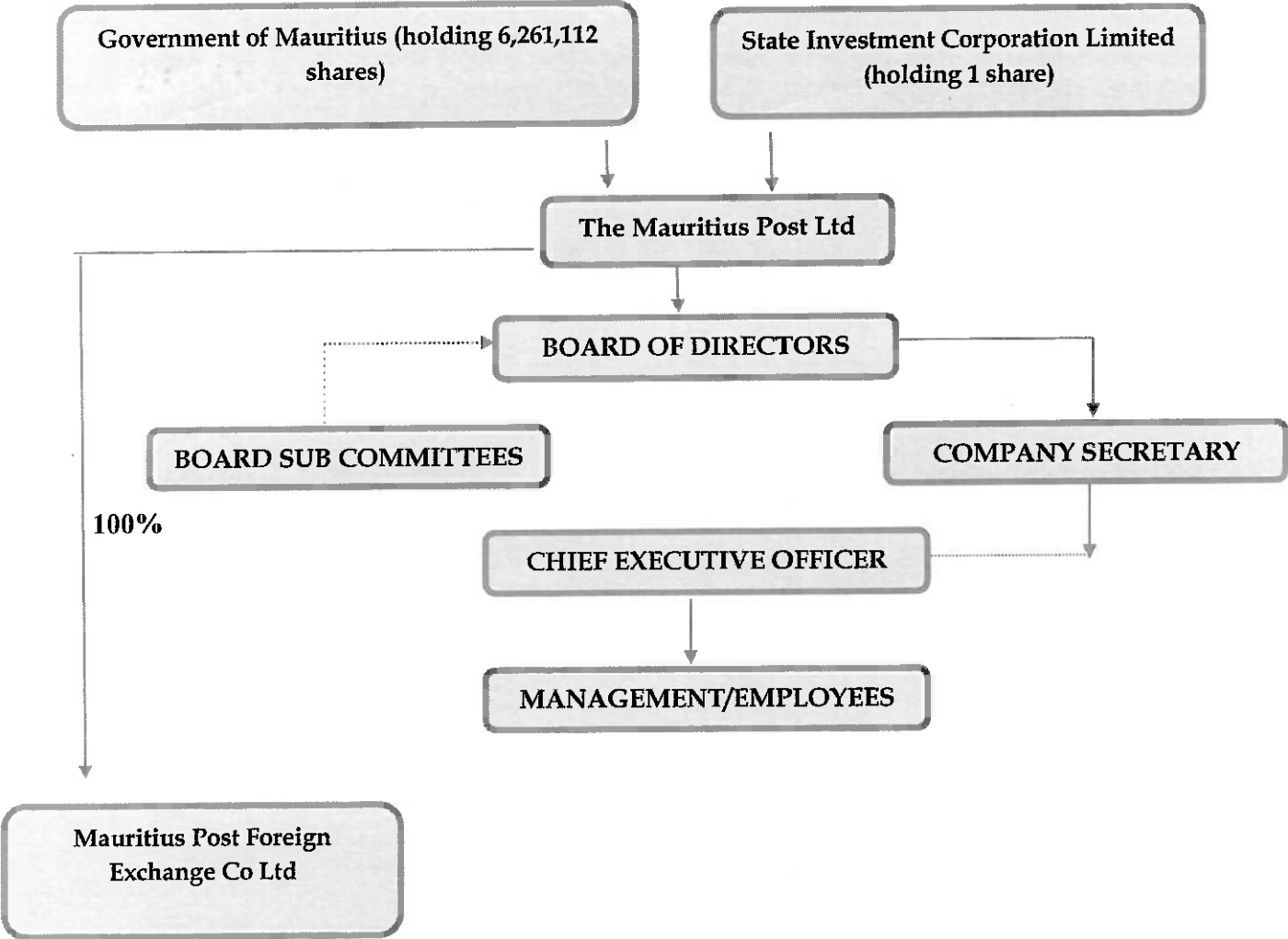
PRINCIPLE ONE: GOVERNANCE STRUCTURE

'All organizations should be headed by an effective Board. Responsibilities and accountabilities within the organization should be clearly identified.'

The Corporate Governance Framework of MPL comprises the shareholders, the Board of Directors, Board Committees, the Chief Executive Officer and Management. It also includes Internal and External Auditors as well as established policies and procedures across all its operations. The Governance structure of MPL is set out below. The Chief Executive Officer reports to the Board of Directors through the Company Secretary.

MPL is headed by an effective Board which assumes responsibility for meeting all legal and regulatory requirements. The Board takes its fiduciary responsibility with great care and diligence. Each director is appointed with the understanding of the amount of time and care that they will need to devote to the Board and to the Company for it to prosper.

PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONTINUED)



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PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONTINUED)

1.1 Shareholders

The Government of Mauritius is the ultimate shareholder holding directly 6,261,112 shares and indirectly one (1) share through State Investment Corporation Limited out of the total 6,261,113 Ordinary Shares.

1.2 Board of Directors

As per its Constitution, the number of Directors for MPL shall not be less than two (2) or more than nine (9). The Directors during the financial year ended 30 June 2025 and subsequent changes were as follows: -

Me. Lovena Malina Sowkhee	Independent Director	(Appointed on 02 September 2025)
Mr Ferhan Khan Juhoor	Non-Executive Director	(Appointed on 05 November 2025)
Mrs. Kalpana Devi Gunpath-Lutchumun	Non-Executive Director	(Appointed on 14 November 2023)
Mr. Satiarajsir Mohajur	Non-Executive Director	Appointed on 05 February 2026
Mr. Yasdev Japsy	Independent Director	(Appointed on 02 September 2025)
Mrs. Jessilah Maurimoothoo Armoogum	Independent Director	(Appointed on 02 September 2025)
Mr. Christopher Andrews Boyjoo	Independent Director	(Appointed on 02 September 2025)
Mr. Devesh Chatoo	Independent Director	(Appointed on 02 September 2025)
Mr Rajendra Jebodh	Independent Director	(Appointed on 05 November 2025)

PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONTINUED)

Outgoing Directors: -

Mrs Phoolranee Rampadarath	Non-Executive Director	(Appointed on 23 June 2025 up to 17 October 2025)
Mrs. Hemadevi Boodadoo	Non-Executive Director	(Appointed on 27 March 2025 up to 02 September 2025)
Mr. Trilok Dabeesing	Non-Executive Director	(Appointed on 27 March 2025 up to 02 September 2025)
Mr. Ranna Swamber	Independent Director	(Appointed on 22 July 2021 up to 13 November 2024)
Mr. Doonunjoy Dassaye	Non-Executive Director	(Appointed on 07 May 2024 up to 24 March 2025) (Re-appointed on 11 April 2025 up to 23 June 2025)
Mrs.Shakuntala Devi Gujadhur-Nowbuth	Non-Executive Director	(Appointed on 27 March 2025 up to 11 April 2025)
Mr. Rishi Nand Jhuboo	Independent Director	(Appointed on 08 October 2020 up to 15 November 2024)
Mrs. Marie Noelle Doris Sybille Lolocho	Independent Director	(Appointed on 21 May 2015 up to 15 November 2024)
Mrs. Boomeswary Moorooogen-Saminaden	Independent Director	(Appointed on 19 December 2023 up to 15 November 2024)
Mrs. Zeba Huroosa Soogun	Independent Director	(Appointed on 19 December 2023 up to 15 November 2024)
Mr. Pramanund Newoor, MSK	Independent Director	(Appointed on 19 December 2023 up to 15 November 2024)
Ms. Pratima Bungaroo	Non-Executive Director	(Appointed on 05 July 2024 up to 05 February 2026)

PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONTINUED)

1.3 Key Governance documents

The Company has a Constitution, a Board Charter and a Code of Ethics. Its subsidiary Mauritius Post Foreign Exchange Co. Ltd has also an anti-money laundering policy and framework.

Board Charter

The Company has a Board Charter in place and same was approved by the Board at its Meeting held on 28 December 2022. The Board Charter outlines the roles, responsibilities, and authorities of the Company's Board of Directors. It serves as a guide for the board's decision-making processes, establishes a framework for governance, and helps to ensure the board operates in an effective and efficient manner, while maintaining transparency and accountability. The Board Charter is reviewed on a yearly basis.

The Board Charter also incorporates the Company's policy regarding Conflict of Interest and Related Party Transactions.

Code of Ethics

A Code of Ethics had been adopted by the Company and is adhered to by all directors, Management and employees.

Equal Opportunity Policy

In compliance to the Equal Opportunity Act 2008, MPL has developed and approved an Equal Opportunity Policy.

Company website

The Board Charter and the Code of Ethics are published on the company's website for transparency. The Board will consider publishing also the Organisational Chart and Conflict of Interest policy in the near future.

PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONTINUED)

1.4 Key Governance Positions

The Board ensures that the key governance positions within the organisation are matched with the corresponding accountabilities.

(i) *Chairperson of the Board*

The Chairperson ensures that each Director understands his or her role, responsibilities and the authority of the Board of Directors both individually and collectively in setting the direction, the management and the control of the Company. The Chairperson also ensures that Directors promote efficiency, transparency and ethical functioning with the Company.

(ii) *Chief Executive Officer*

The Chief Executive Officer, appointed by the Board, is responsible for managing the Company's operations under the Board's authority. This role involves formulating and implementing the Company's strategies and overseeing all aspects of its operations to achieve set objectives. The key responsibilities of the CEO include, but are not limited to:

- Developing and implementing company policies effectively;
- Building and leading a high-performing executive team;
- Establishing robust operational planning and financial control systems;
- Creating strategic operating plans that align with the long-term objectives and priorities set by the Board;
- Being fully accountable to the Board for the Company's overall operations;
- Monitoring operational and financial performance against plans and budgets;
- Taking corrective actions when necessary and keeping the Board informed of significant developments; and
- Ensuring the ongoing operational efficiency of the Company.

PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONTINUED)

1.4 Key Governance Positions (Continued)

The Company Secretary

The Company Secretary is appointed by the Board. The role of the Company Secretary is to ensure that Board Members have the proper advice and resources for performing their duties to shareholders under the relevant legal frameworks. The Company Secretary is also responsible for organization and coordination of the Board and Committee meetings, and ensuring that the records, or minutes of those meetings, reflect the proper exercise of those duties.

Prime Partners Ltd is the Company Secretary of The Mauritius Post Ltd, a wholly owned subsidiary of The State Investment Corporation Limited. It is actively involved in the provision of statutory corporate secretarial services, registrar and transfer office services and accounting services to domestic companies registered in Mauritius.

(iii) Senior Management

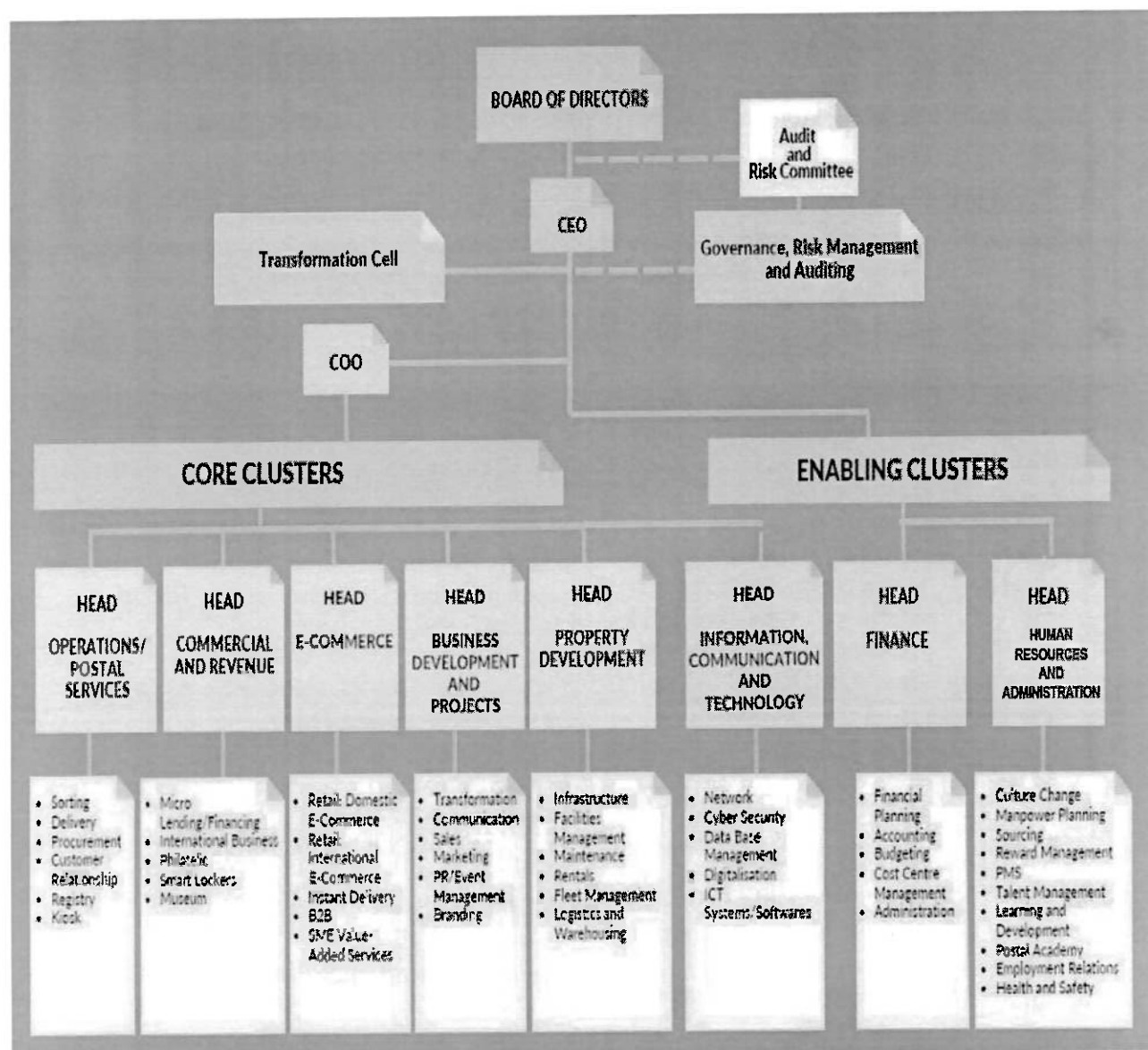
The organisational chart of MPL and list of key members of senior management team is set out below and published on the website of the Company.

PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONTINUED)

1.4 Key Governance Positions (Continued)

Senior Management (Continued)

Organisational Chart



PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONTINUED)

1.4 Key Governance Positions (Continued)

Senior Management (Continued)

Key Senior Management Team

SEERUTTUN Premchand, GOSK - CEO
(joined on 18 August 2025)

BSc & P.G.C.E in Physics
40 years of teaching experience & 15
years of experience as Head of
Department and Administration.

**RAMCHURN Vijaye Anand, Former
CEO, (joined on 16 January 2023 up
to 06 October 2024)**

Former Chief Executive Officer

B. Tech. (Hons) in Mechanical
Engineering, M.Sc. in Project
Engineering Management, MBA, 31
years of experience in Training
Standards, Quality Assurance,
Management and Corporate Strategy
Developments

ITTOO Jayraj

*Head of Business Development &
Projects (Officer-in-Charge from 06
October 2025 to 18 August 2025)*

Degree in Business Studies with
specialization in Human Resources
Management, MBA (Marketing)
36 years of experience in Business
Development, Sales and Marketing

**BALLYRAZ Pravin, (joined on 01 May
2019 up to 28 January 2026)**

*Head of Human Resources and
Administration* Degree in Management, MSc
in Human Resources Studies, LLB (Hons)
24 years of experience in Human Resource
Management

ELLIAH Enkanah

Head of ICT

MSc Computer Engineering, MBA
(Information Technology)
29 years of experience in Networking, IT
Security, Server technologies & System,
System Administration and Database
Administration

**TOOFANEE Khalid (joined on 09 April
2007 up to 30 April 2026)**

Head of Finance

FCCA

34 years of experience in Finance and
Accounting

SEEWOOGOBIN Varsha

Internal Auditor

Degree in Accounting and Finance, FCCA
with 23 years of experience in Finance,
Accounting and Auditing, MBA (University
of South Wales)

Mamode Noora Maherally

Ag. Head of Operations Postal Services

35 years of experience in the Postal Sector

PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES

The Board should contain independently minded directors. It should include an appropriate combination of executive directors, independent directors and non-independent non-executive directors to prevent one individual or a small group of individuals from dominating the Board's decision taking. The Board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation. Appropriate Board committees may be set up to assist the Board in the effective performance of its duty.

2.1 Nomination of Directors

All the directors are appointed or re-appointed by the shareholders at the Annual Meeting of the Company. The Company ensures a fair gender representation by having at least one female director on its board and on its sub committees.

The size and composition of the Board are determined by factors such as the size, nature, and complexity of the business, the need to establish a productive group dynamic among board members, the required mix of skills, industry experience and expertise, legal and regulatory requirements, and qualifications.

The Board is responsible for succession planning and the induction of new directors. Newly appointed directors participate in a structured induction and orientation process to familiarize themselves with the Company's operations and governance.

2.2 Access to Information for Directors

All directors are provided with timely information to enable them to contribute effectively during board meetings. They have unrestricted access to the Company Secretary for any additional information they may need, and independent professional advice is available to directors, when necessary, at the Company's expense. The Company Secretary is responsible for maintaining the interests register, which can be reviewed by shareholders upon a written request. All related-party transactions and conflicts of interest are managed in accordance with the Related Party Transaction Policy and the Company's Code of Ethics. The Company does not have a Conflict-of-Interest Policy in place and would adopt same in the near future. None of the directors hold directorships in other listed companies.

2.3 Board of Directors

The Board of Directors is a unitary Board and is collectively responsible for the long-term success of the company, its reputation and governance. The board is responsible to all its shareholders and to its stakeholders for leading and controlling the organization and meeting all legal and regulatory requirements and is also accountable for determining that the company is managed in a way to achieve its objectives.

**PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES
CONTINUED)**

2.3 Board of Directors (*Continued*)

Presently, the Board of Directors of MPL consists of not less than two (2) or more than nine (9) Directors as per its Constitution. There is a mix of 6 independent and 3 non-executive directors but no executive directors. Although the Code of Corporate Governance for Mauritius recommends having executive directors on the Board, the shareholders believe that the Company has an appropriate mix of directors with necessary skills and experience and level of diversity relevant to the business of the Company.

Following a Shareholders' resolution dated 02 September 2025, the Board of Directors of The Mauritius Post Ltd was constituted as follows: -

- Me. Lovena Malina Sowkhee – Chairperson
- Mrs. Phoolranee Rampadarath – Director
- Mrs. Kalpana Devi Gunpath-Lutchmun - Director
- Ms. Pratima Bungaroo – Director
- Mr. Yasdev Japsy – Director
- Mrs. Jessilah Maurimoothoo Armoogum- Director
- Mr. Christopher Andrews Boyjoo – Director
- Mr. Devesh Chatoo – Director

Following a Shareholders' resolution dated 05 November 2025, the Board of Directors of The Mauritius Post Ltd was re-constituted as follows: -

- Me. Lovena Malina Sowkhee – Chairperson
- Mr. Ferhan Khan Juhoor– Director
- Mrs. Kalpana Devi Gunpath-Lutchmun - Director
- Ms. Pratima Bungaroo – Director
- Mr. Yasdev Japsy – Director
- Mrs. Jessilah Maurimoothoo Armoogum- Director
- Mr. Christopher Andrews Boyjoo – Director
- Mr. Devesh Chatoo – Director
- Rajendra Jebodh - Director

Following a Shareholders' resolution dated 11 February 2026, the Board of Directors of The Mauritius Post Ltd has been re-constituted as follows: -

- Me. Lovena Malina Sowkhee – Chairperson
- Mr. Ferhan Khan Juhoor– Director
- Mrs. Kalpana Devi Gunpath-Lutchmun - Director
- Mr. Satiarajsir Mohajur – Director
- Mr. Yasdev Japsy – Director
- Mrs. Jessilah Maurimoothoo Armoogum- Director
- Mr. Christopher Andrews Boyjoo – Director
- Mr. Devesh Chatoo – Director
- Rajendra Jebodh - Director

**PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES
(CONTINUED)**

2.4. Attendance of the directors at the Board meetings

The following table depicts the attendance at Board/Board Committees meeting of the directors during the year under review: -

Name of Directors	Attendance (8) Meetings)
Mr. Ranna Swamber (appointed on 22 July 2021 up to 13 November 2024)	6/6
Mr. Rishi Nand Jhuboo (appointed on 08 October 2020 up to 15 November 2024)	5/6
Mrs. Marie Noelle Doris Sybille Lolocho (appointed on 21 May 2015 up to 15 November 2024)	5/6
Mrs. Kalpana Devi Gunpath-Lutchmun (appointed on 14 November 2023)	5/8
Mrs. Boomeswary Moorogun – (appointed on 19 December 2023 up to 15 November 2024)	6/6
Mrs. Zeba Huroosa Soogun (appointed on 19 December 2023 up to 15 November 2024)	4/6
Mr. Pramanund Newoor (appointed on 19 December 2023 up to 15 November 2024)	4/6
Mr Doonunjoy Dassaye (appointed on 07 May 2024 up to 23 June 2025)	8/8
Ms. Pratima Bungaroo (appointed on 05 July 2024)	8/8
Mrs. Hemadevi Boodadoo (appointed on 27 March 2025)	2/2
Mr. Trilok Dabeasing (appointed on 27 March 2025)	2/2

2.5. Other Directorship

During the year under review, Mr Doonunjoy Dassaye was also a director on the Board of the MPL's wholly owned subsidiary company, *Mauritius Post Foreign Exchange Co Ltd*.

