ICTA

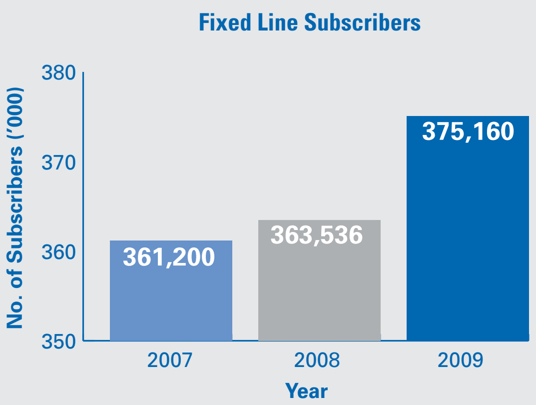
INFORMATION & COMMUNICATION
TECHNOLOGIES AUTHORITY

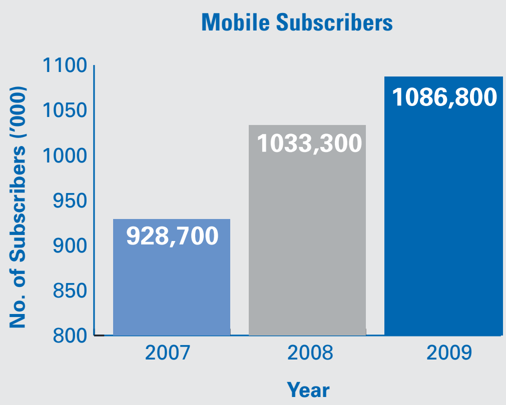
Weathering the economic downturn
through effective regulation

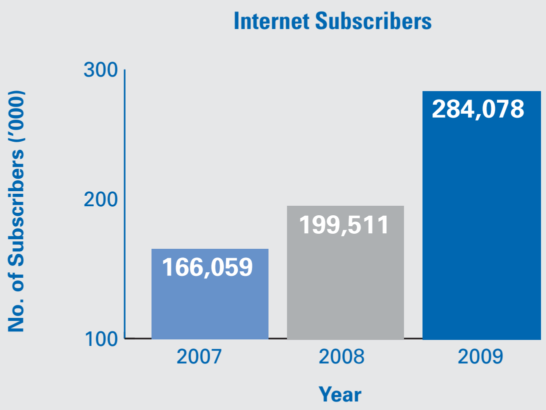
Annual Report 2008-2009

Sector Highlights

Fixed Line Subscribers	2007	2008	2009
Total Fixed Lines	361,200	363,536	375,160
Mobile Subscribers	**2007**	**2008**	**2009**
Total Mobile Subscriptions	928,700	1,033,300	1,086,800
Mobile Internet Subscribers	**2007**	**2008**	**2009**
GPRS, WAP & 3G	78,434	104,809	179,013
Internet Subscribers (Note 1)	**2007**	**2008**	**2009**
Total No. of Internet Subscribers	166,059	199,511	284,078
Broadband Internet Subscribers (Note 2)	**2007**	**2008**	**2009**
Total No. of Broadband Internet Subscribers	61,497	91,734	132,828







Note:

1. Includes Fixed, Semi - Fixed (nomadic) Subscribers and Mobile Internet Subscribers

2. Broadband Internet refers to fixed and mobile Internet connection at a speed equal to or greater than 256 kbps, as the sum of capacity in both directions.

Contents

Chairperson's Review

"We operate with a dual mandate from government to achieve sector stability and to enhance ICT capabilities"

The period under review has been momentous for the ICTA. We operate with a dual mandate from government to achieve sector stability and to enhance ICT capabilities. These goals required fostering an environment to 'navigate the sea of uncertainty' when tremors in the financial sector were being heard and felt. Cognizant of our tasks and challenges, we rose to the occasion to deliver on several substantive issues falling within our purview.

Delivering the digital economy

The latest determination of the Authority in February 2009, which significantly reduced wholesale as well as retail ADSL tariffs, paved the way to the transformation in the use of the Internet for work, trade, communications and entertainment while boosting the democratization of high speed Internet access. The convergent approach of the regulator and of operators contributed to maintaining a climate where growth in ITES could be pursued despite the short-term bumps and gloomy economic postulates.

The next logical step was to implement a Public Key Infrastructure (PKI) in the country for enhanced virtual security. A Memorandum of Understanding (MoU) was signed in February 2009 between the ICTA and the Controller of Certifying Authorities (CCA), the Department of Information Technology, and the Government of India. Under this MoU, the aforementioned authorities in India will provide assistance to the Mauritian counterparts to fast-track the setting up of the Mauritian PKI based on the Indian PKI model. Moreover, the Electronic Transactions (Amendment) Bill of April 2009 has enabled the ICTA to take on the functions and exercise the powers of the CCA in Mauritius.

