

# DIRECTORS REPORT

## THE GROUP

2020 was primarily defined by the COVID-19 pandemic, which led to global social and economic disruption. No country has been spared the brunt of the Covid pandemic and we still haven't seen the end. The resulting effect on the Travel and Hospitality industry has been particularly severe and locally this has impacted heavily on the economy as a whole. For the first time in forty years, the local economy contracted to the tune of 15% in 2020 according to the Central Statistics Office. An unexpected second wave of the Covid 19 hit Mauritius in March 2021 leading to a fresh lockdown and a renewed closure of our borders. On the positive side, the local vaccination campaign has started in Mauritius as from January 2021. However, there is still uncertainty on the supply side leading to uncertainty as to the timeline for the country to reach a 'herd' immunity status.

The Group's Turnover suffered a degrowth of around 4% in 2020 and an even more severe contraction of around 13% in its Gross Profit compared to last year. This has been, particularly as a result of the poor performance of the Hospitality sector of the local economy. However, the Group's key businesses, mainly, in the Telco, Media and IT cluster have remained fairly resilient and as technology started gaining a much larger importance, this resilience will be even stronger going forward. This coupled with some key initiatives around costs containment and efficiency, has enabled the Group to achieve an operating Profit of RS 789M in 2020 compared to RS 926M for 2019.

The accounts of one of the subsidiaries, namely, Silver Wings Travels Ltd, have been restated following an investigation by Mazars whereby it was found that the Accounts Receivables were overstated and Trade payables were understated.

The Group has been investing heavily over the last few years and some of these investments have been financed by debt and some of these debts are denominated in foreign currencies. The extent of the depreciation of the Mauritian rupee vis a vis the two major currencies have resulted in an exchange loss of nearly RS 100M in 2020. This has weighed heavily on the Group's NPAT for the year which stood at RS 200M compared to RS 440M in 2019.

The Group's liabilities on retirement benefits also suffered substantially in 2020. The continuing drop in yield on long-term treasury bills has been very severe and has largely contributed to a major increase in the overall retirement benefit obligations of the group. The OCI of the Group has been impacted negatively by around RS 202M in 2020.

The lower operational performance due to the pandemic, the appreciation of the Euro and Dollar and the increase in Retirement benefit liabilities have compounded into a severe drop in the total comprehensive income of the Group in 2020, reaching RS 79M compared to RS 593M in 2019.

## THE COMPANY

On the Company's front, the reduced dividend of nearly RS 228M from its subsidiaries and associates has also impacted its results in 2020. Major adjustments in retirement benefit provision, as a result of the changes in assumptions pertaining to the discount rate, have also added to the company's costs by around RS 135M but the company realised an exceptional profit of RS 1.1BN out of the sale of its shares in EM Vision Ltd to Emtel Ltd in 2020. This has enabled the company to post an NPAT of RS 989M compared to RS 128M in 2019 and a total comprehensive income of RS 854M compared to RS 53M in 2019.

The company paid out a dividend of RS 43.5M in 2020 compared to RS 135M in 2019.

## DIRECTORS

The following directors held office during the year ended 31 December 2020 and as at the date of this report:

Bashirali A Currimjee	Shahrukh D Marfatia
Anil C Currimjee	Aisha C Timol
M. Iqbal Oozeer	Karim Barday
Ashraf M Currimjee	Manoj K Kohli - appointed as director on 04 February 2021
Azim F Currimjee	Uday K Gujadhur - appointed as director on 19 February 2021
Riaz A Currimjee	
Christophe de Backer	
Mazahir F E Adamjee - resigned as director on 28 October 2020	

# DIRECTORS REPORT

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

## DONATIONS

During the year ended 31 December 2020, donations amounting to Rs 6,529,000 and Rs 6,529,000 (2019 - Rs 859,000 and Rs 768,000) were made by the Group and the Company respectively.

## AUDITOR

Following an external audit tender exercise conducted for the audit for the year ended 31 December 2020, PricewaterhouseCoopers has been re-appointed as external auditor.

## ACKNOWLEDGEMENT

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

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

Director  
28 April 2021

**Mr Anil C Currimjee**

Director