2.6. Responsibilities of the Board

The Board responsibilities, among others, include:

- Providing strategic direction and leadership;
- Monitoring and evaluating the implementation of strategies, policies and implementation plans;
- Providing guidance and maintain effective control over the Company;
- Approving the budget of the Company;

**PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES
(CONTINUED)**

2.6 Responsibilities of the Board (Continued)

- Ensure that procedures and practices are in place to protect the Company's assets and reputation;
- Ensuring that strategies for identifying and managing risk are developed and implemented effectively; and
- Appointment of senior management and ensure that succession is professionally planned in good time.

2.7. Sub Committees of the Board

The Board of Directors has delegated some of its powers, namely the *Audit & Risk Committee (ARC)*, the *Governance Committee (GC)* and the *Finance Committee (FC)* to assist the Board in the effective performance of its duties. The Company Secretary is also the secretary of the sub-Committees. In establishing board sub-committees, the Board does not discharge itself from its own duties and responsibilities for the proper management of the Company. It has set up the mandate, terms of reference, role and functions of each sub-committee and adopted an Audit Charter for the Audit & Risk Committee. It has set up a reporting procedure whereby the sub-committees report on each of their meetings to the main Board to ensure transparency and full disclosure from the sub-committees to the Board.

The Board at its Meeting held on 24 September 2025 agreed that a new Committee namely Strategic / Innovation / Marketing Committee be set up on an adhoc basis for a period of 1 ½ to 2 months. The vision, mission and objectives of MPL and the strategic direction of MPL would be discussed at the Meeting.

The Committee comprised of the following Members: -

- Mr. Christopher Boyjoo
- Mrs. Phoolranee Rampadarath
- Mr. Yasdev Japsy – Member
- Ms. Jessilah Maurimoothoo Armoogum- Member

Following the resignation of Mrs. Phoolranee Rampadarath as Director on the Board of MPL on 17 October 2025, the Board at its Meeting held on 26 November 2025 has re-constituted the Committee with the following Members: -

- Mr. Christopher Boyjoo – Chairperson
- Mr. Ferhan Khan Juhoor - Member
- Mr. Yasdev Japsy – Member
- Ms. Jessilah Maurimoothoo Armoogum- Member
- Mr. Rajendra Jebodh- Member

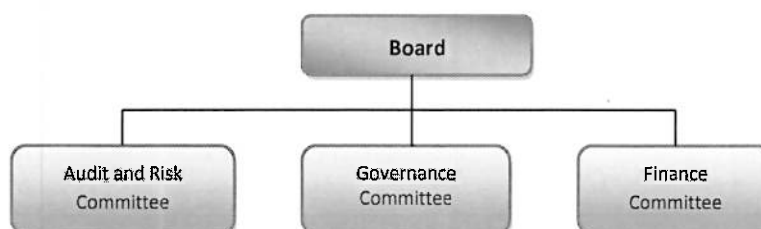
**PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES
(CONTINUED)**

2.8. Attendance at Sub Committees

Name of Directors	Audit & Risk Committee (2 Meetings)	Governance Committee (4 Meetings)	Finance Committee (2 Meetings)
Mr. Rishi Nand Jhuboo (Appointed on 08 October 2020 up to 15 November 2024)	1/1	4/4	N/A
Mr. Doonunjoy Dassaye (Re-appointed on 11 April 2025 up to 23 June 2025) (Appointed on 07 May 2024 up to 24 March 2025)	1/1	4/4	N/A
Mrs. Kalpana Devi Gunpath-Lutchmun (Appointed on 14 November 2023)	0/1	N/A	2/2
Ms. Pratima Bungaroo (Appointed on 05 July 2024)	N/A	N/A	2/2
Mrs. Boomeswary Moorooogen – Saminaden (Appointed on 19 December 2023 up to 15 November 2024)	0/1	4/4	N/A
Mrs. Zeba Huroosa Soogun (Appointed on 19 December 2023 up to 15 November 2024)	1/1	N/A	N/A
Mrs. Hemadevi Boodadoo (Appointed on 27 March 2025 up to 02 September 2025)	1/1	N/A	N/A
Mr. Trilok Dabeasing (Appointed on 27 March 2025 up to 02 September 2025)	1/1	N/A	N/A
Mrs. Marie Noelle Doris Sybille Lolochou (Appointed on 21 May 2015 up to 15 November 2024)	N/A	N/A	2/2
Mr. Pramanund Newoor (Appointed on 19 December 2023 up to 15 November 2024)	N/A	0/4	0/2

**PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES
(CONTINUED)**

2.8. Attendance at Sub Committees (Continued)



2.9. Audit and Risk Committee

In line with the Code of Corporate governance, an Audit and Risk Committee (ARC) was set up to assist the Board to ensure the implementation of an effective policy and plan for risk management that will enhance the organisation's ability to achieve its strategic objectives.

Composition of the Committee during the year under review:

NOTE 1: The Audit and Risk Committee was re-constituted at the Board Meeting of The Mauritius Post Ltd held on 21 April 2025 as follows: -

Mr. Trilok Dabeesing	- Chairperson
Mrs. Kalpana Devi Gunpath-Lutchumun	- Member
Mrs. Hemadevi Boodadoo	- Member

NOTE 2: The Audit and Risk Committee was re-constituted at the Board Meeting of The Mauritius Post Ltd held on 24 September 2025 as follows: -

Mr. Mr. Yasdev Japsy	- Chairperson
Mrs. Kalpana Devi Gunpath-Lutchumun	- Member
Mrs. Christopher Boyjoo	- Member
Mr. Devesh Chatoo	- Member

NOTE 3: The Audit and Risk Committee was re-constituted at the Board Meeting of The Mauritius Post Ltd held on 26 November 2025 as follows: -

Mr. Mr. Yasdev Japsy	- Chairperson
Mrs. Kalpana Devi Gunpath-Lutchumun	- Member
Mrs. Christopher Boyjoo	- Member
Mr. Devesh Chatoo	- Member
Mr. Rajendra Jebodh	- Member

PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES
(CONTINUED)

2.9 Audit and Risk Committee (Continued)

The Audit & Risk Committee collectively have the relevant expertise and are familiar with accounting and auditing. The Board of Directors is of the view that the members of the Audit and Risk Committee have sufficient financial management expertise and experience to discharge its responsibilities properly. The ARC gives the Board a means to monitor an effective internal control system. In addition, it reinforces both the internal control system and the internal audit function.

The ARC makes recommendations to the Board on any area within the ambit of its terms of reference where action and/or improvement is required. The ARC also aims to set up procedures for the mitigation of risks faced.

The ARC's main responsibilities include:

- Review of the Company's financial statements and other financial documents to be submitted for Board approval;
- Review of the financial reporting process with a view to ensuring compliance with accounting standards and relevant legislations;
- Review of the Company's internal audit function and its relationship with external auditor;
- Ensuring that internal control procedures are in place and assesses their adequacy;
- Ensuring that the Company complies with laws and regulations in force, conducts its affairs ethically and maintains effective control against employee conflict of interest and fraud;
- Reviews and approves risk policies;
- Establishing of the systematic and continuous identification, evaluation, measurement and mitigation of risks;
- Defining and approving risk management practices and prudential limits and its strategy covering management philosophy and responsibilities throughout the Company;
- Reducing and mitigating identified risks to an acceptable level or considering transfer of same; and
- Ensuring that adequate controls and measures are in place and their effectiveness to manage the most significant risk factors and to respond in a manner that is appropriate and proportional to the risks identified.

PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES
(CONTINUED)

2.10. Governance Committee

The Governance Committee reviews all aspects of the terms and conditions of service of managerial staff. It also ensures that the Company complies with the reporting requirements on Corporate Governance.

Composition of the Committee during the year under review:

Mr. Doonunjoy Dassaye	- Chairperson
Mr. Rishi Nand Jhuboo	- Member
Mrs. Boomeswary Moorooogen-Saminaden	- Member
Mr. Pramanund Newoor, MSK	- Member

NOTE 1: The Governance Committee was re-constituted at the Board Meeting of The Mauritius Post Ltd held on 21 April 2025 as follows: -

Mrs. Hemadevi Boodadoo	- Chairperson
Ms. Pratima Bungaroo	- Member
Mr. Trilok Dabeesing	- Member

NOTE 2: The Governance Committee was re-constituted at the Board Meeting of The Mauritius Post Ltd held on 24 September 2025 as follows: -

Mr. Devesh Chatoo	- Chairperson
Mr. Yasdev Japsy-	- Member
Mrs. Phoolranee Rampadarath	- Member
Mrs Jessilah Maurimoothoo Armoogum	- Member

NOTE 3: The Governance Committee was re-constituted at the Board Meeting of The Mauritius Post Ltd held on 26 November 2025 as follows: -

Mr. Devesh Chatoo	- Chairperson
Mr. Ferhan Khan Juhoor	- Member
Mr. Yasdev Japsy-	- Member
Mrs Jessilah Maurimoothoo Armoogum	- Member

The main responsibilities of the Governance Committee are:

- Determining, developing and agreeing the Company's general policy on executive and senior management remuneration;
- Dealing with the selection, appointment and appraisal of Senior Management including approval of service contracts and performance objectives; and
- Determining any criteria necessary to measure the performance of the executive director in discharging his functions and responsibilities.

PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES
(CONTINUED)

2.11. Finance Committee

The Finance Committee oversees the financial and procurement aspects of the Company.

Composition of the Committee during the year under review:

Ms. Pratima Bungaroo	- Chairperson
Mrs. Marie Noelle Doris Sybille Lolocho	- Member
Mrs. Kalpana Devi Gunpath-Lutchmun	- Member
Mr. Pramanund Newoor, MSK	- Member

NOTE 1: The Finance Committee was re-constituted at the Board Meeting of The Mauritius Post Ltd held on 21 April 2025 as follows: -

Ms. Pratima Bungaroo	- Chairperson
Mrs. Kalpana Devi Gunpath-Lutchmun	- Member
Mrs. Hemadevi Boodadoo	- Member

NOTE 2: The Finance Committee was re-constituted at the Board Meeting of The Mauritius Post Ltd held on 24 Wednesday 2025 as follows: -

Mr. Mr. Yasdev Japsy	- Chairperson
Mrs. Pratima Bungaroo	- Member
Mrs. Christopher Boyjoo	- Member
Mr. Devesh Chatoo	- Member

NOTE 3: The Finance Committee was re-constituted at the Board Meeting of The Mauritius Post Ltd held on 26 November 2025 as follows: -

Mr. Yasdev Japsy	- Chairperson
Mrs. Pratima Bungaroo	- Member
Mrs. Christopher Boyjoo	- Member
Mr. Devesh Chatoo	- Member
Mr. Rajendra Jebodh	- Member

NOTE 4: The Finance Committee was re-constituted at the Board Meeting of The Mauritius Post Ltd held on 19 February 2026 as follows: -

Mr. Yasdev Japsy	- Chairperson
Mr. Satiarajsir Mohajur	- Member
Mrs. Christopher Boyjoo	- Member
Mr. Devesh Chatoo	- Member
Mr. Rajendra Jebodh	- Member

PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.11. Finance Committee (Continued)

The main responsibility of the Finance Committee is to advise Board on financial decisions which are in the best interest of the Company. It ensures that the procurement process covers the best practice in purchasing arrangements and that suppliers are treated fairly and equitably.

2.12. Profile of Directors

Existing Directors

- (i) **Me. Lovena Malina Sowkhee**, Chairperson of The Mauritius Post Ltd is a Barrister in Law having more than 15 years experience at the bar as well as more than 10 years as in-house counsel. She has been involved in structuring international transactions and worked in a Commodity Exchange. She is a holder of a Bachelor in Law (LLB) from the University of Buckingham UK, Masters in International Financial Law (LLM) at King's College UK. She is also a British Chevening Scholar.
- (ii) **Mr. Ferhan Khan Juhoor**, Director of The Mauritius Post Ltd is currently the Permanent Secretary at the Ministry of Information Technology Communication and Innovation (MITCI). He holds a Msc in Project Management, MSc in Total Quality Management & Performance Excellence, Master of Laws in International Business Law and a BA (H) in Economics. He has vast experience in the Public Sector.
- (iii) **Mrs. Kalpana Devi Gunpath-Lutchmun**, Director of The Mauritius Post Ltd is currently the Deputy Permanent Secretary at the Prime Minister's Office. She holds a bachelor's degree in Public Administration and Management, from the University of Technology, Mauritius and a post-graduate Diploma in Quality Management from the University of Mauritius.
- (iv) **Mr. Yasdev Japsy**, Director of The Mauritius Post Ltd, is an experienced management professional with over 17 years in Management and Senior Management, Financial work, risk management, human resources, and financial advisory. He is currently serving as a Senior Unit Manager, with a strong focus on ethical leadership and good governance. He holds a BCom in Marketing Management, an MBA, and a Master's in Financial Advisory, and is in his final year of Doctorate in Business Administration. He is actively involved in governance initiatives, mentoring young professionals, and supporting community development. His work reflects a commitment to integrity, accountability, and inclusive leadership.

PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.12 Profile of Directors (Continued)

- (v) **Mr . Satiarajsir Mohajur**, Director of The Mauritius Post Ltd. He holds Fellow of the Association of Chartered Certified Accountants (FCCA), Master of Business Administration, Member of Mauritius Institute of Professional Accountants (MIPA). He is currently serving as Lead Analyst in the Ministry of Finance and in charge of the Public Debt Management Unit since 2009. He is responsible mainly formulation of debt management strategies/policies and following up on implementation thereof, domestic market development for Government securities, liability management operations and financing of Government borrowing requirements.

- (vi) **Mrs. Jessilah Maurimoothoo Armoogum**, Director of The Mauritius Post Ltd, is a dedicated educator and researcher with over eight years of experience in the field of education and social sciences. She brings strong expertise in curriculum development, student mentorship, and applied sociology, with a growing focus on digital transformation and marketing communication.

She has contributed to gender and community development projects in Mauritius and has been actively involved in initiatives promoting inclusive education. Currently pursuing a Master's in Digital Marketing at the University of Mauritius, she combines her background in sociology with modern digital strategies to enhance communication, learning, and customer engagement. Her professional approach is defined by innovation, collaboration, and a commitment to continuous improvement values that align closely with the mission of Mauritius Post to connect people and communities through trusted and forward-looking services.

- (vii) **Mr. Christopher Andrews Boyjoo**, Director of The Mauritius Post Ltd, currently works for a globally recognized company with a presence in multiple countries. He has over 18 years of professional experience, including 10 years in operations management. He has expertise in different field such as risk management, telecom fraud prevention, debt collection, and customer service. He has successfully led large teams of 80 to 100 employees and focus on improving operational efficiency and customer satisfaction.

PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES
(CONTINUED)

2.12. Profile of Directors (Continued)

- (viii) **Mr. Devesh Chatoo**, Director of The Mauritius Post Ltd, is a holder of BSc Hons in Human Resource Management with an accomplished HR professional with over 14 years of experience in hotel industry having built up expertise in designing and implementing impactful strategies to enhance organizational performance and employee engagement in hotel industry. He is currently serving as Managing Director, specializing in defining and executing company vision, setting strategic goals and steering operational decisions. Furthermore, He is proficient in ensuring compliance with regulatory frameworks while leveraging innovative foresight and legal diligence to deliver remarkable business outcomes.
- (ix) **Mr. Rajendra Jebodh**, Director of The Mauritius Post Ltd, has 45 years of experience in the Postal Sector in the fields of Operations, Finance, Administration, Banking, International Business and Industrial relations. He was also the former Country Project Manager for the Operational Readiness of E-Commerce in Africa. He has attended followership courses in postal reform and postal matters such as EMS, GMS, CDS, IT Operations and quality services in South Africa, Tanzania, Singapore, Pakistan and Egypt. He participated in Audit Missions on Quality Management Certification in Africa. He has also been the former President of the Post Office Administrative Staff Association and Executive Member of the Post and Logistics Committee – UNI Africa.

Former CHAIRPERSON and Directors

- (i) **Mr. Ranna Swamber (CHAIRPERSON)**, is currently an Educator and Head of Physics Department at St. Andrews School. He holds a degree in physics from University of Poona (India), a Post Graduate Certificate in Education (PGCE) and a Master Degree in Business Administration (MBA) with specialisation in Human Resource Management from University of Mauritius. He has a vast experience in the Education Sector.
- (ii) **Mrs Phoolranee Rampadarath**, Director of The Mauritius Post Ltd, is the Permanent Secretary of the Ministry of Information Technology, Communication and Innovation (MITCI). She holds an LLM in Corporate Law, a Masters in Business Administration and a Bsc (Hons) in Economics. She has more than twenty years of experience in public administration at senior management level and has served various Ministries, namely, the Prime Minister's Office, the Ministry of Finance, Economic Planning and Development, Ministry of Energy and Public Utilities,

PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES
(CONTINUED)

2.12. Profile of Directors (Continued)

Ministry of Gender Equality, Family Welfare and Child Development Unit, Ministry of Industry, Commerce and Consumer Protection, the Ministry of Housing and Land Use Planning and the Ministry of Social Integration, Social Security and National Solidarity.

She has also served as Chairperson of the Child Services Coordinating Panel as well as Board Director of the National Housing Development Company Ltd, the New Social Living Development Ltd, Financial Services Commission and ICTA.

- (iii) **Ms. Pratima Bungaroo**, Director of The Mauritius Post Ltd is currently the Deputy Permanent Secretary at the Minister of Finance. She holds a degree in BA (H) Economics, from the Delhi University. She has 25 years of experience in the Government service and has served in various Ministries including Social Security, Finance, Health, Energy, Employment, Agro Industry, and Gender Equality.

- (iv) **Mr Doonunjoy Dassaye** graduated with a Bachelor of Technology in Civil Engineering from the Indian Institute of Technology, Kanpur, India in 1996 and also holds a postgraduate degree in Master in Business Administration with specialization in Marketing from the University of Mauritius, Reduit in 2002. He possesses a strong foundation in both technical and strategic disciplines, essential for navigating government administration.

Doonunjoy Dassaye's journey in the public service began in January 1998 with his appointment as Education Officer at the Ministry of Education, Tertiary Education, Science and Technology. In December 2001, he was appointed as Assistant Secretary at the Ministry of Energy and Public Utilities. In 2011, he was posted at the Ministry of Health and Quality of Life and worked his way up to Deputy Permanent Secretary in August 2015 and then progressed to Permanent Secretary in July 2022 at the same

Ministry. This tenure honed his skills in policy development within the public utilities sector and healthcare sector. Transitioning to the Ministry of Labour, Human Resource Development, and Training as Permanent Secretary further deepened his understanding of labour laws and stakeholder engagement.

He served as Permanent Secretary in the Ministry of Information Technology, Communication, and Innovation, bringing a depth of experience and a dedication to driving innovation. His diverse background underscores the importance of technology in improving service delivery and citizen engagement.

PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES
(CONTINUED)

2.12. Profile of Directors (Continued)

Mr Doonunjoy Dassaye has been a member on Boards of various organizations such as the Wastewater Management Authority, the State Trading Corporation, the National Women's Council, the National Children's Council, the Radiation Protection Authority, Dental Council, Trust Fund for Specialised Medical Care amongst others.