We have also sought to pro-actively address other important issues. Of particular concern to the Authority was the depletion of telephone numbers under the current complex numbering arrangements made in Mauritius. Consultations conducted by the ICTA with operators have resulted in the development of a revised numbering plan which should address issues inherent to the incumbent numbering plan while increasing the numbering capacity with a view to accommodating the ever expanding mobile and fixed-line subscriber base, in Mauritius as well as Rodrigues and the Outer Islands. Mindful of the rapid obsolescence of technology, the ICTA has stepped up the implementation of best practices in spectrum management.

A more efficient allocation of radio frequencies should spur the deployment of new technologies and services that will inevitably lead to a more sophisticated landscape for businesses and customers alike.

Advocating the socio-economic obligation

Regulators tend to operate in the background; the recent financial crisis and resulting worldwide economic turmoil, however, have put responsibility back in the hands of the regulators. It is, therefore, with a heightened sense of duty, accountability and integrity that we have discharged our functions throughout the past financial year. That the consumer still benefited from reduced tariffs while service providers posted healthy financial results across the sector attest to the soundness of our regulatory framework.

The Interconnection Usage Charges (IUC) cost-oriented determination coupled with the adoption of Zero Access Deficit Charges (ADC) constitute milestones in the life of the ICTA. They considerably lowered the cost of telephone calls, both for fixed-line and mobile services and heralded the era of the cost-based IUC. We have also seen to it that consumers enjoy cheaper rates for international phone calls. In addition, mobile operators have responded favourably to opportunities arising from our regulatory measures to launch new mobile value-added services aimed at different market segments.

The ICTA also defined a Quality of Service (QoS) framework with due powers of supervision, inspection, investigation and enforcement to constantly monitor the level of service offered by licensees in order to ensure that the latter meet the established standards.

Setting the future priorities

While we, at the ICTA, note with satisfaction that the competition we have striven to introduce into the sector is working for the consumer and citizen interest, we also recognize that much remains to be done to overcome service and access gaps in the country. The implementation of the Universal Service Fund since December 2008 has enabled the authority to collect monies from operators that we hope can be channelled into projects aimed at bridging the digital divide and promoting universal service.

I am convinced that the ICTA will continue to be a powerful and vocal agent for the interests of citizens and consumers. We will work closely with the Competition Commission to curtail anti-competitive behaviour in the telecoms market and to develop new models for promoting healthy competition.

Nurturing the agile institution

It is my firm belief that any institution can only perform as well as its personnel. To enable the Authority to face the serious challenges and daunting tasks that lie ahead, we have endeavoured to recruit individuals of professional standard to strengthen the organizational capability at the Authority. Since October 2008, following the Cabinet reshuffling and subsequent appointment of a new Minister of ICT, a new Board was constituted at the ICTA. The new-found synergy between the Board and the management of the Authority, under the aegis of the Ministry, has enabled the institution to play a more prominent and positive role in the sector.

To the staff of the ICTA and to my other colleagues on the Board I wish to extend my appreciation for their help and wisdom over the past year.

I am convinced that as an important economic regulator, the ICTA will continue to function in as independent a way as possible from diverse extraneous interferences in the public interest.

Trilock Dwarka
Chairman

Executive Director's Message

"The spectrum releases will create new opportunities for innovation in wireless technologies, with potential uses including wireless broadband, new digital television services, mobile television..."

Foreword

This Report sets out what we have done in 2008/9 to regulate the ICT sector. It also describes the steps that we have taken to reduce the burden on the ICT sector we regulate. Much has been achieved in this sector over the years, but there remains much more to do. For that reason we are now looking forward to the next three years and at the end of this section I set out how we plan to respond to some of those challenges. The ICT Authority believes that the interests of citizens and consumers are best served by regulating for convergence, by promoting competition and taking measures where necessary to secure the broader public interest.

The sector and ICTA

One of the edifices of convergence is radio spectrum. This finite resource underpins all modern communications and society's increasing desire for mobility means that demand for spectrum is greater than ever before. ICTA's research has found that the economic impact of spectrum use has been on the increase over the years. More efficient spectrum use brings significant benefits to consumers with the launch of new technologies and increased competition between service providers, bringing the potential for greater choice and lower prices.

In 2008/9 we made significant progress in delivering our strategy of securing the greatest possible use of this valuable resource. We also developed and consulted on proposals to switch to all-digital television in 2012. The spectrum releases will create new opportunities for innovation in wireless technologies, with potential uses including wireless broadband, new digital television services, mobile television and low-power applications on which we intend to initiate consultations in the near future.

For fixed-line and mobile services, more consumers now enjoy cheaper phone call costs further to our Interconnection Usage Charges (IUC) determination. The mobile phone has now become as important to consumers as their landline with tariffs normalised within the mainland and the outer islands. Consumers have indeed benefited from competition between the network operators.