- (v) **Mrs. Shakuntala Devi Gujadhur-Nowbuth** is currently the Permanent Secretary at the Ministry of Local Government. She holds a MSc in Human Resource Studies from University of Mauritius. She previously served at the Ministry of Labour, Industrial Relations, and Employment.
- (vi) **Mrs. Hemadevi Boodadoo** is currently an Assistant Permanent Secretary at the Ministry of Information Technology, Communication, and Innovation. She holds a BSc (Hons) Social Studies from the University of Mauritius and a Post Graduate Diploma in Educational Management from MANCOSA, South Africa. She also holds an MBA in HR with knowledge Management from the University of Technology, Mauritius. She has 18 years experience as Educator (Secondary) in Sociology.
- (vii) **Mr. Trilok Dabeesing** is an Information Technology professional with over 20 years of working experience in the field of ICT regulation. He currently works in the capacity of Director of IT at the ICT Authority. As such, he has acquired extensive hands-on experience in the conception, elaboration and successful deployment of various ICT projects ranging from technical implementation to the elaboration of ICT related regulations and policies. He holds a masters in computer science, a Masters in Microelectronics Engineering and Diplôme d'Etudes Approfondies (DEA) in Microelectronics.
- (viii) **Mr. Rishi Nand Jhuboo**, worked as Adviser on Project Implementation and ICT Promotion at Ministry of Information Technology, Communication and Innovation. He was Ex-Executive Member & Assistant Treasurer at Mauritius Federation of UNESCO Club and has worked as Public Relations Officer at Ministry of Public Infrastructure, Land Transport & Shipping. He also possesses vast experience in the Education Sector.
- (ix) **Mrs. Marie Noelle Doris Sybille Lolochou**, has been the Vice President of Health Committee at the Municipality of Curepipe. She has also been the Mayor of Curepipe and has worked as Senior Marketing Executives / Assistant Manager at Phoenix Insurance Co. Ltd. She is involved in many social works in Curepipe.

PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES
(CONTINUED)

2.12. Profile of Directors (Continued)

- (x) **Mrs. Boomeswary Moorooogen-Saminaden** is currently an Educator at SSS Beau-Bassin and a part-time lecturer at the Open University of Mauritius. She holds a Bachelor of Arts degree in the English language, a Postgraduate Diploma in Educational Leadership, and a Master's degree in Mass Communication. She is a member of the English-Speaking Union and a Duke of Edinburgh's Award leader.
- (xi) **Mrs. Zeba Huroosa Soogun** is currently holding the post of Finance Manager at Freshline Marketing Ltd. She was also the Relationship Manager at MauBank Ltd (from March 2013 to December 2022). She has over 10 years of experience in the Banking sector.
- (xii) **Mr. Pramanund Neewoor, MSK**, was the Advisor to the Ministry of Blue Economy, Marine Resources, Fisheries and Shipping. Previously he was the CHAIRPERSON of the District Council of Moka/Flacq (from 1992 to 1993). He was also the Advisor to the Ministry of Environment, Solid Waste Management and Climate Change (from 2015 to 2017). He has participated in International Conferences of Environment, Local Authorities, Religious and Cultural matters. Mr Newoor has also received recognition for services rendered to the Community.

PRINCIPLE THREE: DIRECTORS APPOINTMENT PROCEDURES

There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence and with due regard for the benefits of diversity on the Board, including gender). The Board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders.

3.1 Appointment

The procedures for the appointment, re-appointment and removal of directors are outlined in the Constitution of the Company. Directors are normally appointed or re-appointed by the shareholders at the Annual Meeting or by the Board of Directors when filling any casual vacancy.

**PRINCIPLE THREE: DIRECTORS APPOINTMENT PROCEDURES
(CONTINUED)**

3.1 Appointment (Continued)

The following factors are considered for director's selection, training and development. The Board assumes its responsibility for succession planning.

- (i) Directors are selected/appointed by the shareholders through their own process. The Board assumes the responsibilities for the induction of new directors to the Board which is normally carried through the Company Secretary.
- (ii) The following criteria are taken into account to fill vacancies that arises in the organisation of a new director onto the Board:
 - Competence
 - Character
 - Diligence
 - Honesty
 - Integrity
 - Judgment
 - Independence
 - Previous experience
 - Conflict of interest
 - Benefits of diversity, including gender
- (iii) All directors of The Mauritius Post Ltd have access at all times to the advice and services of the Company Secretary who is responsible for providing such guidance as to their duties, responsibilities and powers.

3.2 Professional Development

The Board has reviewed the professional development and on-going education of directors. During the Board evaluation exercise, the Board Members will be invited to indicate the training and development programme they require.

3.3 Induction of Directors

On appointment to the Board, all directors receive a formal induction program designed to provide them with sufficient knowledge and understanding of the nature of business, opportunity and challenge, to enable them to effectively contribute to strategic discussions and oversight of the Company.

PRINCIPLE FOUR: DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE

Directors should be aware of their legal duties. Directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Conflicts of interest should be disclosed and managed. The Board is responsible for the governance of the organisation's information, information technology and information security. The Board, committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality in order to perform to required standards. The Board, committees and individual directors should have their performance evaluated and be held accountable to appropriate stakeholders. The Board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives.

4.1. Legal Duties

All Directors are fully aware of their fiduciary duties and responsibilities as outlined in the Mauritius Companies Act 2001 and other relevant legislation. They perform their duties with the required care, skill, and diligence. The key responsibilities of the Directors include:

- **Acting in Good Faith:** Directors must always act in good faith, prioritizing the overall interests of the company.
- **Exercising Reasonable Care and Skill:** Directors are required to apply a reasonable level of care and diligence, akin to that of a prudent person under similar circumstances and based on the information available to them. The expected level of knowledge, expertise, and skill may differ among directors, such as between executive and non-executive directors. Directors may also rely on the expertise of others when making collective Board decisions.

4.1. Legal Duties (Continued)

- **Using Powers for Proper Purpose:** Directors must exercise their powers appropriately and not misuse their authority to secure personal advantages. They should consistently act in the best interests of the company.
- **Managing Conflicts of Interest:** Directors are obligated to disclose any potential conflicts of interest. They must seek approval from company officers before assuming any new position that could jeopardize their current responsibilities.

4.2. Code of Ethics

The Board is committed to ensuring that effective policies, procedures, and controls are in place to promote ethical, fair, and honest business practices. This commitment extends to the practical application of the company's core values, emphasizing integrity and transparency in all business dealings.

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

4.3 Information, IT and Information Security Governance

The Board of Directors recognizes the critical role of technology in today's business environment. The Board ensures that appropriate resources are allocated for the implementation of an information and IT Security framework. The Board oversees the governance of information and IT systems, ensuring that these resources are managed to support the company's strategic goals effectively.

The following aspects of IT Security are taken care of:

- (i) Physical and environmental security;
- (ii) Access control and access management;
- (iii) IT security practices; and
- (iv) Incident management.

The Board holds ultimate responsibility for overseeing the governance and management of information within the company, including information technology and information security policies. It ensures that adequate resources are allocated for the effective implementation of the company's information and IT security plan. Risks are identified, and the necessary resources are deployed to establish appropriate policies that mitigate these risks, minimizing their impact on information assets.

The company is committed to continuously investing in IT infrastructure to ensure that digital information is securely stored and protected across multiple locations, supporting business continuity. Additionally, the company strictly manages access rights, granting them only to authorized personnel, enforces regular password changes, and ensures that digital information is routinely backed up.

4.4 Identification of Any Restrictions Placed Over the Right of Access to Information

To prevent employees from revealing sensitive information that could jeopardize the business of the Company, any employee is required to sign an employee confidentiality agreement at the start of service which remains valid for a period of time after the employment ends.

Access to information on IT System is defined by Managers of concerned departments and implemented by IT unit. Managers decide which officer has access to what information. Additionally, password is used to restrict access to information on IT system. Management decides on the type of information that is posted on the Company's website.

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

4.5 Board Information

The CHAIRPERSON is responsible for ensuring that the directors receive accurate, timely and clear information. The Company's Secretray's responsibilities include ensuring good information flows within the Board and its Committees and between senior management and non-executive directors. Management has an obligation to provide accurate, timely and clear information. Directors seek clarification or amplification where necessary.

The Board ensures that directors have access to independent professional advice at the Company's expense in cases where directors judge it necessary for discharging their responsibilities as directors.

All directors keep information relating to the Company, gathered in their capacity as Directors, strictly confidential and private and do not divulge them to anyone without the authority of the Board.

4.6 Board Evaluation

The Mauritius Post Ltd is in the process of establishing a system of Board appraisal to assess the effectiveness and performance of the Board and sub-committees.

As of 30 June 2025, the Board and Board Committees have not carried out a formal documented evaluation. However, the respective Chairpersons undertake continual appraisal discussions on a regular basis with the members of the Board and Board Committees with a view to improving the overall effectiveness in decision making and governance.

4.7 Directors' Remuneration

The directors are paid a fixed monthly fee. Fees paid to directors during the year ended 30 June 2025 were **Rs1,679,270** (2024: Rs2,123,352).

Details of remuneration paid to Chairperson and Directors for the financial year ended 30 June 2025 (12 months) are as follows:

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

4.7 Directors' Remuneration (Continued)

NAME OF DIRECTORS	Total Directors' Fees (Rs)
Ms. Ranna Swamber	297,000
Ms. Marie Noelle Doris Sybille Lolocho	79,680
Mr Doonunjoy Dassaye	319,325
Mrs. Zeba Huroosa Soogun	78,180
Mr Rishi Nand Jhuboo	97,180
Mrs. Boomeswary Moorooogen	94,680
Mrs. Kalpana Devi Gunpath-Lutchmun	242,400
Mr. Pramanund Newoor	78,180
Ms. Pratima Bungaroo	242,464
Mr. Trilok Dabeasing	70,187
Mrs.Shakuntala Devi Gujadhur-Nowbuth	10,807

4.8. Directors' Interests in Shares

No director holds any shares in the Company whether directly or indirectly. Moreover, MPL does not have any share option plan for its directors and employees.

4.9. Statement of Remuneration Philosophy

The Company's philosophy on directors' remuneration is that the overall remuneration package should be sufficiently competitive to attract, retain and motivate high quality individuals capable of achieving the objectives of the Company and creating shareholder value. The directors are remunerated for their knowledge, experience and insight.

The remuneration of the directors, including non-executive directors is determined by the shareholders at the Annual Meeting of the Company. The director fees are a monthly fixed fee while the director fees for sub-committees of the Board are paid on a per sitting basis.

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

4.10 Directors' Service Contracts

No director has a service contract agreement with the Company.

Mr Vijaye Anand Ramchurn was appointed on 16 January 2023 as Chief Executive Officer and had a service contract as from 16 January 2023 for a period of two years.

The Board at its Meeting held on 10 October 2024 noted that in a letter dated 06 October 2024, Mr. Ramchurn has resigned as the Chief Executive Officer of Mauritius Post Ltd with immediate effect. The Board accepted the said resignation with immediate effect.

In light of the urgency to maintain the operational stability and leadership continuity, the Board agreed that Mr. Jayraj Ittoo holding the post of Head of Business Development & Projects at Mauritius Post Ltd be appointed as the Officer-in-Charge with effect from 06 October 2024.

The Board at its Meeting held on 14 August 2025, approved the appointment of Mr. Premchand Seeruttun, GOSK as the Chief Executive Officer of The Mauritius Post Ltd.

4.11 Significant Contracts

No contracts of significance or loans existed during the year under review between the Company and its directors.

'The Board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The Board should ensure the maintenance of a sound internal control system.'

The Board of the Company assumes its responsibilities in maintaining an effective system for risk governance and ensures that the Company develops and executes a comprehensive and robust system of risk management.

The Board is also committed to a strong risk management culture.

PRINCIPLE FIVE: RISKS GOVERNANCE AND INTERNAL CONTROL

5.1. INTERNAL CONTROLS

The Board is responsible for ensuring the existence of effective internal and accounting controls, as well as for closely monitoring and reviewing the various accounting policies and procedures as needed.

Additionally, the Board holds ultimate responsibility for maintaining a robust system of controls, both financial and non-financial, to ensure the Company operates in an orderly and efficient manner. This includes ensuring adherence to management policies, safeguarding assets, and maintaining the completeness and accuracy of records.

The management team is tasked with implementing internal control and risk management systems, under the oversight of the Board, to ensure their effectiveness. These systems are designed to maintain accurate accounting records and to ensure that the strategies and policies set by the Board are properly executed.

5.2. Internal Audit

Internal Audit provides the Audit and Risk Committee and Management with independent assurance on controls, risk management and governance so as to ensure that the Company's operations are of highest standards. The Internal Audit Department is headed by an Internal Auditor whose duties include testing the design and implementation of the internal control procedures of the major activities of the MPL.

The Internal Audit Department has the responsibility to carry out audit to cover the whole areas within the organization such as operations, finance, marketing, human resources and infrastructure department. The core business being the operations unit, the Internal Audit Department conducts regular unannounced visits of post offices around the island.

The following are the major areas where the internal audit lays focus:

- Cash and stock holdings of MPL branches and the good running of other departments;
- Security risk assessment;
- Compliance with standing procedures;
- Optimal use of MPL resources;
- Cost efficiency; and
- Effectiveness of risk management control and governance processes.

Based on the Internal Audit Report, no major risk or deficiency has been found in the Company's system of internal controls.

PRINCIPLE FIVE: RISKS GOVERNANCE AND INTERNAL CONTROL
(CONTINUED)

5.3. Anti-Fraud and Corruption Prevention Policy

The Company has an Anti-Fraud and Corruption Prevention Policy, which includes a policy on whistleblowing. The whistleblowing policy is designed to enable employees of the Company to raise concerns internally and at a high level, and also disclose any information which the employee believes shows irregularities.

The Internal Auditor communicates regularly to the Audit and Risk Committee on issues arising and its implementation status for any further discussion, if necessary, with the relevant department. The quarterly audit plans, identified issues, recommendations, progress regarding implementation thereof are major items on the agenda.

The Board at its Meeting held on 15 March 2024 awarded the contract for “the Audit Services on Risk Assessment and Internal Control of the Company” to Grant Thornton (Advisory Services) Ltd, to assist MPL to conduct a *Financial Risk Assessment* and to develop a comprehensive risk register documenting all the key financial risks identified and the corresponding mitigating measures.

The Audit and Risk Committee is held on a quarterly basis to monitor the progress of the recommendations proposed by the Consultant in the Risk Assessment Report.

5.4. Risk Management

The Board of the Company assumes its responsibilities in maintaining an effective system for risk governance and ensures that the Company develops and executes a comprehensive and robust system of risk management.

The Board is also committed to a strong risk management culture. The key risks identified are highlighted below.

(i) Operational Risk

The Company is exposed to various risks associated with its business functions. These include the fall in demand due to electronic substitutions and competition in courier business. To mitigate the negative impact, the Company has continued to diversify with the introduction of new products and services as well as agency services.

(ii) Business Continuity Risk

A range of events can disrupt the business and bring it to a standstill. The Company has considered all foreseeable eventualities and has identified the action it needs to take to respond to a crisis into a formalized Business Continuity Plan.

**PRINCIPLE FIVE: RISKS GOVERNANCE AND INTERNAL CONTROL
(CONTINUED)**

5.4. Risk Management (Continued)

(iii) *Reputation Risk*

The Company recognizes reputation as an ongoing risk that can adversely impact the organisation's reputation and that the very survival of its business depends on continued credibility and trust. It believes that its reputation and brand is of significant commercial value and has in place a formal strategy to manage brand and reputation risk. It is constantly working to improve its image with all stakeholders, maintaining their trust and confidence.

(iv) *Technology Risk*

The modern working environment relies heavily on technology. The impact of unavailability and breakdown of IT Services hosting critical business may be potentially harmful to the business. Latest version of servers with higher performance is purchased to host critical systems. Moreover, computer security standards, including ongoing back-up structures have been developed. Systems are also protected against threats of hackers and viruses.

(v) *Human Resource Risk*

The Company is labour intensive, and loss of key personnel and regular labour turnover may negatively impact on its business. In order, to maintain its labour force, the Company ensures that its employees are adequately remunerated. Regular workload assessments are carried out for a fair distribution of tasks and adequate training are provided to them.

(vi) *Financial Risk*

The Company performs a SWOT analysis to assess its business activities and to take appropriate actions thereon whereby a Restructuring Plan has been prepared and is being implemented.

(vii) *Liquidity Risk*

The Company manages its liquidity risk by maintaining sufficient cash reserve by daily monitoring of cash at post offices and taking advantage of the banking facilities. The Company is not insolvent.

(viii) *Credit Risk*

The Company has adopted a policy of dealing only with creditworthy counterparties. Moreover, debtors are closely monitored to ensure timely settlement of debts.

**PRINCIPLE FIVE: RISKS GOVERNANCE AND INTERNAL CONTROL
(CONTINUED)**

5.4. Risk Management (Continued)

(ix) *Foreign Exchange Risk*

To avoid any loss arising from foreign exchange exposure, all foreign currencies are transferred to Mauritian Rupees ("Rs") account on the day of receipt, if no immediate payment is to be made.

(x) *Physical Risk*

In order to ensure that the Company is sufficiently protected from physical risk, security has been upgraded at post offices with the installation of wire mesh metal doors, and iron bars on windows. Moreover, CCTV camera surveillance and alarm system with 24-hour monitoring have been installed at selected post offices.

(xi) *Strategic Risk*

The Company prepared a ten-year strategic plan duly approved by the Board. The Strategic Plan is updated as and when needed.

(xii) *Compliance Risk*

The postal activities of the Company are governed by legislations. The Company ensures that it is compliant with these regulations and legislations. The Mauritius Post Ltd is regulated by Postal Authority, the Regulator. As such all policies & decisions including Tariff Review must be approved by the Authority before implementation.

5.5. Internal Control

The Board is responsible for maintaining a sound system of risk management and internal control and for regularly reviewing its effectiveness. It has delegated authority to the Audit and Risk Committee to assist in fulfilling its responsibilities in relation to internal control. The Board is also responsible for the governance of risks, and it is responsible for determining the nature and extent of the principal risks.

A single overall control framework is in place for the Company and is designed to manage rather than eliminate risk of failure to achieve business objectives.

The system of risk management and internal control over the Company activities is an integral part of the control framework. Regular reviews are performed by management to identify the significant risk and the key control designed to address them. These controls are documented, responsibility is assigned, and they are monitored for design and operating effectiveness. Controls found not to be effective are remediated.

**PRINCIPLE FIVE: RISKS GOVERNANCE AND INTERNAL CONTROL
(CONTINUED)**

5.5. Internal Control (Continued)

Management has in place a risk matrix that identifies the major risks facing the Company, measures to mitigate the risks and its evolution over a one-year period. Audit and Risk Committee assess the effectiveness of the risk matrix every year and ensure that measures are in place to contain major risks. MPL integrate effective governance structures and processes with appropriate risk management and internal control at every level and across all operations.

The Board confirms that there is an on-going process for identifying, evaluating and managing the significant roles to the achievement of the Company's objectives.

The Board should present a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook in its annual report and on its website.

PRINCIPLE SIX: REPORTING WITH INTEGRITY

6.1. Accounting Records

The Board is responsible for the preparation of accounts that fairly present the state of affairs of the company based on IFRS Accounting Standards.

The Board of the Company acknowledges its responsibility for preparing the Company's financial statements based on IFRS Accounting Standards.

The Board believes that these statements, in their entirety, are fair, balanced, and understandable, providing the necessary information for the sole shareholder and other key stakeholders to evaluate the Company's position, performance, and future outlook.

The Directors are also responsible for maintaining adequate accounting records that accurately reflect the Company's transactions and financial position at any given time. They are tasked with safeguarding the Company's assets and preventing and detecting fraud, as confirmed in the Statement of Directors' Responsibilities.

The Company is committed to operating within a sustainable economy, making decisions that align long-term profitability with ethical practices, social responsibility, and environmental protection.

PRINCIPLE SIX: REPORTING WITH INTEGRITY (CONTINUED)

6.2. Corporate Social Responsibility

MPL undertakes its operations taking into consideration both the welfare of its employees and that of the community, thus helping to contribute to the social and economic upliftment of the country and its various communities.

6.3. Conduct of Business

The following pillars guide MPL in its conduct of business:

(i) Ethics

MPL has a Code of Ethics in place and undertakes to:

- conduct business in a socially responsible manner by providing quality goods and services, in compliance with ethical standards and all applicable laws, rules and regulations;
- combat any abusive practice and any form of corruption;
- abide by the rules of professional ethics and good governance, contributing to the sustainable development of society;
- exercise sound and fair corporate practices to earn the trust of stakeholders such as customers, shareholders, employees, business partners, and society; and
- act as a responsible corporate citizen.

(ii) Employees

The MPL undertakes to:

- promote gender equality and be an equal opportunity employer;
- respect diversity and individual human rights;
- provide a healthy and safe working environment and promote well-being in the workplace;
- give its employees a fair treatment and combat all forms of discrimination in terms of recruitment, pay and professional development;
- respect fundamental human rights as well as workers' rights;
- develop the full potential of its employees;
- respect and value each of its employees;

PRINCIPLE SIX: REPORTING WITH INTEGRITY (CONTINUED)

6.3. Conduct of Business (Continued)

(ii) Employees (Continued)

- fairly compensate its employees for their contributions and provide meaningful performance feedback to them;
- offer its employees professional development and training opportunities;
- encourage accountability and employee involvement in issues affecting the workplace to help improve safety and work conditions, as well as efficiency in its business;
- promote the careers of its employees and further enhance their skills and development;
- bring to its employees' attention the importance of a living healthy lifestyle (nutrition and sports etc); and
- promote cohesion within the Company by creating and maintaining social dialogue.

(iii) Community

MPL plays a responsible role in society by supporting and promoting social cohesion. It undertakes to:

- carry out corporate activities that take into account the cultures and practices of the community;
- proactively engage in activities that contribute to society as a good corporate citizen;
- fully consider social, cultural, environmental, governmental and economic factors when evaluating project development opportunities;
- interact with local residents, government, non-governmental organizations and other interested groups to facilitate long-term and beneficial resource development;
- give priority to building partnerships in entrepreneurial endeavors that contribute to enhancing local capacity;
- provide financial support to organizations through its sponsorships and donations;
- respect the interests of all members of the communities in which it conducts business and encourage open and constructive dialogue and interaction with them;
- to listen carefully, be responsive and provide information that is accurate, appropriate and timely; and
- contribute for the promotion of sports activities.

PRINCIPLE SIX: REPORTING WITH INTEGRITY (CONTINUED)

6.3. Conduct of Business (Continued)

(iv) Environment, Health and Safety

The Company takes into account the best practices in line with the Company's corporate values and long-term objectives as far as Social, Environmental and Health and Safety practices are concerned and aims to comply with existing legislative and regulatory framework.

The Company strives to maintain a safe working environment that is free from hazards and risk of injury to all employees. The Company complies with the Occupational Safety and Health Act 2005 and other legislations. It has a H&S Officer in place.

The Company undertakes to continue to:

- promote green post, sustainable development, protection and preservation of environment including reduction in fuel emission, achieve energy efficiency, use of recycled materials, planting of trees and maintenance of National Heritage;
- proactively engage in environmental efforts and work to protect and enhance the natural environment;
- provide valuable products and services to society, endeavouring to increase the satisfaction and trust of its customers;
- contribute to the healthy development of society;
- through its comprehensive environmental management programs, it is committed to ensuring that environmental effects are being adequately addressed; controls are in place to ensure compliance with corporate environmental policies and obligations; environmental management activities are supported by adequate resources and financial provisions, and that plans are in place to ensure that the environment is protected for future generations and that the sustainability of nearby communities is safeguarded;
- perform every job in a safe and healthy manner. The MPL expects all employees to work in accordance with Company safety and occupational health management policies for the benefit of each one of their colleagues, families, communities and business; and
- provide the equipment, training and resources necessary to enable employees to work safely. The goal is to have every employee go home in good health and uninjured, after every shift, each and every day.

PRINCIPLE SIX: REPORTING WITH INTEGRITY (CONTINUED)

6.3. Conduct of Business (Continued)

(v) Carbon Reduction Commitment (CRC)

MPL has focus on streamlining its delivery routes to minimize environmental impact and fleet of vehicles are renewed on a regular basis.

Drivers are trained in respect of Eco Driving.

PRINCIPLE SEVEN: AUDIT

Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation's internal and external auditors.

7.1. Directors' Responsibilities

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, the requirements of the Mauritius Companies Act 2001 and Financial Reporting Act 2004 and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

7.2. Internal Audit

The Company has its own permanent Internal Audit Department reporting to the Audit and Risk Committee. The Internal Audit Team comprises of one fully qualified accountant and four employees who work under the direct supervision of the former.

The Internal Audit function is considered vital to the Company and plays an independent assurance and monitoring role, providing independent opinion on the effectiveness or otherwise of the system of Internal Control. The Board, through the Internal Audit, which assists both management and the Board by monitoring, examining, evaluating, reporting on, and recommending improvement to the adequacy and effectiveness of the Company risk management processes, derives assurance that the risk management process is in place and effective. Regular reports from the Internal Audit Division are sent to the Audit and Risk Committee and to the Board.

PRINCIPLE SEVEN: AUDIT (CONTINUED)

7.2. Internal Audit (Continued)

Internal Audit provides the Audit and Risk Committee and the Board with independent assurance on controls, risk management and governance so as to ensure that the Company's operations are of highest standards. The Internal Audit Department is headed by an Internal

Auditor whose duties include testing the design and implementation of the internal control procedures of the major activities of the MPL.

The Internal Audit has the responsibility to carry out audit in order to cover the whole areas within the organization such as operations, finance, marketing, human resources and infrastructure department. The core business being the operations unit, the internal audit department conducts regular unannounced visits of post offices around the island. For administrative purposes, the Internal Auditor reports to the CEO.

The Internal Auditor reports directly to the Audit Committee, has unrestricted access to review all activities and transactions undertaken within the Company and to appraise the report thereon. There was no restriction placed over the right of access by Internal Audit to the records, management or employees of the organisation.

7.3. Internal Audit

Structure of the Internal Audit



PRINCIPLE SEVEN: AUDIT (CONTINUED)

7.4. Profile of key members of Internal Audit

7.4.1. *Internal Auditor (Mrs Varsha Seewoogobin)*

Qualifications: FCCA, MBA (University of South Wales), BSc (Hons) Accounting and Finance.

Experience: 23 years in Finance, Accounting and Auditing (18 years of managerial experience including 13 years in Auditing)

7.5. External Audit

Auditor's remuneration was as follows:

	The Group		The Company	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Audit fees (inclusive of VAT)	1,298,750	1,181,988	948,750	862,500
Others	75,000	190,200	-	-
	1,373,750	1,372,188	948,750	862,500

7.6. Information on Non-Audit Service

MOORE (Mauritius) LLP has not provided any non-audit services to the Company during the year ended 30 June 2025.

7.7. *Meeting with Audit & Risk Committee*

The external auditor usually meets the Members of the Audit Committee once in a year without the presence of Management. During the meeting, the financial statements of The Mauritius Post Ltd and its subsidiary and the accounting principles adopted are discussed.

7.8. *Evaluation of the External Auditor*

The Audit Committee evaluates the external auditor in fulfilling their duty annually, to make an informed recommendation to the Board for the reappointment of the auditor. The evaluation encompasses an assessment of the qualifications and performance of the auditor; the quality and frankness of the auditor's communications with the Audit Committee and the Group; and the auditor's independence, objectivity and professionalism.

PRINCIPLE EIGHT: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

‘The Board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The Board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose.’

8.1 Communication with stakeholders

The Board highly values transparency and effective disclosure, ensuring that stakeholders are well-informed about matters impacting the Company. It strives to keep stakeholders regularly updated through announcements, disclosures in the annual report, and communications during the annual shareholders' meeting.

The Company's Annual General Meeting offers shareholders the opportunity to engage with the Board and discuss matters related to the Company and its performance.

The majority shareholder of the MPL is the Government of Mauritius holding 99.99998% and is represented by the Ministry of Technology, Communication and Innovation as shareholding ministry. MPL maintains regular meetings with the representatives of Ministry of Technology, Communication and Innovation to discuss the Company's operations and performance. The Company also issues Newsletter annually to inform all its employees/staff on its activities. Regular meetings are held with the trade unions of the Company to discuss matters/issues affecting the operations of the Company.

The Board is responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The Board respects the interests of its shareholders and other key stakeholders within the context of its fundamental purpose.

The Company holds an Annual Meeting of Shareholders, and all the shareholders are required to express their vote on matters including the approval of accounts, appointment/re-appointment of directors, determination of their fees and appointment/re-appointment of external auditors.

The Annual Report of the Company is published in full on its website.

**PRINCIPLE EIGHT: RELATIONS WITH SHAREHOLDERS AND OTHER KEY
STAKEHOLDERS (CONTINUED)**

8.2. Related Party Transactions

8.2.1. Government

The Company offers agency services against payment of a service fee to Government entities namely:

- (i) Payment of old-aged pension for the Ministry of Social Security;
- (ii) Collection of motor vehicles license fees and parking fine for the National Land Transport Authority;
- (iii) Collection of utility bills of Central Electricity Board and Central Water Authority and Mauritius Telecom; and
- (iv) Banking transactions, namely deposits, withdrawals and cheque encashments on behalf of MauBank Ltd. The Company has been authorised to operate as an agent for MauBank Ltd by the Bank of Mauritius. However, it is not required to comply to requirements of the Bank of Mauritius applicable to banks.

The Company also provides services to other entities controlled directly or indirectly by Government namely rental space to SICOM for sale of Post Assurance and hosting of ATMs on its premises for State Bank (Mauritius) Ltd and MauBank Ltd.

The Company receives funding from the Government for the operation and management of the Digital Service Centre.

**THE MAURITIUS POST LTD
CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

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STATEMENT OF COMPLIANCE

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

We, the directors of The Mauritius Post Ltd, the "Company" confirm to the best of our knowledge that the Company has complied with all of its obligations and requirements under the Code of Corporate Governance, except for the following section:

Reasons for non-compliance with the section of the Code:

Principle Three: Directors Appointment Procedures

- The website does not provide the Constitution of The Mauritius Post Ltd as it is considered as sensitive and confidential information.

Principle Four: Directors Duties, Remuneration and Performance

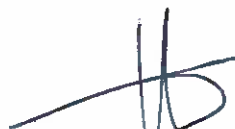
- Evaluation of Board and assessment of Directors would be carried out.

Signed on behalf of the Board of Directors:



Chairperson

Me. Lovena Malina Sowkhee



Director

Mr. Yasdev Japsy

125 JUN 2026

Date:

**THE MAURITIUS POST LTD
STATEMENT OF COMPLIANCE
FOR THE YEAR ENDED 30 JUNE 2025**

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Secretary's Certificate as per Section 166(d) of the Companies Act 2001

We confirm that, based on the records and information made available to us by Directors and Shareholders of the company, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Companies Act 2001, save and except the Annual Report and the Audited Financial Statements for the financial year ended 30 June 2025.



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**PRIME PARTNERS LTD
CORPORATE SECRETARY**

25 JUN 2026

PART B

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
The Mauritius Post Ltd****1****Report on the Audit of the Consolidated and Separate Financial Statements****Opinion**

We have audited the consolidated and separate financial statements of **The Mauritius Post Ltd (the "Company") and its subsidiary** (together referred to as the "Group") set out on pages 5 to 60, which comprise the consolidated and separate statements of financial position as at 30 June 2025 and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements (the "financial statements") give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 30 June 2025 and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards ("IFRSs") and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

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 Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 31 in the financial statements, which indicates the Group's total liabilities exceeded its total assets by **Rs 1,615,501,688** (2024 Restated: Rs 1,497,005,834) as at 30 June 2025, and at the same date the Company's total liabilities exceeded its total assets by **Rs 1,649,223,157** (2024 Restated: Rs 1,152,431,370). The Group further incurred a net loss of **Rs 206,081,496** during the year ended (2024 Restated: Rs 114,557,452) and the Company incurred a net loss of **Rs 212,496,430** during the year ended (2024 Restated: Rs 125,500,614). The Group and the Company have sufficient liquidity to continue business for the foreseeable future and the deficit is mainly attributable to employee benefit liability of **Rs 2,601,935,975** (2023: Rs 2,561,502,704) arising on defined benefit pension plans, mainly in respect of past government employees for the Company. These events or conditions as set forth in note 31, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Annual Report, Corporate Governance Report, Statement of Compliance and Secretary's Certificate but does not include the financial statements and our auditor's report thereon.

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
The Mauritius Post Ltd**

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

Other Information (Continued)

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information 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, 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.

Directors' Responsibilities 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 requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004, and they are also responsible 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 the Company's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the Company's internal control.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
The Mauritius Post Ltd**

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

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

- 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 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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Use of our report

This report is made solely to the Company's members as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members as a body, those matters that we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Group and the Company other than in our capacity as auditors, tax advisors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
The Mauritius Post Ltd**

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

Financial Reporting Act 2004

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("the Code") as 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 Public Interest Entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code and satisfactory explanation disclosed on the principles of the Code which have not been complied with.

MOORE (Mauritius) LLP
Chartered Accountants

Arvin ROGBEER, FCA, FCCA
Licensed by FRC

Moka, Republic of Mauritius

Date: 25 June 2026

THE MAURITIUS POST LTD AND ITS SUBSIDIARY

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

5 (a)

		THE GROUP		THE COMPANY	
	Notes	2025	2024	2025	2024
			Restated		Restated
		Rs.	Rs.	Rs.	Rs.
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	634,695,312	641,753,570	632,710,542	640,738,333
Intangible assets	6	15,252,809	11,231,802	9,142,536	5,333,405
Deferred tax asset	7	495,938,269	435,594,228	495,938,269	435,594,228
Investment in subsidiary	8	-	-	40,000,000	40,000,000
Right-of-use assets	9	37,417,635	36,380,442	31,651,713	36,380,442
Investment at fair value through OCI	10	967,922	967,922	967,922	967,922
TOTAL NON-CURRENT ASSETS		1,184,271,947	1,125,927,964	1,210,410,982	1,159,014,330
CURRENT ASSETS					
Inventories	11	14,631,405	15,801,112	14,631,405	15,801,112
Trade and other receivables	12	255,751,424	447,996,602	246,949,640	428,278,131
Investment in debt instrument	13	15,375,746	15,319,529	-	-
Current tax assets	24	120,962	148,475	120,962	148,475
Deposits	14 (i)	22,145,704	122,209,337	-	100,000,000
Cash and cash equivalents	14 (ii)	727,783,338	403,395,516	705,319,781	410,144,004
TOTAL CURRENT ASSETS		1,035,808,579	1,004,870,571	967,021,788	954,371,722
TOTAL ASSETS		2,220,080,526	2,130,798,535	2,177,432,770	2,113,386,052
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Share capital	15	626,111,300	626,111,300	626,111,300	626,111,300
Accumulated losses		(1,113,331,340)	(907,249,844)	(1,147,052,810)	(934,556,380)
Other reserves		(1,658,945,149)	(1,696,530,792)	(1,658,945,149)	(1,696,530,792)
Capital contribution	30	100,000,000	50,000,000	100,000,000	50,000,000
Revaluation reserve		430,663,502	430,663,502	430,663,502	430,663,502
SHAREHOLDERS' DEFICIT		(1,615,501,687)	(1,497,005,834)	(1,649,223,157)	(1,524,312,370)
NON-CURRENT LIABILITIES					
Employee benefit liabilities and other benefits	16	2,698,747,007	2,688,077,690	2,698,747,007	2,688,077,690
Lease liabilities	9	35,459,606	34,966,392	30,930,663	34,966,392
Deferred tax liability	7	1,011,199	-	-	-
TOTAL NON-CURRENT LIABILITIES		2,735,217,812	2,723,044,082	2,729,677,670	2,723,044,082
CURRENT LIABILITIES					
Trade and other payables	17	1,090,448,825	897,591,094	1,090,149,862	908,521,104
Tax liabilities	24	1,748,341	1,035,957	-	-
Lease liabilities	9	8,167,235	6,133,236	6,828,395	6,133,236
TOTAL CURRENT LIABILITIES		1,100,364,401	904,760,287	1,096,978,257	914,654,340
TOTAL LIABILITIES		3,835,582,213	3,627,804,369	3,826,655,927	3,637,698,422
TOTAL EQUITY AND LIABILITIES		2,220,080,526	2,130,798,535	2,177,432,770	2,113,386,052

125 JUN 2026

Approved by the Board of Directors and authorised for issue on

.....) **Me. Lovena Malina Sowkhee**
) **CHAIRPERSON**
) **Mr Yasdev Japsy**
) **DIRECTOR**

The notes on pages 9 to 60 form an integral part of these consolidated and separate financial statements.
 Independent auditor's report is on pages 1 to 4.

**THE MAURITIUS POST LTD AND ITS SUBSIDIARY
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025**

5 (b)

	Notes	The Group		The Company	
		2025	2024	2025	2024
		Rs.	Restated Rs.	Rs.	Restated Rs.
REVENUE	18	668,599,531	698,468,527	656,538,656	694,695,714
OPERATING EXPENSES	19	(1,019,701,959)	(903,900,074)	(992,517,905)	(892,047,024)
OTHER OPERATING GAINS	20	3,839,377	27,189,493	3,839,377	8,826,804
INVESTMENT INCOME	21	11,373,746	17,242,685	9,775,434	15,967,152
OTHER INCOME	22	66,926,136	43,599,817	44,000,000	43,178,683
FINANCE COSTS	23	(3,519,214)	(7,257,879)	(3,292,419)	(7,257,879)
LOSS BEFORE TAXATION		(272,482,383)	(124,657,431)	(281,656,857)	(136,636,550)
TAXATION	24	66,400,887	10,099,979	69,160,427	11,135,936
LOSS FOR THE YEAR		(206,081,496)	(114,557,452)	(212,496,430)	(125,500,614)
OTHER COMPREHENSIVE INCOME					
<i>Items that will not be reclassified to profit or loss</i>					
Revaluation of land and buildings	5	-	67,793,000	-	67,793,000
Tax effect on remeasurement on defined benefit plans	7 (b)	(8,816,386)	71,797,776	(8,816,386)	71,797,776
Re-measurement losses on defined benefit plans	16 (a)	46,402,029	(422,339,857)	46,402,029	(422,339,857)
Other comprehensive income/(loss) for the year		37,585,643	(282,749,081)	37,585,643	(282,749,081)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(168,495,853)	(397,306,533)	(174,910,787)	(408,249,695)

The notes on pages 9 to 60 form an integral part of these consolidated and separate financial statements.
Independent auditor's report is on pages 1 to 4.

THE MAURITIUS POST LTD AND ITS SUBSIDIARY
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

6

THE GROUP	Share capital	Capital Contribution	Accumulated losses	Other reserves *	Revaluation reserve **	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At 01 July 2023	626,111,300	-	(792,692,392)	(1,345,988,711)	362,870,502	(1,149,699,301)
Loss for the year	-	-	(84,557,452)	-	-	(84,557,452)
Revaluation gain on land and buildings during the year	-	-	-	-	67,793,000	67,793,000
Other comprehensive loss for the year	-	-	-	(350,542,081)	-	(350,542,081)
Total comprehensive loss for the year	-	-	(84,557,452)	(350,542,081)	67,793,000	(347,306,533)
At 30 June 2024	626,111,300	-	(857,249,844)	(1,696,530,792)	430,663,502	(1,497,005,834)
At 01 July 2024 (as previously reported)	626,111,300	-	(857,249,844)	(1,696,530,792)	430,663,502	(1,497,005,834)
Effect of correction of prior period error (note 28)	-	50,000,000	(50,000,000)	-	-	-
At 01 July 2024 (as restated)	626,111,300	50,000,000	(907,249,844)	(1,696,530,792)	430,663,502	(1,497,005,834)
Capital contribution (note 30)	-	50,000,000	-	-	-	50,000,000
Loss for the year	-	-	(209,081,496)	-	-	(209,081,496)
Other comprehensive loss for the year	-	-	-	37,585,643	-	37,585,643
Total comprehensive loss for the year	-	-	(209,081,496)	37,585,643	-	(168,495,853)
At 30 June 2025	626,111,300	100,000,000	(1,113,331,340)	(1,558,945,149)	430,663,502	(1,615,501,687)

* Other reserves relates to actuarial gains and losses arising on defined benefit pension plans which are recognised in other comprehensive income.

** The revaluation reserves arises on the revaluation of property.

The notes on pages 9 to 60 form an integral part of these consolidated and separate financial statements.
Independent auditor's report is on pages 1 to 4

THE MAURITIUS POST LTD AND ITS SUBSIDIARY
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

7

THE COMPANY	Share capital	Capital Contribution	Accumulated losses	Other reserves *	Revaluation reserve **	Shareholders' deficit
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At 1 July 2023	626,111,300	-	(809,055,766)	(1,345,988,711)	362,870,502	(1,166,062,675)
Loss for the year	-	-	(75,500,614)	-	-	(75,500,614)
Revaluation gain on land and buildings during the year	-	-	-	-	67,793,000	67,793,000
Other comprehensive loss for the year	-	-	-	(350,542,081)	-	(350,542,081)
Total comprehensive loss for the year	-	-	(75,500,614)	(350,542,081)	67,793,000	(358,249,695)
At 30 June 2024	626,111,300	-	(884,556,380)	(1,696,530,792)	430,663,502	(1,524,312,370)
At 01 July 2024 (as previously reported)	626,111,300	-	(884,556,380)	(1,696,530,792)	430,663,502	(1,524,312,370)
Effect of correction of prior period error (note 28)	-	50,000,000	(50,000,000)	-	-	-
At 01 July 2024 (as restated)	626,111,300	50,000,000	(934,556,380)	(1,696,530,792)	430,663,502	(1,524,312,370)
Capital contribution (note 30)	-	50,000,000	-	-	-	50,000,000
Loss for the year	-	-	(212,496,430)	-	-	(212,496,430)
Other comprehensive loss for the year	-	-	-	37,585,643	-	37,585,643
Total comprehensive loss for the year	-	-	(212,496,430)	37,585,643	-	(174,910,787)
At 30 June 2025	626,111,300	100,000,000	(1,147,052,810)	(1,658,945,149)	430,663,502	(1,649,223,157)

* Other reserves relate to actuarial gains and losses arising on defined benefit pension plans which are recognised in other comprehensive income.