The consumer and citizen interest

ICTA's approach to regulation and competition is delivering benefits to consumers in terms of falling prices and a greater availability and range of services. In 2008/9 we continued to build on and strengthen our enforcement activity. Within this purview all ICTA's work is underpinned by its duty under the ICT Act to secure a wide range of services for people living in different parts of the country.

The regional and international dimension

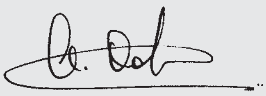
ICTA's activities, and those of the companies it regulates, are increasingly influenced by the regional and international agenda. In 2008/9 we played a key role in shaping the debate on a number of important regional policy developments such the digital switch-over and the ccTLD administration. ICTA's continued bilateral negotiations with the CCA of India have led to a new business model for the establishment of PKI services in Mauritius.

Looking ahead

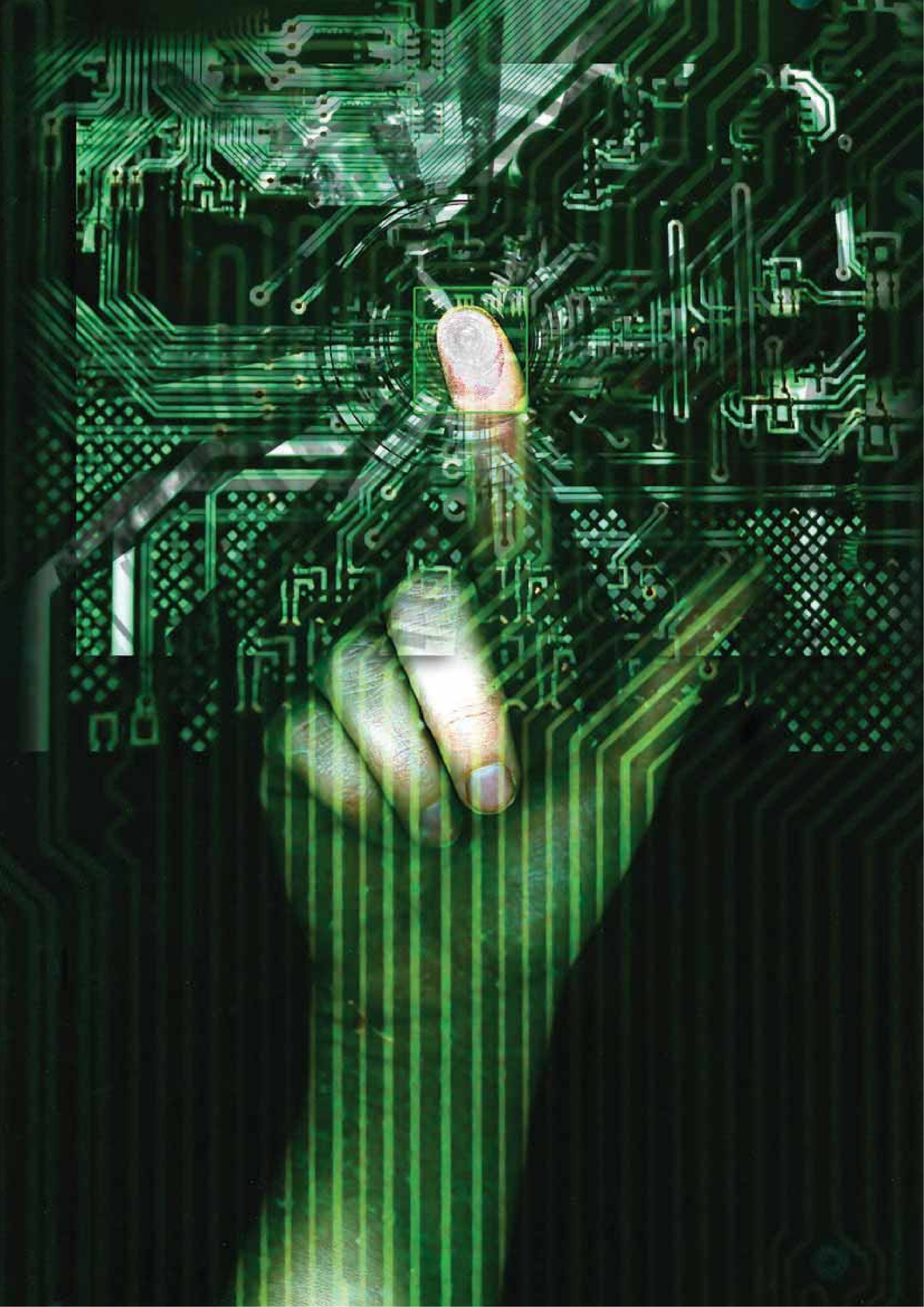
Over the past four years, the ICTA completed strategic reviews on numbering, fixed and mobile networks costs, IT regulation in terms of securing electronic transactions and radio spectrum management. In order to meet future challenges, we are now looking forward to the next three years to provide a clear sense of how we will respond to these. The Authority's Annual Plan provided in this report sets out a three-year strategic policy framework.