** The revaluation reserves arises on the revaluation of property.

The notes on pages 9 to 60 form an integral part of these consolidated and separate financial statements.
Independent auditor's report is on pages 1 to 4.

THE MAURITIUS POST LTD AND ITS SUBSIDIARY
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

8

Notes	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Restated Rs.	Rs.	Restated Rs.
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation	(272,482,383)	(124,657,431)	(281,656,857)	(136,636,550)
<i>Adjustments for:</i>				
Loss on disposal	19 44,711	8,208	44,711	8,208
Retirement benefit obligations	86,835,299	67,575,590	86,835,299	67,575,590
Depreciation of property, plant and equipment	5 13,841,765	8,334,604	13,309,706	7,976,842
Amortisation of intangible assets	6 3,077,840	2,646,219	1,842,439	1,595,491
Amortisation of rights-of use assets	9 7,095,227	6,772,081	6,208,162	6,772,081
WIP Intangible	1,244,379	-	1,244,379	-
Interest income	21 (12,663,714)	(17,595,617)	(9,775,434)	(15,967,152)
Interest expense	23 3,519,214	7,257,879	3,292,419	7,257,879
Dividend income	(40,510)	(20,005)	(40,510)	(20,005)
Net foreign exchange differences	(3,052,524)	(7,661,119)	(2,250,521)	(8,713,665)
Provision for sick leave and passage benefits	(23,195,315)	15,652,789	(23,195,315)	15,652,789
Expected credit loss on trade receivables	4,390,904	(3,864,658)	4,390,904	(3,864,658)
Operating loss before working capital changes	(191,385,107)	(45,551,460)	(199,750,618)	(58,363,150)
Changes in inventories	1,169,707	(1,407,367)	1,169,707	(1,407,367)
Changes in trade and other receivables	189,213,360	(257,246,611)	177,494,611	(240,322,451)
Changes in trade and other payables	186,289,094	28,952,641	175,060,121	41,213,469
Cash generated from/(used in) operations	185,287,054	(275,252,797)	153,973,821	(258,879,499)
Tax paid	24 (1,154,919)	(1,332,545)	(118,962)	(148,475)
Tax refund	24 146,475	118,347	146,475	118,347
Interest paid	(3,519,214)	(7,257,879)	(3,292,419)	(7,257,879)
Net cash generated from/(used in) operating activities	180,759,396	(283,724,874)	150,708,915	(266,167,506)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	5 (8,105,604)	(30,242,118)	(6,603,956)	(30,098,524)
Addition to intangible assets	6 (7,123,847)	(749,061)	(5,676,570)	(375,311)
Proceeds from disposal of property, plant and equipment	57,951	22,310	57,951	22,310
Acquisition of treasury bills	13 (15,070,650)	(15,443,580)	-	-
Investment in deposits	14 (i) (22,000,000)	(108,000,000)	-	(100,000,000)
Proceeds from fixed deposits	14 (i) 122,000,000	208,000,000	100,000,000	200,000,000
Acquisition of investment	10 -	(125,076)	-	(125,076)
Proceeds from redemption of treasury bills	13 14,996,250	15,500,000	-	-
Dividend received	40,510	20,005	40,510	20,005
Interest received	12,745,529	17,596,512	9,775,434	15,967,152
Net cash from investing activities	97,540,139	86,578,992	97,593,369	85,410,556
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital contribution received	30 50,000,000	50,000,000	50,000,000	50,000,000
Payment of principal portion of lease liabilities	9 (7,194,064)	(3,788,562)	(6,408,859)	(3,788,562)
Net cash from financing activities	42,805,936	46,211,438	43,591,141	46,211,438
Net increase/(decrease) in cash and cash equivalents	321,105,471	(150,934,444)	291,893,425	(134,545,512)
CASH AND CASH EQUIVALENTS AT 01 JULY	403,395,516	549,057,082	410,144,004	539,416,638
Net foreign exchange difference	3,282,351	5,272,878	3,282,352	5,272,878
CASH AND CASH EQUIVALENTS AT 30 JUNE	14 (ii) 727,783,338	403,395,516	705,319,781	410,144,004

The notes on pages 9 to 61 form an integral part of these consolidated and separate financial statements.
Independent auditor's report is on pages 1 to 4.

1. GENERAL INFORMATION

The Mauritius Post Ltd (the “Company” or “MPL”) is a private company limited by shares and incorporated in Mauritius. Its registered office is situated at 1 Sir William Newton Street, Port Louis. The main shareholder of The Mauritius Post Ltd is the Government of Mauritius holding 99.99998% of the stated capital.

The principal activity of The Mauritius Post Ltd is to provide nationwide and international distribution service, principally of mails and parcels. Through its network of post office branches, the Company also provides access to the following main range of non-postal services:

- payment of monthly pensions;
- payment of utilities bills; and
- payment of motor vehicles road tax.

The Company’s subsidiary Mauritius Post Foreign Exchange and Co Ltd is the holder of a foreign exchange dealer certificate.

The consolidated and separate financial statements of The Mauritius Post Ltd and its subsidiary (collectively, the “Group”) for the year ended 30 June 2025 were authorised for issue by the Board of Directors on the date as stated in the consolidated and separate statements of financial position on page 4.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRSs”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations issued by the International Accounting Standards Board (“IASB”) and its related bodies and in compliance with the requirements of the Mauritius Companies Act 2001 and the Mauritius Financial Reporting Act 2004.

The financial statements include the consolidated financial statements of the parent company and its subsidiary (‘the Group’) and the separate financial statements of the parent (‘the Company’). The financial statements of the Group and the Company are presented in Mauritian Rupees (“Rs”) and all the values are rounded to the nearest rupee, except when otherwise indicated.

Where necessary, comparative figures have been amended to confirm with change in presentation in the current year. The financial statements are prepared under the historical cost convention except that:

- (i) Land and buildings are carried at their revalued amount
- (ii) Investment at fair value through other comprehensive income are stated at their fair value
- (iii) Relevant financial assets and financial liabilities are carried at amortised cost

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

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 judgment in the process of applying the Group and Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are described in Note 4.

APPLICATION OF NEW AND REVISED STANDARDS

Standards and interpretations effective and adopted in the current year but with no material effect on the financial statements

The accounting policies adopted are consistent with those of the previous year except for the following new and amended IFRS and IFRIC interpretations adopted in the current financial year.

	Effective Date: Years being on or after
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	01 January 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	01 January 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	01 January 2024

The above amendments did not have any impact on the financial position or performance of the Group.

Standards and interpretations issued but not yet effective

The Group and the Company have chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's and the Company's accounting periods beginning on or after 1 July 2025 or later periods:

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

APPLICATION OF NEW AND REVISED STANDARDS (CONTINUED)

Standards and interpretations issued but not yet effective (continued)

<u>New or revised standards</u>	Effective Date: Years being on or after
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries with-out Public Accountability: Disclosures	1 January 2027
<u>Amendments</u>	
Lack of exchangeability – Amendments to IAS 21 (This amendment did not have an impact on the financial position or performance of the Company.)	01 January 2025
Amendments IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments	01 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11 The pronouncement comprises the following amendments: • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a ‘de facto agent’ • IAS 7: Cost method	01 January 2026
Amendments IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity	01 January 2026
Amendments to IFRS 19 - Catch up amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027
Disclosures about Uncertainties in the Financial Statements – Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	01 January 2027
Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency	01 January 2027
Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associates or joint venture	Deferred until IASB finalises its research project on the equity method
IFRS Practice Statement 1 Management Commentary	23 June 2025

The above standards and amendments are not expected to have a significant impact on the financial statements in the period of initial application.

No early adoption is intended by the Board of directors.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 INVESTMENT IN SUBSIDIARY

Separate financial statements of the investor

Mauritius Post Foreign Exchange Co Ltd ("MPFE") is a 100% owned subsidiary of MPL. The subsidiary is the holder of a foreign exchange dealer certificate. In the separate financial statements, investment in subsidiary is accounted at cost less impairment.

Consolidated financial statements

The consolidated and separate financial statements comprise the financial statements of the Company and its subsidiary as at 30 June each year.

Subsidiaries are all entities (including structured entities) over which the Group has control. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- i. Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- ii. Exposure, or rights, to variable returns from its involvement with the investee; and
- iii. The ability to use its power over the investee to affect its returns.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary. Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. The NCI represented by the 0.00002% stake held by the State Investment Corporation has been deemed immaterial and has not been recognised in these financial statements.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation. The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. All inter-company transactions, balances, and unrealised gains on transactions between the Group and Companies are eliminated in full on consolidation. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 INVESTMENT IN SUBSIDIARY (CONTINUED)

Business Combination

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date. On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's. In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss. Goodwill is not amortised but is tested on an annual basis for impairment.

If goodwill is assessed to be impaired, that impairment is not subsequently reversed. Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 PROPERTY, PLANT AND EQUIPMENT

Land and buildings held for use in service, or for administrative purposes are stated in the consolidated and separate statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each financial period. The Group's and the Company's policy for carrying out a revaluation exercise is every two years.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Plant and equipment in the course of supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, any borrowing costs capitalised in accordance with the Group's and the Company's accounting policy. Such assets are classified to the appropriate categories of plant and equipment when completed and ready for intended use.

Depreciation of these assets commences when the assets are ready for their intended use. Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated to write off the cost of property, plant and equipment on a straight-line basis over the expected useful lives of such assets. Plant and equipment additions during the year bear a due proportion of the annual depreciation charge. The annual depreciation rates used are as follows:

Buildings	2%
Plant and machinery	20%
Motor vehicles	20%
Office equipment	20% - 25 %
Furniture and fittings	15%
Electronic equipment	25%

Land and asset in progress are not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 INTANGIBLE ASSETS

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is tested annually for impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal. As of year-end, the company had no goodwill.

Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight-line method over their estimated useful lives.

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the Group and Company and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software is amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation year and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation year or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income as the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit and loss when the asset is derecognised.

2.5 LEASES

The Group and the Company assesses whether a contract is, or contains a lease, at the inception of the contract. 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.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgements and sources of estimation uncertainty section of these accounting policies.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 LEASES (CONTINUED)

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note 19) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However, as an exception to the preceding paragraph, the company has elected not to separate the non-lease components for leases of land and buildings. Details of leasing arrangements where the Group and the Company is a lessee are presented in note 9 Leases (Group and Company as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the Group and the Company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Group and the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 19).

The lease liability is presented as a separate line item on the Statement of Financial Position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 23). The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 LEASES (CONTINUED)

Lease liability (Continued)

- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; and
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right of use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- 1 the initial amount of the corresponding lease liability;
- 2 any lease payments made at or before the commencement date;
- 3 any initial direct costs incurred;
- 4 any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- 5 less any lease incentives received.

When the Group and the Company incurs an obligation for the costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying assets to the condition required by the terms and conditions of the lease, a provision is recognised in the Statement of Financial Position. The company did not make any such provisions for the year under review.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

As an exception, when the underlying assets are land and buildings, the company adopts the revaluation model consistent with the accounting policy for land and buildings which are owned by the Group and the Company. The accounting policy for the revaluation model is explained in the property, plant and equipment accounting policy.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 LEASES (CONTINUED)

Right of use assets (continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

2.6 FINANCIAL INSTRUMENTS

The Group and the Company classify its financial assets into difference categories, depending on the purpose for which the asset was acquired.

Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Business model assessment

The Group and the Company make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's and the Company's management;

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 FINANCIAL INSTRUMENTS (CONTINUED)

Business model assessment (continued)

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's and the Company's continuing recognition of the assets.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are SPPI, the Group and the Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Group and the Company consider: contingent events that would change the amount or timing of cash flows:

- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's and the Company's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets at amortised costs

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets at amortised costs (continued)

- 1 it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2 its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group and the Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents comprise cash at bank and in hand, demand deposits net of bank overdrafts. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Financial assets at FVOCI

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Subsequent measurement and gains and losses

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

The Group and the Company classify their financial liabilities at amortised costs. These include trade and other payables and bank overdraft. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 FINANCIAL INSTRUMENTS (CONTINUED)

Derecognition

The Group and the Company derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or they transfer the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfer nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group and the Company enter into transactions whereby they transfer assets recognised in their consolidated and separate statements of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group and the Company derecognise a financial liability when its contractual obligations are discharged or cancelled or expire. The Group and the Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Impairment of financial assets

The Group and the Company recognise loss allowances for ECLs on the following categories of financial assets:

- financial assets measured at amortised cost
- investments measured at FVOCI.

The Group and the Company measure loss allowances at an amount equal to lifetime ECLs, except for the following which are measured at 12-month ECLs:

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

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

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

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 FINANCIAL INSTRUMENTS (CONTINUED)

Impairment of financial assets (continued)

The Group and the Company consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company is exposed to credit risk.

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and the Company expect to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group and the Company on terms that the Group and the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance of ECL in the statement of financial position

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

Write off

The gross carrying amount of a financial asset is written off when the Group and the Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated and separate statements of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and they intend either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group and the Company have access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group and the Company measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group and the Company use valuation techniques that maximise the use of relevant observable input and minimise the use of unobservable input. The chosen valuation technique incorporates all of the factors that market participant would take into account in pricing a transaction.

The Group and the Company recognise transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred. The fair value of the financial instruments that are not traded in active markets is determined by using valuation techniques. The Group and the Company have used their judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the reporting date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.7 INVENTORIES

Inventories of stamps and Digital Signature Certificate tokens are valued at the lower of cost and net realisable value. Cost is determined on the weighted average price basis and comprises all costs of purchase and other costs incurred in bringing such stocks to their present condition. Net realisable value is an estimate of the selling price in the ordinary course of business less selling expenses.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 REVENUE RECOGNITION

The Group derives revenue from the following:

(i) The Parent – Mauritius Post Ltd

(a) Revenue from postal services and other income

The parent derive revenue from postal services and by acting as an agent for some local companies. Revenue is measured at the fair value of the consideration received or receivable. Postal services and other related services are recognized upon performance of services. Revenue is measured based on the consideration to which an entity expects to be entitled in a contract with a customer. Revenue is recognized when or as an entity satisfies a performance obligation by transferring control of a promised service or asset to a customer. Control is either transferred over time or at a point in time.

(b) Interest and dividend income

Interest income is not under IFRS 15 and is accounted separately. It is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount.

Dividend income from investment is recognised when the shareholder's right to receive payment has been established.

(ii) The Subsidiary – Mauritius Post Foreign Exchange and Co Ltd

(a) Commission

The subsidiary's revenue streams represent commission receivable from money transfer services and exchange gain from money changing services provided by the Subsidiary. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with its counterparty and excludes amounts collected on behalf of third parties. The Subsidiary recognises revenue when it transfers control of a service to a customer.

(b) Other income

Other income represents gain on exchange on money transfer activity, interest income and other income in the form of refunds.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount.

2.9 FINANCE COSTS

Finance cost consists of interest paid on bank overdraft. Finance expense is recognised using the effective interest method. Lease liabilities are discounted using the interest rate implicit in the lease or if the rate cannot be readily determined, the Group's and the Company's incremental borrowing rate is used.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 EXPENSES RECOGNITION

All expenses are recognised in profit or loss on an accrual basis as they are incurred.

2.11 FOREIGN CURRENCIES

Items included in the consolidated and separate financial statements are measured using Mauritian Rupees ("Rs"), the currency of the primary economic environment in which the Company and the subsidiary operate. The consolidated and separate financial statements are presented in Mauritian Rupees, which is the Company's and the subsidiary's functional and presentation currency.

Transactions in foreign currencies are converted at the exchange rate at the date of the transactions. Monetary assets and liabilities in foreign currencies are translated to Mauritian Rupees at the rates of exchange ruling at the end of the reporting period or at the amounts actually settled. Exchange differences arising on translation of assets and liabilities are dealt with in the consolidated and separate statements of profit or loss.

2.12 EMPLOYEE BENEFIT LIABILITIES

(i) Defined benefit pension plan

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested. To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in profit or loss over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income. Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the company is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement. The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs and reduces by the fair value of plan assets. Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(i) Defined contribution pension plan (continued)

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

The Group and the 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. Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

(ii) Gratuity on retirement

For employees who are not covered or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Workers' Rights Act 2019 is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognise termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.13 CURRENT AND DEFERRED TAX

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year.

Taxable profit differs from profit as reported in the consolidated and separate statements of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated and separate financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted under the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 CURRENT AND DEFERRED TAX (CONTINUED)

Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on the investments in subsidiaries and associates, and interest in joint ventures, except where the Group and the Company are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax charged or credited to the statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- for receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of accounts receivables or payables in the consolidated and separate statements of financial position.

Corporate Social Responsibility

The Corporate Social Responsibility ('CSR') was legislated by Government in July 2009. In terms of the legislation, the Group and the Company are required to allocate 2% of its chargeable income of the preceding financial year. 75% of the CSR contribution is remitted to the Mauritius Revenue Authority and same can be reduced to 50% if prior written approval of the National CSR Foundation is obtained.

2.14 PROVISIONS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. 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 assessment 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 in the statement of comprehensive income.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in the consolidated and separate statements of profit or loss. Impairment losses recognised in prior periods are assessed at each balance sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.16 SHARE CAPITAL

Ordinary shares are classified as equity.

2.17 CAPITAL CONTRIBUTION

Capital contributions received from the shareholder are recognised directly in equity and presented as a separate component in the statement of financial position under "Capital Contribution". A capital contribution arises where the shareholder transfers resources to the Group — whether in cash, in kind, or by way of settlement of liabilities on the Group's behalf — without any obligation on the part of the Group to repay such amounts or deliver consideration in return. Cash contributions are measured at the amount received. Non-cash contributions are measured at the fair value of the asset transferred or liability extinguished at the date of transfer. Capital contributions are not recognised in profit or loss and do not form part of the Group's revenue or income. Cash contributions received from the shareholder are classified as financing activities in the statement of cash flows.

3 FINANCIAL RISK MANAGEMENT

In its ordinary operations, the Group and the Company are exposed to various risks such as capital risk, foreign currency risk, compliance risk, interest rate risk, credit risk and liquidity risk. The Group and the Company have devised on a central basis a set of specific policies for managing these exposures.

3.1 Financial risk factors

The Group and the Company's activities expose it to a variety of financial risks, including:

- Market risk (including cash flow interest risk and fair value interest risk);
- Currency risk;
- Credit risk; and
- Liquidity risk

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

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

Categories of financial instruments

<u>June 30, 2025</u>	The Group		The Company	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
At amortised cost				
Trade receivables	94,988,182	-	95,195,559	-
Investment in debt instrument	15,375,746	-	-	-
Cash and cash equivalents	727,783,338	-	705,319,781	-
Deposits	22,145,704	-	-	-
Other receivables (excluding prepayments & Deposit on Rent)	159,130,262	-	148,678,549	-
Lease liabilities	-	43,626,841	-	37,759,058
Trade and other payables	-	1,090,448,826	-	1,090,149,862
	<u>1,019,423,232</u>	<u>1,134,075,667</u>	<u>949,193,889</u>	<u>1,127,908,920</u>
At fair value through other comprehensive income				
Investment at fair value through OCI	967,922	-	967,922	-
	<u>967,922</u>	<u>-</u>	<u>967,922</u>	<u>-</u>
Total	<u>1,020,391,154</u>	<u>1,134,075,667</u>	<u>950,161,811</u>	<u>1,127,908,920</u>

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

Categories of financial instruments (continued)

<u>June 30, 2024</u>	<u>The Group</u>		<u>The Company</u>	
	<u>Financial assets</u>	<u>Financial liabilities</u>	<u>Financial assets</u>	<u>Financial liabilities</u>
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
At amortised cost				
Trade receivables (excluding deposit on rent)	165,158,106	-	150,149,095	-
Investment in debt instrument	15,319,529	-	-	-
Cash and cash equivalents	403,395,516	-	410,144,004	-
Deposits	122,209,337	-	100,000,000	-
Other receivables (excluding prepayments)	279,895,751	-	274,612,310	-
Lease liabilities	-	41,099,628	-	41,099,628
Trade and other payables	-	897,591,095	-	908,521,104
	<u>985,978,239</u>	<u>938,690,723</u>	<u>934,905,409</u>	<u>949,620,732</u>
At fair value through other comprehensive income				
Investment at fair value through OCI	967,922	-	967,922	-
	<u>967,922</u>	<u>-</u>	<u>967,922</u>	<u>-</u>
Total	<u>986,946,161</u>	<u>938,690,723</u>	<u>935,873,331</u>	<u>949,620,732</u>

Financial instruments not measured at fair value

Financial instruments not measured at fair value includes financial assets at amortised cost, receivables from related parties, other receivables and cash and cash equivalents, other payables, cumulative redeemable preference shares, non-convertible debentures and borrowings. Due to their short-term nature, their carrying values approximate their fair values.

<u>June 30, 2025</u>	<u>The Group</u>		<u>The Company</u>	
	<u>Financial assets</u>	<u>Financial liabilities</u>	<u>Financial assets</u>	<u>Financial liabilities</u>
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
At amortised cost				
Trade receivables (excluding deposit on rent)	94,988,182	-	95,195,559	-
Investment in debt instrument	15,375,746	-	-	-
Cash and cash equivalents	727,783,338	-	705,319,781	-
Deposits	22,145,704	-	-	-
Other receivables (excluding prepayments)	159,130,262	-	148,678,549	-
Lease liabilities	-	43,626,841	-	37,759,058
Trade and other payables	-	1,090,448,826	-	1,090,149,862
Total	<u>1,019,423,232</u>	<u>1,134,075,667</u>	<u>949,193,889</u>	<u>1,127,908,920</u>

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

Financial instruments not measured at fair value (Continued)

<u>June 30, 2024</u>	<u>The Group</u>		<u>The Company</u>	
	<u>Financial assets</u>	<u>Financial liabilities</u>	<u>Financial Assets</u>	<u>Financial liabilities</u>
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
At amortised cost				
Trade receivables (excluding deposit on rent)	165,158,106	-	150,149,095	-
Investment in debt instrument	15,319,529	-	-	-
Cash and cash equivalents	403,395,516	-	410,144,004	-
Deposits	122,209,337	-	100,000,000	-
Other receivables (excluding prepayments)	279,895,751	-	274,612,310	-
Lease liabilities	-	41,099,628	-	41,099,628
Trade and other payables	-	897,591,095	-	908,521,104
Total	985,978,239	938,690,723	934,905,409	949,620,732

Financial instruments measured at fair value on a recurrent basis

The fair value hierarchy of financial instruments measured at fair value is provided below:

<u>June 30, 2025</u>	<u>The Group and The Company</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Financial assets				
Financial assets at fair value through other comprehensive income	-	-	967,922	967,922
Total	-	-	967,922	967,922

<u>June 30, 2024</u>	<u>The Group and The Company</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Financial assets				
Financial assets at fair value through other comprehensive income	-	-	967,922	967,922
Total	-	-	967,922	967,922

(a) Market risk

Cash flow and fair value interest rate risk

The Group and the Company have no significant interest-bearing assets; the Group's and Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group and the company also do not have any bank borrowings. Hence the Group and the Company has no exposure to cash flow interest-rate risk.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Currency Risk

The Group and the Company are exposed to Pound Sterling, United States Dollar and Special Drawing Rights.

A special drawing rights (SDR) is essentially an artificial currency instrument used by the International Monetary Fund (IMF), and is built from a basket of important national currencies. The IMF uses SDRs for internal accounting purposes. SDRs are allocated by the IMF to its member countries and are backed by the full faith and credit of the member countries governments.

The following table demonstrates the sensitivity of the Group/Company's profit before tax following a reasonably possible change in MUR against the foreign currencies. This exercise is based on revalued foreign currency balances at year end.

The currency profile of the Group and the Company financial assets and financial liabilities is summarised below:

GROUP	2025		2024	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
MUR	756,349,278	833,551,414	753,537,670	550,860,111
GBP	490,839	-	210,866	-
SDR	95,590,429	19,860,131	144,690,360	22,685,272
USD	83,605,169	89,242,789	82,078,787	177,960,235
EUR	83,300,381	191,421,333	6,073,273	187,185,105
Others	1,055,058	-	355,205	-
	<u>1,020,391,154</u>	<u>1,134,075,667</u>	<u>986,946,161</u>	<u>938,690,723</u>

COMPANY	2025		2024	
	Financial assets	Financial liabilities	Financial Assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
MUR	697,462,009	827,384,667	702,820,045	561,790,120
GBP	213,965	-	210,866	-
SDR	96,590,429	19,860,131	144,690,360	22,685,272
USD	74,438,191	89,242,789	82,078,787	177,960,235
EUR	81,457,217	191,421,333	6,073,273	187,185,105
	<u>950,161,811</u>	<u>1,127,908,920</u>	<u>935,873,331</u>	<u>949,620,732</u>

Impact on pre-tax profit	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
	+/-10%	+/-10%	+/-10%	+/-10%
GBP	49,084	21,087	21,396	21,087
SDR	7,673,030	12,200,509	7,673,030	12,200,509
USD	(563,762)	(9,588,145)	(1,480,460)	(9,588,145)
EUR	<u>(10,812,095)</u>	<u>(18,111,183)</u>	<u>(10,996,412)</u>	<u>(18,111,183)</u>

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(c) Credit Risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables.

Credit risk is managed on a company basis. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management.

The Group/Company sets payment terms such that cash is received in a timely manner to minimise credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers or corporate.

For cash and cash equivalents the credit risk is managed by the Group by way of trading with only reputable banks and financial institutions. Unless otherwise indicated, the maximum exposure to credit risk is the carrying amount of cash and cash equivalents.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current economic environment. The risk is managed at each Company's level whereby risk control assesses the credit quality of customers, taking into account financial position and other factors. Individual limits can also be set and monitored. Where considered necessary, companies take credit insurance against exposures, thus mitigating the credit risk. There is no significant concentration of credit risk.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets as disclosed below:

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Trade receivables	94,988,182	165,158,106	95,195,559	150,149,095
Other receivables (excluding prepayments)	159,130,262	279,895,751	148,678,549	274,612,310
Investment in debt instrument	15,375,746	15,319,529	-	-
Deposits	22,145,704	122,209,337	-	100,000,000
Cash and cash equivalents	727,783,338	403,395,516	705,319,781	410,144,004
	<u>1,019,423,232</u>	<u>985,978,239</u>	<u>949,193,889</u>	<u>934,905,409</u>

There was no collateral held as security with regard to the above financial assets.

(d) Liquidity risk

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

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities. The Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(d) Liquidity risk (Continued)

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

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

THE GROUP

	Less than 1 year Rs	Between 1 and 5 years Rs	Over 5 years Rs	Total Rs
At June 30, 2025				
Lease Liabilities	7,968,832	31,348,232	4,309,777	43,626,841
Trade and other payables	1,001,036,723	88,126,631	1,285,472	1,090,448,826
	1,009,005,555	119,474,863	5,595,249	1,134,075,667

THE GROUP

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
At June 30, 2024				
Lease Liabilities	6,133,236	27,938,740	7,027,652	41,099,628
Trade and other payables	881,723,242	15,867,853	-	897,591,095
	887,856,478	43,806,593	7,027,652	938,690,723

THE COMPANY

	Less than 1 year Rs	Between 1 and 5 years Rs	Over 5 years Rs	Total Rs
At June 30, 2025				
Lease liabilities	6,629,991	26,819,290	4,309,777	37,759,058
Trade and other payables	1,000,737,759	88,126,631	1,285,472	1,090,149,862
	1,007,367,750	114,945,921	5,595,249	1,127,908,920

	Less than 1 year Rs	Between 1 and 5 years Rs	Over 5 years Rs	Total Rs
At June 30, 2024				
Lease liabilities	6,133,236	27,938,740	7,027,652	41,099,628
Trade and other payables	892,653,251	15,867,853	-	908,521,104
	898,786,487	43,806,593	7,027,652	949,620,732

The Group and the Company have also at their disposal bank overdraft facilities of Rs179.95M (2024: Rs179.95M) at the end of the reporting period. However, the Group and the Company normally expect to meet their obligations from operating cash flows and proceeds of maturing financial assets.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available for sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

3.3 Capital risk management

The Group's objectives when managing capital are:

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

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

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown in the statements of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, share premium, revaluation reserve and retained earnings).

The debt-to-adjusted capital ratios at June 30, 2025 and June 30, 2024 were as follows:

	The Group		The Company	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Lease liabilities	43,626,841	41,099,628	37,759,058	41,099,628
Trade and other payables	1,090,448,826	897,591,095	1,090,149,862	908,521,104
Less: cash and cash equivalents	(727,783,338)	(403,395,516)	(705,319,781)	(410,144,004)
Net debt	406,292,329	535,295,207	422,589,139	539,476,728
Total equity	(1,615,501,688)	(1,497,005,835)	(1,649,223,157)	(1,524,312,370)
Debt-to-adjusted capital ratio	N/A	N/A	N/A	N/A

There were no changes in the Group/Company's approach to capital risk management during the year.

**4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

The preparation of the consolidated and separate financial statements in accordance with IFRSs requires the directors and management to exercise judgement in the process of applying the accounting policies.

It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the consolidated and separate financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Judgement

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Asset lives and residual values

Property, Plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

Leases

Determining the lease term of contracts with renewal and termination options

In determining the lease term for the land and buildings being rented, management considers the broader economics of its arrangement with the lessor, including economic penalties for each of the lessor and the Group if the Group were to vacate the leased premises.

Going concern

Management has made an assessment of the Group's and Company's ability to continue as a going concern and is satisfied that resources are available to continue in business for the foreseeable future. The uncertainties which may cast doubt about the Company's ability to continue as a going concern, as well as the proposed measures, have been explained in Note 31 to the consolidated and separate financial statements. The consolidated and separate financial statements have been prepared on the going concern basis.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION

UNCERTAINTY (CONTINUED)

Estimates and assumptions (Continued)

Impairment of financial assets – estimates and assumptions

Management exercises a degree of judgement when assessing whether a receivable is impaired or not. It uses the best information available at time of assessment and makes estimates about future recoverability.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group and the Company use Expected Credit Loss ("ECL") for trade and other receivables. The provision rates are based on days past due for groupings that have similar loss patterns. A provision matrix is developed based on the Group's and the Company's historical observed default rates. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the entity would expect to receive, taking into account cash flows from credit enhancements.

Revaluation of buildings

The Group and the Company carry its buildings at fair value with changes in fair value being recognised in other comprehensive income. The Group and the Company engaged independent valuation specialists to determine fair value as of June 30, 2024. The key assumptions used to determine the fair value of buildings are further explained in Note 5.

Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Group and the Company using valuation techniques including third party transactions values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group and the Company would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of intangible assets

Management exercises a certain level of judgement when assessing whether the intangible assets are impaired or not. It uses the best information available at time of assessment and makes estimates about future recoverability.

Impairment of investment in subsidiary

The carrying value of investment in subsidiary is tested for impairment whenever there is any objective evidence or indication that the investment may be impaired. This determination requires significant judgement. In estimating the recoverable amount of the investment, the Company evaluates, amongst other factors, the future profitability of the subsidiary, its financial health and near-term business outlook, including factors such as industry and sector performance, changes in technology, and operational and financing cash flows.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY (CONTINUED)

Estimates and assumptions (Continued)

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities in Note 9. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Pension obligation

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include a selection of discount rate.

The Group and the Company determine the appropriate discount rate at the end of each year. Other key assumptions for pension obligations are based in part on current markets conditions.

These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Group's and the Company's financial statements within the next year. Further information on the carrying amounts of the Group's and the Company's defined benefit obligation and the sensitivity of that amount to changes in discount rate are provided in Note 16.

Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's and Company's assets and liabilities are managed. Other limitation includes the use of hypothetical market movements to demonstrate potential risk that only represent the Group's and Company's view of possible near-term market changes that cannot be predicted with any certainty.

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Buildings	Motor vehicles	Furniture and fittings	Office equipment	Electronic equipment	Land	Work in progress	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<u>COST OR VALUATION</u>								
At 01 July 2023	224,650,000	33,873,090	11,160,579	9,473,225	26,650,087	312,425,000	47,850	618,279,832
Additions	14,000,000	-	1,498,980	1,861,546	5,710,060	6,000,000	1,171,585	30,242,171
Revaluation adjustment	20,350,000	-	-	-	-	42,950,000	-	63,300,000
Disposal	-	-	-	-	(38,549)	-	-	(38,549)
At 30 June 2024	259,000,000	33,873,090	12,659,559	11,334,772	32,321,598	361,375,000	1,219,435	711,783,454
At 01 July 2024	259,000,000	33,873,090	12,659,559	11,334,772	32,321,598	361,375,000	1,219,435	711,783,454
Additions	-	-	1,722,218	1,697,165	4,686,221	-	-	8,105,604
Transfer to software	-	-	-	-	-	-	(1,219,435)	(1,219,435)
Disposal	-	-	-	(64,210)	(110,142)	-	-	(174,352)
At 30 June 2025	259,000,000	33,873,090	14,381,777	12,967,727	36,897,677	361,375,000	-	718,495,271
<u>ACCUMULATED DEPRECIATION</u>								
At 01 July 2023	4,493,000	26,435,811	7,862,262	8,090,915	19,314,267	-	-	66,196,255
Charge for year	-	3,151,175	1,004,812	1,023,177	3,155,496	-	-	8,334,660
Disposal	-	-	-	-	(8,031)	-	-	(8,031)
Accumulated depreciation transferred to revaluation reserve account	(4,493,000)	-	-	-	-	-	-	(4,493,000)
At 30 June 2024	-	29,586,986	8,867,074	9,114,092	22,461,732	-	-	70,029,884
At 01 July 2024	-	29,586,986	8,867,074	9,114,092	22,461,732	-	-	70,029,884
Charge for year	5,180,000	2,142,832	1,036,823	1,308,232	4,173,878	-	-	13,841,765
Disposal	-	-	-	(28,092)	(43,598)	-	-	(71,690)
At 30 June 2025	5,180,000	31,729,818	9,903,897	10,394,232	26,592,012	-	-	83,799,959
<u>NET BOOK VALUE</u>								
At 30 June 2025	253,820,000	2,143,272	4,477,880	2,573,495	10,305,665	361,375,000	-	634,695,312
At 30 June 2024	259,000,000	4,286,104	3,792,485	2,220,680	9,859,866	361,375,000	1,219,435	641,753,570

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5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE COMPANY	Buildings	Motor vehicles	Furniture and fittings	Office equipment	Electronic equipment	Land	Work in progress	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<u>COST OR VALUATION</u>								
At 01 July 2023	224,650,000	33,873,090	10,080,680	9,473,226	25,876,676	312,425,000	47,850	616,426,522
Additions	14,000,000	-	1,478,454	1,773,656	5,674,885	6,000,000	1,171,529	30,088,524
Revaluation adjustment	20,350,000	-	-	-	-	42,950,000	-	63,300,000
Disposal	-	-	-	-	(38,549)	-	-	(38,549)
At 30 June 2024	259,000,000	33,873,090	11,559,134	11,246,882	31,513,012	361,375,000	1,219,379	709,786,497
At 01 July 2024	259,000,000	33,873,090	11,559,134	11,246,882	31,513,012	361,375,000	1,219,379	709,786,497
Additions	-	-	1,385,948	1,125,076	4,092,932	-	-	6,603,956
Transfer to software	-	-	-	-	-	-	(1,219,379)	(1,219,379)
Disposal	-	-	-	(64,210)	(110,142)	-	-	(174,352)
At 30 June 2025	259,000,000	33,873,090	12,945,082	12,307,748	35,495,802	361,375,000	-	714,996,722
<u>ACCUMULATED DEPRECIATION</u>								
At 01 July 2023	4,493,000	26,435,811	7,656,986	8,090,915	18,895,641	-	-	65,572,353
Charge for year	-	3,151,175	961,680	849,462	3,014,525	-	-	7,976,842
Disposal	-	-	-	-	(8,031)	-	-	(8,031)
Accumulated depreciation transferred to revaluation reserve account	(4,493,000)	-	-	-	-	-	-	(4,493,000)
At 30 June 2024	-	29,586,986	8,618,666	8,940,377	21,902,135	-	-	69,048,164
At 01 July 2024	-	29,586,986	8,618,666	8,940,377	21,902,135	-	-	69,048,164
Charge for year	5,180,000	2,142,832	974,435	1,035,818	3,976,621	-	-	13,309,706
Disposal	-	-	-	(28,092)	(43,598)	-	-	(71,690)
At 30 June 2025	5,180,000	31,729,818	9,593,101	9,948,103	25,835,158	-	-	82,286,180
<u>NET BOOK VALUE</u>								
At 30 June 2025	253,820,000	2,143,272	3,351,981	2,359,645	9,660,644	361,375,000	-	632,710,542
At 30 June 2024	259,000,000	4,286,104	2,940,468	2,306,505	9,610,877	361,375,000	1,219,379	640,738,333

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 30 June 2025, the carrying amounts of land and buildings were Rs. 361,375,000 and Rs 253,820,000 respectively. These assets were fair valued by an independent valuer, Saddul & Partners at 30 June 2024. Saddul & Partners are certified Practising Valuer and Registered Valuer. They have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation which conforms to International Valuation Standards was arrived at by reference to current open market value. The land and buildings are classified under level 3 respectively of the fair value hierarchy. A change in the significant inputs in determining the fair value would result in a significant change in the fair value of the buildings. The next valuation exercise is planned for June 2027.

Had the land and buildings been measured on a historical cost basis, their carrying amount would have been as follows:

	The Group and The Company	
	2025	2024
	Rs.	Rs.
Freehold land	49,085,000	49,085,000
Buildings	44,025,000	44,025,000
Total	93,110,000	93,110,000
Accumulated depreciation	(19,371,000)	(18,490,500)
Net Book Value	73,739,000	74,619,500

The Sales prices of comparable land 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 foot.

	2024- 2025
	Rs.
Significant unobservable valuation input:	Range
Price per square metre - Land	4,209 - 148,448
Price per square metre - Building	6,061 - 36,789

Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value.

The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

The Group and the Company have pledged their property, plant and equipment to secure the banking facilities. As at year end, the Group and the Company have no borrowings.

The value of land and buildings is as follows:

	The Group and The Company	
	Land	Buildings
	Rs.	Rs.
At 01 July 2023	312,425,000	220,157,000
Adjustment (Refer to Note *)	-	4,493,000
Additions during the year	6,000,000	14,000,000
Revaluation Adjustment	42,950,000	20,350,000
At 30 June 2024	361,375,000	259,000,000
At 01 July 2024	361,375,000	259,000,000
Charge during the year	-	(5,180,000)
At 30 June 2025	361,375,000	253,820,000

Note: Rs 4.493M represents adjustment of accumulated depreciation in the year of revaluation.

6. INTANGIBLE ASSETS

Intangible assets pertain to computer software used in the Group's and the Company's operations.

	The Group and The Company	
	Software	
	Rs.	Rs.
<u>COST</u>		
At 01 July 2023	23,341,694	16,101,589
Additions	749,061	375,311
At 30 June 2024	24,090,755	16,476,900
At 01 July 2024	24,090,755	16,476,900
Additions	7,123,847	5,676,570
Transfer	(25,000)	(25,000)
At 30 June 2025	31,189,602	22,128,470
<u>AMORTISATION</u>		
At 01 July 2023	10,212,734	9,548,004
Charge for the year	2,646,219	1,595,491
At 30 June 2024	12,858,953	11,143,495
At 01 July 2024	12,858,953	11,143,495
Charge for the year	3,077,840	1,842,439
At 30 June 2025	15,936,793	12,985,934
<u>NET BOOK VALUE</u>		
At 30 June 2025	15,252,809	9,142,536
At 30 June 2024	11,231,802	5,333,405

7. DEFERRED TAX

- (a) Deferred income tax is calculated on all temporary differences under the liability method at 17% (2024: 17%). There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. No deferred tax has been recognised as the Company currently has accumulated tax losses of Rs 467,682,256 (2024: Rs 303,683,767) and do not expect to fully recognise them against future profits. As a result no deferred tax asset has been recognised. The unrecognised deferred tax asset is as follows:

The following amounts are shown in the statements of financial position:

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Deferred tax assets	495,938,269	435,594,228	495,938,269	435,594,228
Deferred tax liabilities	1,011,199	-	-	-

- (b) The movement on the deferred income tax account is as follows:

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
At 01 July	435,594,228	352,660,516	435,594,228	352,660,516
Credited to profit or loss (note 24)	16,902,848	11,135,936	17,914,047	11,135,936
Impact of change in tax rate	51,246,380	-	51,246,380	-
Charged to other comprehensive income	(8,816,386)	71,797,776	(8,816,386)	71,797,776
At 30 June	494,927,070	435,594,228	495,938,269	435,594,228

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7. DEFERRED TAX (CONTINUED)

(b) The movement on the deferred income tax account is as follows: (continued)

The Group

Deferred tax liabilities, deferred tax credit in the profit or loss are attributable to the following items:

Deferred tax	Accelerated Tax Depreciation Rs.	Retirement benefit obligations Rs.	Provision for expected credit losses Rs.	Right-of-use assets Rs.	Lease Liabilities Rs.	Total Rs.
At 30 June 2023	1,487,704	(352,169,834)	(1,683,322)	6,347,818	(6,642,882)	(352,660,516)
Debited/ (credited) to profit or loss	202,120	(11,487,850)	656,992	(163,143)	(344,055)	(11,135,936)
Charged to other comprehensive income	-	(71,797,776)	-	-	-	(71,797,776)
At 30 June 2024	1,689,824	(435,455,460)	(1,026,330)	6,184,675	(6,986,937)	(435,594,228)
Impact of change in tax rate	198,803	(51,230,054)	(120,745)	727,609	(821,993)	(51,246,380)
Debited/ (credited) to profit or loss	693,882	(16,498,707)	(834,272)	(898,459)	634,708	(16,902,848)
Charged to other comprehensive income	-	8,816,386	-	-	-	8,816,386
At 30 June 2025	2,582,509	(494,367,835)	(1,981,347)	6,013,825	(7,174,222)	(494,927,070)

Analysed as:

Deferred tax assets	(495,938,269)
Deferred tax liabilities	1,011,199
	(494,927,070)

The Company

Deferred tax liabilities, deferred tax credit in the profit or loss are attributable to the following items:

Deferred tax	Accelerated Tax Depreciation Rs.	Retirement benefit obligations Rs.	Provision for expected credit losses Rs.	Right-of-use assets Rs.	Lease Liabilities Rs.	Total Rs.
At 30 June 2023	1,487,704	(352,169,834)	(1,683,322)	6,347,818	(6,642,882)	(352,660,516)
Debited/ (Credited) to profit or loss	202,120	(11,487,850)	656,992	(163,143)	(344,055)	(11,135,936)
Charged to other comprehensive income	-	(71,797,776)	-	-	-	(71,797,776)
At 30 June 2024	1,689,824	(435,455,460)	(1,026,330)	6,184,675	(6,986,937)	(435,594,228)
Impact of change in tax rate	198,803	(51,230,054)	(120,745)	727,609	(821,993)	(51,246,380)
Debited/ (Credited) to profit or loss	(317,317)	(16,498,707)	(834,272)	(898,459)	634,708	(17,914,047)
Charged to other comprehensive income	-	8,816,386	-	-	-	8,816,386
At 30 June 2025	1,571,310	(494,367,835)	(1,981,347)	6,013,825	(7,174,222)	(495,938,269)

8. INVESTMENT IN SUBSIDIARY

	The Company	
	2025 Rs.	2024 Rs.
At cost		
At 30 June	40,000,000	40,000,000

The details of the subsidiary are as follows:

Name of company	Country of incorporation and operation	Class of shares held	Number of shares	% Holding
Mauritius Post Foreign Exchange Co Ltd	Mauritius	Ordinary	400,000	100%

The subsidiary is the holder of a foreign exchange dealer certificate.

The directors have assessed the recoverable amount of the investment as at year end and believe that the carrying value is not subject to impairment at reporting date.

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	The Group		The Company	
Rights-of-use assets	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 01 July	36,380,442	37,340,106	36,380,442	37,340,106
Additions	7,791,654	-	1,138,667	-
Disposals	(466,779)	-	(466,779)	-
Remeasurement	807,545	-	807,545	-
Lease modifications	-	5,812,417	-	5,812,417
Amortisation charge for the year	(7,095,227)	(6,772,081)	(6,208,162)	(6,772,081)
Balance as at 30 June	37,417,635	36,380,442	31,651,713	36,380,442

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
<u>Lease liabilities</u>				
Balance as at 01 July	41,099,628	39,075,773	41,099,628	39,075,773
Finance costs	2,256,133	4,151,277	2,029,338	4,151,277
Additions	7,791,654	-	1,138,667	-
Disposals	(466,779)	-	(466,779)	-
Remeasurement	807,545	-	807,545	-
Lease modifications	1,588,856	5,812,417	1,588,856	5,812,417
Repayments	(9,450,196)	(7,939,839)	(8,438,197)	(7,939,839)
Balance as at 30 June	43,626,841	41,099,628	37,759,058	41,099,628

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
<u>Current liabilities</u>	8,167,235	6,133,236	6,828,395	6,133,236
<u>Non-current liabilities</u>	35,459,606	34,966,392	30,930,663	34,966,392
Balance as at 30 June	43,626,841	41,099,628	37,759,058	41,099,628

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
<u>Lease liabilities</u>				
Amount payable under lease contracts:				
Within one year	8,167,235	6,133,236	6,828,395	6,133,236
In the second to third years inclusive	11,709,623	6,510,859	7,180,680	6,510,859
In the fourth to fifth years inclusive	23,109,338	21,427,881	23,109,338	21,427,881
Above fifth years	640,645	7,027,652	640,645	7,027,652
	43,626,841	41,099,628	37,759,058	41,099,628

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Amounts recognised in profit and loss are as follows:				
Finance cost on lease liabilities (Note 23)	2,256,133	4,151,277	2,029,338	4,151,277
Depreciation charge for the year	7,095,227	6,772,081	6,208,162	6,772,081
	9,351,360	10,923,358	8,237,500	10,923,358

Amounts recognised in consolidated and separate statements of cash flows are as follows:

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Repayments of lease liabilities	9,450,196	7,939,839	8,438,197	7,939,839

Refer to Note 4.8 for judgement and assumption used in the computation of right - of - use assets and lease liabilities.

10. INVESTMENT AT FAIR VALUE THROUGH OCI

	The Group and The Company	
	2025	2024
	Rs.	Rs.
At 01 July	967,922	842,846
Additional Investment during the year	-	125,076
At 30 June	967,922	967,922

Equity investment designated at fair value through other comprehensive income (OCI) include the Group strategic equity investment at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for this investment. During the financial year no additional shares was acquired. In financial year 30 June 2024, the investee acquired 268,252 additional shares at a total cost of Rs 125,076. The Company has invested 2,105,377 shares in Maubank Ltd which represent 0.025% shareholding in Maubank Ltd as at year end. Investment has been valued using Net Asset Method.

11. INVENTORIES

	The Group and The Company	
	2025	2024
	Rs.	Rs.
Museum stamps	80,211	110,926
Philatelic stamps	138,745	249,087
Consumables	7,026,803	7,272,260
Retail stamps	7,385,646	8,168,839
	14,631,405	15,801,112

No item of inventory has been written off during the year (2024: Rs Nil). The cost of inventories recognised as an expense amounted to Rs 1,100,506 (2024: Rs 538,849).

12. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Trade receivables	105,416,324	171,195,344	105,623,701	156,186,333
Allowance for expected credit losses	(10,428,142)	(6,037,238)	(10,428,142)	(6,037,238)
	94,988,182	165,158,106	95,195,559	150,149,095
Other receivables and prepayments	17,612,882	14,047,423	8,603,721	9,337,963
Spring London	68,960,295	88,624,197	68,960,295	88,624,197
Mailatinamerica-Usuaka	27,568,868	78,363,058	27,568,868	78,363,058
Amsterdam	46,621,197	101,803,818	46,621,197	101,803,818
	255,751,424	447,996,602	246,949,640	428,278,131

The carrying value of trade and other receivables approximate their fair value.

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

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Mauritian Rupee	8,825,895	25,919,396	9,033,272	10,910,385
Special Drawing Rights	96,590,429	144,690,360	96,590,429	144,690,360
United States Dollar	-	585,588	-	585,588
	105,416,324	171,195,344	105,623,701	156,186,333

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging. The expected loss rates are based on the Group's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current information on macroeconomic factors affecting the Group's customers (No forward looking information has been used in computation of ECL due to the nature of Trade Receivables and Others).

The average credit period on provision of services is 30 days except for terminal dues which is above 2 years. Trade receivables are non-interest bearing .

Included in the Group's and the Company's trade receivable balance are debtors with a carrying amount is as follows:

	The Group and The Company	
	2025	2024
	Rs.	Rs.
More than 90 days	96,862,117	93,363,239
More than 60 days	622,389	37,645,050

The average age of these receivables is 150 days.

The Group and the Company do not hold any collateral over these balances.

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

The impairment of Trade receivables for the Group and the Company is as follows:

The Group						
	Current	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
As at June 2025						
Expected loss rate	0.04%	10.77%	13.06%	49.54%	9.71%	
Gross carrying amount - trade receivables (Rs.)	2,019,185	2,742,347	3,170,286	622,389	96,862,117	105,416,324
Loss allowance (Rs.)	(878)	(295,472)	(414,127)	(308,326)	(9,409,339)	(10,428,142)
At 30 June 2024						
Expected loss rate	0.04%	1.02%	0.70%	0.66%	6.04%	
Gross carrying amount - trade receivables (Rs.)	24,907,838	9,625,252	5,653,965	37,645,050	93,363,239	171,195,344
Loss allowance (Rs.)	(10,121)	(97,704)	(39,759)	(250,122)	(5,639,532)	(6,037,238)
The Company						
	Current	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
As at June 2025						
Expected loss rate	0.04%	10.77%	13.06%	49.54%	9.71%	
Gross carrying amount - trade receivables (Rs.)	2,226,562	2,742,347	3,170,286	622,389	96,862,117	105,623,701
Loss allowance (Rs.)	(878)	(295,472)	(414,127)	(308,326)	(9,409,339)	(10,428,142)
At 30 June 2024						
Expected loss rate	0.10%	1.02%	0.70%	0.66%	6.04%	
Gross carrying amount - trade receivables (Rs.)	9,898,827	9,625,252	5,653,965	37,645,050	93,363,239	156,186,333
Loss allowance (Rs.)	(10,121)	(97,704)	(39,759)	(250,122)	(5,639,532)	(6,037,238)

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

Reconciliation of loss allowance

The expected credit loss for trade receivables as at 30 June reconcile to the allowance for impairment as follows:

	The Group and The Company	
	2025	2024
	Rs.	Rs.
At 01 July	6,037,238	9,901,896
Impairment losses recognised	4,390,904	79,141
Reversal of impairment losses	-	(3,943,799)
As at 30 June	10,428,142	6,037,238

13. INVESTMENT IN DEBT INSTRUMENT

	The Group	
	2025	2024
	Rs.	Rs.
Investment in Treasury Bills		
Opening balance	15,319,529	15,285,450
Interest income	305,096	323,279
Additional investments during the year	15,070,650	14,996,250
Redemption during the year	(15,319,529)	(15,285,450)
At amortised cost	15,375,746	15,319,529

During the year ended 30 June 2025, the subsidiary invested an amount of Rs. 15,070,650 (2024: Rs. 14,996,250) in Treasury Bills with Yield of 2.85% for 349 days. Accrued interest on the securities amounted to Rs. 305,097 (2024: Rs. 323,279).

14 (i). DEPOSITS

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Opening balance	122,209,337	222,300,731	100,000,000	200,000,000
Investment in deposits	22,000,000	108,000,000	-	100,000,000
Proceeds from matured deposits	(22,000,000)	(158,000,000)	-	(150,000,000)
Proceeds from encashment prior to maturity	(100,000,000)	(50,000,000)	(100,000,000)	(50,000,000)
Interest received*	(858,000)	(300,731)	-	-
Interest receivable*	794,367	209,337	-	-
	22,145,704	122,209,337	-	100,000,000

The fixed deposit of Rs 100M held by the Company with a local bank matured during the year. It carried interest at the rate of 4.25% per annum. The deposits were fully denominated in MUR.

As at 30 June 2025, the subsidiary had fixed deposit of Rs 14M and Rs 8M (2024: Rs 22M) with a local bank with expiry date 29 April 2026 and 08 June 2026 respectively at the rate of 5.1% and 4.1% per annum respectively. The deposits are fully denominated in MUR.

14 (ii). CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Cash at bank*	673,082,997	356,025,160	662,919,776	352,641,624
Cash in hand	54,700,341	47,370,356	42,400,005	57,502,380
	727,783,338	403,395,516	705,319,781	410,144,004

* As at 30 June 2025, cash and cash equivalents included an amount of Rs. 646,181,144 (2024: Rs. 376,088,409) as cash held on behalf of agencies which is accounted for under other payables (Note 17).

The Company provides agency services to Central Electricity Board (CEB), Central Water Authority (CWA), Mauritius Telecom (MT), National Land Transport Authority (NLTA), MauBank Ltd and Ministry of Social Integration, Social Security and National Solidarity (MSS). The Company collects cash on behalf of these agencies.

14 (ii). CASH AND CASH EQUIVALENTS (CONTINUED)

While cash & cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss is deemed to be immaterial.

The carrying amount of cash and cash equivalents is denominated in the following currencies:

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Mauritian Rupee	560,386,949	307,477,133	549,210,408	322,366,666
Pound Sterling	490,839	258,119	213,965	210,866
United States Dollar	83,605,169	88,692,722	74,438,191	81,493,199
Euro	83,300,381	6,612,337	81,457,217	6,073,273
SAR	-	222,250	-	-
CAD	-	76,800	-	-
ZAR	-	56,155	-	-
	727,783,338	403,395,516	705,319,781	410,144,004

15. SHARE CAPITAL

	The Group and The Company	
	2025	2024
	Rs.	Rs.
<u>Issued and fully paid</u>		
6,261,113 ordinary shares of Rs. 100 each	626,111,300	626,111,300

Each share confers on the holder the right to:

- one vote on a poll at a meeting of the Company on any resolution;
- an equal share in dividends authorised by the Board; and
- an equal share in the distribution of the surplus assets of the Company.

16. EMPLOYEE BENEFIT LIABILITIES AND OTHER BENEFITS

	The Group and The Company	
	2025	2024
	Rs.	Rs.
Employee benefit liability (Note (a))	2,601,935,975	2,561,502,704
Other benefits (Note (b))	96,811,032	126,574,986
	2,698,747,007	2,688,077,690

(a) Employee benefit liability

Defined benefit plan

The employees having joined The Mauritius Post Ltd upon corporatisation on 01 March 2003 are members of a state-managed employee benefit plan. The pension plan is a final salary defined benefit plan and was wholly funded prior to 30 June 2008. As from 01 July 2008, the Company contributes 9% and the employee contributes 6%. As from January 2017, the contribution by employer has increased to 14%.

The assets of the funded plan are held independently and administered by State Insurance Company of Mauritius Ltd.

16. EMPLOYEE BENEFIT LIABILITIES AND OTHER BENEFITS (CONTINUED)

(a) Employee benefit liability (continued)

Amounts recognised in the consolidated and separate statements of financial position are:

	The Group and The Company	
	2025	2024
	Rs.	Rs.
Present value of funded obligations	2,959,707,512	2,997,823,701
Fair value of plan assets	(357,771,537)	(436,320,997)
Liability in the statement of financial position	<u>2,601,935,975</u>	<u>2,561,502,704</u>

Amounts recognised in the consolidated and separate statements of profit or loss:

	The Group and The Company	
	2025	2024
	Rs.	Rs.
Current service cost	36,798,157	39,307,648
Employee contributions	(12,543,014)	(12,425,595)
Fund expenses	1,042,451	896,938
Interest cost	162,554,626	144,912,807
Expected return on plan assets	(21,654,635)	(25,971,887)
Total included in staff costs	<u>166,197,585</u>	<u>146,719,911</u>

The plans expose the Group and the Company to normal risks associated with defined benefit 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 can be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressure 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 below the assumed rate will decrease the liability.

There has been no plan amendment, curtailment or settlement during the year.

16. EMPLOYEE BENEFIT LIABILITIES AND OTHER BENEFITS (CONTINUED)

(a) Employee benefit liabilities (Continued)

Movements in the liability recognised in the consolidated and separate statements of financial position:

	The Group and The Company	
	2025	2024
	Rs.	Rs.
01 July	2,561,502,704	2,071,587,257
Staff cost	166,197,585	146,719,911
Past service liability contribution by Government	(50,000,000)	(50,000,000)
Contributions paid by employer	(29,266,125)	(29,048,161)
Direct benefits paid by employer	(96,160)	(96,160)
Amount recognised in other comprehensive income	(46,402,029)	422,339,857
At 30 June	<u>2,601,935,975</u>	<u>2,561,502,704</u>

The main actuarial assumptions used for accounting purposes are as follows:

	The Group and The Company	
	2025	2024
	%	%
Discount rate	6.00	5.60
Future salary increases	4.50	4.50
Future pension increases	3.50	3.50

Mortality before retirement

Nil

Mortality in retirement

Pa 90 Tables rated down by 2 years
65 years

Retirement age

12 years

Weighted average duration of the defined benefit obligation

(Calculated as a % change in PV of liabilities for a 1% change in discount rate)

The discount rate is determined by reference to market yield on bonds.

The assets of the plan are invested in funds managed by State Insurance Company of Mauritius Ltd.

The overall expected rate of return on plan assets is determined by reference to market yields on bonds.

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period.

- If the discount rate would be 100 basis points (1%) higher/(lower), the defined benefit obligation would decrease by Rs. 329.4M (increase by Rs. 404.8M) (2024: Rs. 342.6M (increase by Rs. 423.3M)) if all other assumptions were held unchanged.
- If the expected salary growth would increase/(decrease) by 1% the defined benefit obligation would increase by Rs. 143.1M (decrease by Rs. 125.0M) (2024: increase by Rs. 148.0M (decrease by Rs. 128.7M)) if all other assumptions were held unchanged.
- If the expected pension growth would increase (decrease) by 1%, the defined benefit obligation would increase by Rs. 241.8M (decrease by Rs. 212.6M) if all other assumptions were held unchanged.
- If life expectancy would increase/(decrease) by one year, the defined benefit obligation would increase by Rs. 96M (increase by Rs. 95.2M) (2024: increase by Rs. 99.2M (decrease by Rs. 98.2M)) if all other assumptions were held unchanged.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

16. EMPLOYEE BENEFIT LIABILITIES AND OTHER BENEFITS (CONTINUED)

(a) Employee benefit liabilities (Continued)

Reconciliation of the present value of defined benefit obligations:

	<u>The Group and The Company</u>	
	2025	2024
	Rs.	Rs.
At 01 July	2,997,823,701	2,558,977,518
Current service cost	36,798,157	39,307,648
Interest cost	162,554,626	144,912,807
Benefits paid	(190,125,018)	(180,551,045)
Liability loss	(47,343,954)	435,176,773
At 30 June	2,959,707,512	2,997,823,701

Reconciliation of fair value of plan assets:

	<u>The Group and The Company</u>	
	2025	2024
	Rs.	Rs.
At 1 July	436,320,997	487,390,261
Expected return on plan assets	21,654,635	25,971,887
Employer contributions	29,266,125	29,048,161
Employee contributions	12,543,014	12,425,595
Past Service Liability contribution	50,000,000	50,000,000
Benefits paid and other outgoings	(191,071,309)	(181,351,823)
Asset experience loss	(941,925)	12,836,916
At 30 June	357,771,537	436,320,997

Percentage of assets at 30 June

	<u>The Group and The Company</u>	
	2025	2024
	%	%
Fixed Interest securities and cash	47.70	49.90
Loans	3.10	3.10
Local equities	16.80	15.20
Overseas bonds and equities	31.90	31.30
Property	0.50	0.50
	100.00	100.00

The amounts recognised in other comprehensive income are as follows:

	<u>The Group and The Company</u>	
	2025	2024
	Rs.	Rs.
Remeasurement on the net defined benefit liability:		
Liability experience loss	47,343,954	(435,176,773)
Asset experience loss	(941,925)	12,836,916
	46,402,029	(422,339,857)

Employee Benefit liabilities have been based on the report dated 14 August 2025 submitted by State Insurance Company of Mauritius Ltd for the year ended 30 June 2025.

16. EMPLOYEE BENEFIT LIABILITIES AND OTHER BENEFITS (CONTINUED)

(b) Other benefits

	<u>The Group and The Company</u>	
	2025	2024
	Rs.	Rs.
Provision for passage benefit	38,027,361	39,348,267
Provision for sick leave	58,783,671	87,226,718
	<u>96,811,032</u>	<u>126,574,985</u>

(c) Defined contribution pension scheme

Defined contribution plan

All new entrants as from 01 March 2007 shall join a defined contribution scheme and shall earn benefits according to the new provisions. The contribution rates to the defined contribution scheme for permanent and full time employees shall be 6% from the employee and 12% from the employer.

	<u>The Group and The Company</u>	
	2025	2024
	Rs.	Rs.
Contributions expensed	23,219,257	20,706,605

(d) State pension plan

	<u>The Group and The Company</u>	
	2025	2024
	Rs.	Rs.
National pension scheme contributions expensed	10,818,133	9,632,575

17. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Trade payables	310,243,065	398,545,320	310,243,065	398,545,320
Other payables and accruals	720,293,339	445,701,991	717,550,388	441,622,990
Amount due to subsidiary	-	-	2,443,988	15,009,011
Provision for passage benefits and sick leaves	59,912,421	53,343,783	59,912,421	53,343,783
	1,090,448,825	897,591,094	1,090,149,862	908,521,104

The carrying amount of trade and other payables approximate their fair value.

The carrying amount of the Group and the Company's trade payables are denominated in the following currencies:

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Mauritian Rupee	9,718,813	10,714,708	9,718,813	10,714,708
Special Drawing Rights	19,860,131	22,685,272	19,860,131	22,685,272
United States Dollar	89,242,789	177,960,235	89,242,789	177,960,235
Euro	191,421,333	187,185,105	191,421,333	187,185,105
	310,243,066	398,545,320	310,243,066	398,545,320

The average credit period for local creditors is 45 days and for foreign creditors is over 150 days. No interest is charged on trade payables.

The Company has financial risk management policies in place to ensure all payables are paid within the credit timeframe.

The amount due to subsidiary of **Rs 2,443,988** (2024: Rs 15,009,011) is interest free, unsecured and does not have a fixed repayment term.

18. REVENUE FROM CONTRACTS WITH CUSTOMERS

The following is an analysis of the Group's and the Company's revenue for the year:

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Revenue from postal services	504,721,031	533,231,274	504,721,031	533,231,274
Revenue from agency services	163,878,500	165,237,253	151,817,625	161,464,440
	668,599,531	698,468,527	656,538,656	694,695,714

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Local	500,829,139	540,394,029	504,721,031	545,207,961
Foreign	167,770,392	158,074,498	151,817,625	149,487,753
Total revenue from contracts with customers	668,599,531	698,468,527	656,538,656	694,695,714

Timing of revenue recognition

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Services transferred over time	167,770,392	158,074,498	151,817,625	149,487,753
Services transferred at one point in time	500,829,139	540,394,029	504,721,031	545,207,961
	668,599,531	698,468,527	656,538,656	694,695,714

18. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Contract duration

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Less than 1 year	500,829,139	540,394,029	504,721,031	545,207,961
More than 1 year	167,770,392	158,074,498	151,817,625	149,487,753
	668,599,531	698,468,527	656,538,656	694,695,714

Sales channel

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Directly to clients	500,829,139	540,394,029	504,721,031	545,207,961
Through intermediaries	167,770,392	158,074,498	151,817,625	149,487,753
	668,599,531	698,468,527	656,538,656	694,695,714

19. OPERATING EXPENSES

Loss for the year is arrived at after charging the following items:

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Restated Rs.	Rs.	Restated Rs.
Staff costs (refer to note below)	832,873,759	763,933,155	818,409,559	751,923,422
Depreciation of property, plant and equipment (note 5)	13,841,765	8,334,660	13,309,706	7,976,842
Amortisation of intangible assets (note 6)	3,077,840	2,646,219	1,842,439	1,595,491
Depreciation of right to use assets (note 9)	7,095,227	6,772,081	6,208,162	6,772,081
Impairment losses recognised on receivables (note 12)	4,390,904	79,141	4,390,904	79,141
Cost of inventories recognised as an expense	1,100,506	538,849	1,100,506	538,849
Utilities, rent, security expenses, cleaning expenses	39,181,978	31,493,211	38,213,888	30,964,823
Refund to civil status	10,906,575	9,782,400	10,906,575	9,782,400
Motor vehicle running expenses	6,831,404	7,016,481	6,831,404	7,016,481
Expenses - Digital Service Centre (CEP/PIAP)	30,160	30,000	30,160	30,000
Conveyance of Mails/Terminal Dues	18,517,399	16,437,429	18,517,399	16,437,429
Mailing Services at Post Offices	8,847,527	1,435,155	8,847,527	1,435,155
Remittance at Post Offices	6,133,882	9,777,429	6,133,882	9,777,429
Net foreign exchange loss	3,161,366	-	3,161,366	-
Loss on disposal of property, plant and equipment	44,711	8,208	44,711	8,208
Others	63,666,956	45,615,656	54,569,717	47,709,273
	1,019,701,959	903,900,074	992,517,905	892,047,024

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Salaries	494,630,165	413,071,206	485,693,118	406,687,107
Travelling	51,608,747	49,545,010	50,283,488	48,679,999
Contribution to statutory bodies & Contribution Sociale Généralisée	38,834,772	30,937,117	38,350,987	30,559,447
Pensions and contributions	189,489,909	165,597,009	189,489,909	165,597,009
Other staff expenses	58,310,166	104,782,813	54,592,057	100,399,860
Staff Costs	832,873,759	763,933,155	818,409,559	751,923,422

20. OTHER OPERATING GAINS

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Unrealised gain/ (loss) on foreign exchange	3,839,377	27,189,493	3,839,377	8,826,804

21. INVESTMENT INCOME

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Interest income on fixed deposits and bank accounts	10,043,268	15,947,147	9,734,924	15,947,147
Interest income on debt instrument at amortised cost	1,289,968	1,275,533	-	-
Dividend income	40,510	20,005	40,510	20,005
	11,373,746	17,242,685	9,775,434	15,967,152

22. OTHER INCOME

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Government assistance	44,000,000	43,178,683	44,000,000	43,178,683
Others	22,926,136	421,134	-	-
	66,926,136	43,599,817	44,000,000	43,178,683

A yearly assistance of Rs 44M is obtained from the government to finance the salaries and related costs of employees working in Digital Service Centres to improve public access to IT services.

23. FINANCE COSTS

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Interest on bank overdrafts (6.20% p.a)	1,263,081	3,106,602	1,263,081	3,106,602
Interest on lease liabilities (Note 9)	2,256,133	4,151,277	2,029,338	4,151,277
	3,519,214	7,257,879	3,292,419	7,257,879

24. TAXATION

Income tax

Income tax is calculated at the rate of 15% (2024: 15%) on the profit for the year as adjusted for income tax purposes. No provision for income tax has been made as the Group and the Company have accumulated tax losses at year end. At 30 June 2025, the Company had accumulated tax losses of Rs. 467,682,256 (2024: Rs.303,683,767).

No provision for deferred tax asset has been made in the consolidated and separate financial statements as it is not probable that the Group will make sufficient future taxable profits against which the unused tax losses can be utilised. The Group can only carry forward its tax losses for a period of 5 years as from the year during which the tax losses arose.

(a) Amounts recognised in the statements of financial position:

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
At 01 July	887,482	1,065,723	(148,475)	(118,347)
Income tax charge for the year	1,435,550	910,382	-	-
Tax refund	146,475	118,347	146,475	118,347
Corporate Climate Responsibility (CCR)	191,407	-	-	-
Corporate Social Responsibility (CSR)	121,384	125,575	-	-
Paid during the year	(1,154,919)	(1,332,545)	(118,962)	(148,475)
At 30 June	1,627,379	887,482	(120,962)	(148,475)

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Analysed as:				
Current tax asset	(120,962)	(148,475)	(120,962)	(148,475)
Current tax liabilities	1,748,341	1,035,957	-	-
	1,627,379	887,482	(120,962)	(148,475)

24. TAXATION (CONTINUED)

(b) Amounts recognised in the statements of profit or loss:

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Income tax charge for the year	1,435,550	910,382	-	-
Corporate Social Responsibility (CSR)	121,384	125,575	-	-
Corporate Climate Responsibility (CCR)	191,407	-	-	-
Movement in deferred tax (note 7)	(68,149,228)	(11,135,936)	(69,160,427)	(11,135,936)
Tax charge for the year	(66,400,887)	(10,099,979)	(69,160,427)	(11,135,936)

(c) Tax reconciliation

The tax on the Group's and the Company's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	The Group		The Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Loss before taxation	(272,482,383)	(124,657,431)	(281,656,857)	(136,636,550)
Tax calculated at a rate of 15% (2023: 15%)	(40,872,357)	(18,698,615)	(42,248,529)	(20,495,483)
Non allowable expenses	35,385,721	27,829,798	34,886,319	27,618,525
Expenses not deductible for tax purposes	(17,677,587)	(10,368,051)	(17,237,563)	(9,035,991)
Exempt income	-	234,301	-	-
Tax losses on which no deferred tax were recognised	24,599,773	1,912,949	24,599,773	1,912,949
Corporate Climate Responsibility (CCR)	191,407	-	-	-
Corporate Social Responsibility (CSR)	121,384	125,575	-	-
	1,748,341	1,035,957	-	-
Movement in deferred tax (note 7)	(68,149,228)	(11,135,936)	(69,160,427)	(11,135,936)
	(66,400,887)	(10,099,979)	(69,160,427)	(11,135,936)

	The Company	
Financial Year	2025	2024
	Rs.	Rs.
2025/2026	(200,908,731)	(200,908,731)
2026/2027	(3,273,621)	(3,273,621)
2027/2028	18,042,699	18,042,699
2028/2029	(12,752,995)	(12,752,995)
2029/2030	(149,169,394)	-
	(348,062,042)	(198,892,648)
Tax losses that will never expire	(119,620,214)	(104,791,119)
	(467,682,256)	(303,683,767)

25. COMMITMENTS

(i) Software - annual licence fee and maintenance

The Company entered into a contract in October 2014 for its software (Post Global System) where an annual licence fee of Rs. 4,107,210 (Euro 79,000) is payable for the first 5 years and Rs. 1,793,655 (Euro 34,500) for the next 5 years.

The Company has to pay an annual fee of Rs. 764,400 (Euro 14,700) for the next 9 years for its software maintenance and support costs.

(ii) Leases

Leases relate to rental of ATM Space to local companies with lease terms between 1 to 5 years. Most lease contracts contain market review clauses in the event that the lessees exercise their option to renew. The lessees do not have an option to purchase the property at the expiry of the lease period.

25. COMMITMENTS (CONTINUED)

Leases (Continued)

The rental income is earned by the Group and the Company on ATM space and office space, all of which are leased out under leases amounts to Rs. 1,415,476 for the year ended 30 June 2025 (2024: Rs.2,233,660).

The following table sets out the maturity analysis of lease payments receivable, showing the undiscounted lease payments to be received after the reporting date.

	The Group and the Company	
	2025	2024
	Rs.	Rs.
Lease receivables:		
Within one year	1,415,476	2,233,660
Between one to two years	1,484,000	1,733,440
Between two to three years	1,498,000	960,790
Between three to four years	1,512,000	970,400
Between four to five years	1,527,000	980,100
	<u>7,436,476</u>	<u>6,878,390</u>

26. RELATED PARTY DISCLOSURES

The Group and the Company are making the following disclosures in respect of IAS 24 (Related Party Disclosures):

	The Company	
	2025	2024
	Rs.	Rs.
(a) <u>Transactions during the year (management service fees)</u>		
Mauritius Post Foreign Exchange Co Ltd (subsidiary)	<u>4,419,620</u>	<u>3,000,000</u>
(b) <u>Balance at year end</u>		
Amount due to Mauritius Post Foreign Exchange Co Ltd (subsidiary)	<u>(2,443,988)</u>	<u>(15,009,011)</u>
(c) <u>Trade receivables</u>		
Refund of Overtime	<u>194,827</u>	<u>1,813,932</u>
(d) <u>Compensation paid to key management personnel</u>		

The remuneration of directors and other members of key management during the year were as follows:

	The Group		The Company	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Short-term benefits	<u>5,594,033</u>	<u>8,343,640</u>	<u>3,089,162</u>	<u>5,645,749</u>

27. CONTINGENT LIABILITIES

There are contingent liabilities for which no provision has been made in the consolidated and separate financial statements in respect of the following:

	The Group and the Company	
	2025	2024
	Rs.	Rs.
Bank guarantees	850,000	850,000
Claim from legal case	<u>5,000,000</u>	<u>5,000,000</u>
	<u>5,850,000</u>	<u>5,850,000</u>

A case has been entered against the Company by an ex-employee. The latter is claiming an amount of Rs 5 million for unfair dismissal. The Company has been advised that it has a strong case to resist the claim. As at 30 June 2025, the legal proceedings in respect of the case are ongoing.

The Group and the Company hold bank guarantees with MauBank Ltd.

The directors consider that no liabilities will arise as the probability for default in respect of the guarantees and the ongoing legal case is remote.

28. EFFECT OF PRIOR PERIOD ADJUSTMENT

The Group and the Company

In preparing the financial statement for the year ended 30 June 2025, the Group and the Company identified prior year error and made necessary corrections. Restatements were made to the financial statements, presentation, and disclosures of certain transactions and balances, in accordance with International Accounting Standards, IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. They relate to the comparatives for 30 June 2024.

(a) Restatement for Retirement Benefit Obligations

The Government of Mauritius, in its capacity as shareholder of the Company, made a capital injection of Rs50 Million to fund the pension deficit of the Company during the financial year 2024.

The amount was incorrectly offset against the pension expenses of the Company in profit and loss instead of being treated as a capital contribution in the statement of changes in equity.

According, this amount was retrospectively reclassified to capital contribution.

(i) Statements of financial position as at 30 June 2024 (Extract)

The Group

EQUITY AND LIABILITIES

Accumulated losses

Capital Contribution

As previously reported	Adjustments	Restated balance
Rs.	Rs.	Rs.
(857,249,845)	(50,000,000)	(907,249,845)
-	50,000,000	50,000,000

The Company

EQUITY AND LIABILITIES

Accumulated losses

Capital Contribution

As previously reported	Adjustments	Restated balance
Rs.	Rs.	Rs.
(884,556,380)	(50,000,000)	(934,556,380)
-	50,000,000	50,000,000

(ii) Statements of profit or loss

The Group

Operating Expenses

Loss before tax

Loss after tax

As previously reported	Adjustments	Restated balance
Rs.	Rs.	Rs.
(853,900,074)	(50,000,000)	(903,900,074)
(74,657,431)	(50,000,000)	(124,657,431)
(64,557,452)	(50,000,000)	(114,557,452)

The Company

Operating Expenses

Loss before tax

Loss after tax

As previously reported	Adjustments	Restated balance
Rs.	Rs.	Rs.
(842,047,024)	(50,000,000)	(892,047,024)
(86,636,550)	(50,000,000)	(136,636,550)
(75,500,614)	(50,000,000)	(125,500,614)

(iii) Statements of cash flow

The Group

Operating activities:

Loss before tax

Financing activities:

Capital Contribution

As previously reported	Adjustments	Restated balance
Rs.	Rs.	Rs.
(74,657,431)	(50,000,000)	(124,657,431)
-	(50,000,000)	(50,000,000)

The Company

Operating activities:

Loss before tax

Financing activities:

Capital Contribution

As previously reported	Adjustments	Restated balance
Rs.	Rs.	Rs.
(86,636,550)	(50,000,000)	(136,636,550)
-	(50,000,000)	(50,000,000)

29. NOTES TO STATEMENT OF CASH FLOWS

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's and the Company's cash flow statement as cash flows from financing activities.

The Group

	Opening balance	Financing cash flows	Non-cash changes	Closing balance
	Rs.	Rs.	Rs.	Rs.
2025				
Lease liabilities	41,099,628	(9,450,197)	11,977,410	43,626,841
2024				
Lease liabilities	39,075,773	(7,939,839)	9,963,694	41,099,628

The Company

	Opening balance	Financing cash flows	Non-cash changes	Closing balance
	Rs.	Rs.	Rs.	Rs.
2025				
Lease liabilities	41,099,628	(8,438,197)	5,097,627	37,759,058
2024				
Lease liabilities	39,075,773	(7,939,839)	9,963,694	41,099,628

30. CAPITAL CONTRIBUTION

The capital contribution relates to funds directly injected by the Ministry of Finance into the Pension Fund held with SICOM.

	The Group and the Company	
	2025	2024
	Rs.	Restated Rs.
At 01 July	50,000,000	-
Received during the year	50,000,000	50,000,000
At 30 June	100,000,000	50,000,000

31. GOING CONCERN

As at 30 June 2025, the Group's total liabilities exceeded its total assets by Rs. 1,615,501,688 (2024: Rs.1,497,005,834) and at the same date the Company's total liabilities exceeded its total assets by Rs. 1,649,223,157 (2024: Rs. 1,524,312,370). It is to be noted that the Group and the Company have sufficient liquidity to continue business for the foreseeable future. The deficit is mainly attributable to employee benefit liability of Rs. 2,601,935,975 (2024: Rs. 2,561,502,704) arising on defined benefit pension plans, mainly in respect of past government employees for the Company.

As disclosed in the IAS 19 actuarial valuation report submitted by SICOM for the year ended 30 June 2025, the average age of the Company's 386 active members was 51 years, while the average age of its 525 pensioners was 69 years. Management consider the actuarial deficit to be a long-term matter. In addition, an amount of Rs 50 million was contributed directly to the pension fund by the Ministry of Finance, Economic Planning and Development in August 2025.

Management has also considered the long-term employee benefit obligations arising from the Defined Benefit Scheme (DBS), which relates to employees who were in service prior to the Company's privatisation, as well as the Defined Contribution Scheme (DCS) implemented following privatisation. The principal factor giving rise to the material uncertainty relating to the Company's ability to continue as a going concern is the actuarial deficit associated with the DBS, which represents a significant long-term obligation. Management has taken this obligation into account in its assessment of the Company's ability to continue as a going concern.

31. GOING CONCERN (CONTINUED)

Staff costs increased from Rs407 million in the financial year ended 30 June 2024 to Rs463 million in the financial year ended 30 June 2025, representing an increase of 14%. The increase is mainly attributable to the recruitment of additional staff (on two-year contract) by the Company during the year to support its operational requirements. Should these employees be considered into the Company's permanent establishment upon expiry of their contracts, additional staff costs are expected to be incurred in future financial periods. On the other hand, the MPL revenue is at declining stage with e-substitution such as email, and social medias, and other online access.

It is to be noted that the expense arising from the defined benefit scheme is recognised directly in the consolidated and separate statements of profit or loss.

To mitigate the going concern uncertainty, the Board of Directors approved and is actively implementing a comprehensive Turnaround Plan encompassing five pillars: (i) government financial support, comprising an interest-free loan facility of Rs 100 million, of which Rs 50 million disbursed in March 2026 and the remaining Rs50 million was disbursed in April 2026; (ii) revised postal tariffs effective April 2026, together with renegotiated institutional service fees with partners including Mauritius Telecom and the NLTA; (iii) new strategic revenue streams including e-commerce fulfilment, Mastercard financial services, digital services, and property development; (iv) targeted cost containment through a recruitment freeze, overtime reduction, utility savings, and contract rationalisation; and (v) the closure of 20 loss-making post offices while maintaining service accessibility through nearby branches or mobile post offices.

The aggregate projected impact of the Turnaround Plan is approximately Rs 170 million per annum from 2026/27.

The Directors accordingly have a reasonable expectation that the Group and the Company will have adequate resources to continue in operational existence for a period of not less than twelve months from the date of these financial statements and consider it appropriate to adopt the going concern basis. Moreover, the Group and the Company have access to own funds and banking facilities to finance future operations and enable the Group and the Company to realise their assets and settle their liabilities in the normal course of business.

32. SHAREHOLDER

The shareholders of the Company as at 30 June 2025 are as follows:

Government of Mauritius	99.99998%
State Investment Corporation	0.00002%

33. EVENTS AFTER REPORTING DATE

In August 2025, the MPL acquired five mail vans at a total cost of Rs 7.3 million. This acquisition was fully funded by the Quality Service Fund to support the enhancement of postal logistics and delivery efficiency.

In November 2025, The Ministry of Finance has injected an amount of Rs 60 million into the define benefit pension funds of the Mauritius Post Ltd which is managed by SICOM Ltd. The purpose of this injection is to enhance the funding level of the pension fund and is in line with the actions of the Ministry to closely monitor the performance of defined benefit pension funds of statutory bodies.

Upon approval by the Cabinet, the Government granted MPL an interest free loan of Rs100 Million. An amount of Rs 50 million was disbursed in March 2026 to enable MPL to meet it salary payment. The remaining balance of Rs 50 million was disbursed on 24 April 2026.

During March 2026, military hostilities escalated in the Middle East following military operations involving Iran and other regional actors. The situation has resulted in heightened geopolitical tensions and increased uncertainty in global financial and commodity markets.

These developments may affect global economic conditions, including energy prices, inflation, exchange rates and financial market volatility. The extent to which the conflict may impact the Company's operations and financial performance will depend on future developments, including the duration and scope of the conflict and responses by governments and regulators.

The directors have considered the potential implications of the ongoing conflict on the Company's operations, financial position and future cash flows based on information available at the date of approval of the consolidated and separate financial statements. Based on this assessment, the directors are of the opinion that the conflict has not had a material impact on the Company's financial position or results of operations as at the reporting date, and that no adjustments are required to the consolidated and separate financial statements.

Other than the above, there are no subsequent events that have occurred after year end that require further disclosure or amendments to the consolidated and separate financial statements for the year ended 30 June 2025.