We will also continue to promote spectrum liberalisation and remove unnecessary barriers to the most efficient use of this valuable resource. We will promote competition and innovation in converging telecomms and broadcasting markets. We will also ensure that competition thrives as next generation networks and next generation access develop. The Authority will maintain its focus on delivering in the public interest. It will endeavour to empower citizens and consumers by promoting digital media literacy by ensuring that consumers have the information needed to make informed choices.

I would like to thank all my colleagues for their hard work over the year. I would also like to thank members of the ICT Board for their continual support and our stakeholders for their valuable contributions to our various consultations held in the course of 2008/9. Those deliberations have led to more concerted policies and decisions for citizens, consumers and the ICT industry at large, and I look forward to continuing this agenda in 2009/10 and beyond.



Dr Krishna Oolun
Executive Director



1. Corporate Governance

1.1 Composition of the Board

Mr Trilock Dwarka

Mr Trilock Dwarka, Chairman

Mr Trilock Dwarka has been the Chairman of the ICTA since 2005. He is also the Acting Chairman of the Independent Broadcasting Authority and heads the National Cybercrime Prevention Committee. Mr Dwarka is a longstanding broadcast journalist. He was Head of News of the Mauritius Broadcasting Corporation from 1983 to 1991 before being appointed Director General of the MBC in 1996. In 1998, he started the process that led to the launching of Digtital Terrestial Television in Mauritius seven years later. He created Infotel Worldwide Services, a bulk data capture facility as well as Ring Me Services, a precursor to our call centres way back in 1992. Mr Dwarka has been involved, during his long career, at the level of executive committees of various regional and international organisations like CIRTEF, SABA, URTNA, CRASA and ARICEA among others. He has published various documents on broadcasting and has made contributions on DSO at the level of the CTO. He holds an MBA from Australia, a Fellowship from Syracuse University, USA and various diplomas in Journalism and Mass Communications.

Mr Abdool Cader Moosuddee

Mr Abdool Cader Moosuddee, Representative of the Secretary for Home Affairs

Mr Abdool C. Moosuddee is the representative of the Secretary for Home Affairs and has been a Board Member since June 2009. Mr Moosuddee is presently Principal Assistant Secretary at the Home Affairs Division, Prime Minister's Office. He is the holder of a BA (Hons) degree and a B. Ed from University of Delhi. He also holds a Diploma in Public Administration and Management from the University of Mauritius. He joined the Public Service as Education Officer in 1980. After serving the Ministry of Education for 8 years, he joined the public administration and worked as Administrative Officer/Secretary at the Ministry of Finance for a period of 13 years. Mr Moosuddee had the opportunity of following a course in Macroeconomic Management and Financial Sector Issues at the IMF. He also followed a course in Financial Management at the National Institute in Public Administration in Karachi. He has represented the government in various workshops and conferences overseas. He represents the Prime Minister's Office on the National Computer Board and the National Cybercrime Prevention Committee.

Mr Yashwan Manick

Mr Yashwan Manick, Board Member

Mr Yashwan Manick is the Lead Consultant for a consulting firm specializing in political, business and investment strategy. Mr Manick has been directly involved in political work in Europe, Africa and the USA. He has also consulted on several high profile business ventures in the EMEA region as well as advised on successful start ups. Previously, he was also the founder and managing director of a communication, design and advertising firm based in Mauritius. Mr Manick holds a liberal arts degree from an US Ivy League institution. He is Board Member since 2008.

Mr Alain Gordon-Gentil, Board Member

Mr Alain Gordon-Gentil has had a long and fruitful career in the press. He has worked as a political analyst, editorialist and interviewer and has won a "Journalist of the Year" award. Mr Gordon-Gentil was Press Office director at the Prime Minister's Office and was one of the senior advisers to the Prime Minister. He is a writer and has published several novels in France. His last novel, Devina, won the "Revélations 2009" prize in Paris. Mr Gordon-Gentil has also been a television documentary producer. His films have been screened and broadcast in Mauritius, France, Britain, Belgium and Japan. Mr Gordon-Gentil has been a Board Member since 2008.

Mr Alain Gordon-Gentil

Mr Naushad M. A. Khodabocus, Board Member

Mr Naushad Khodabocus has been a Board Member since 2005. Mr Khodabocus holds an MSc in Engineering from UK and has a legal and financial background. He was formerly a Lecturer at the University of Mauritius. He is also a member of the Radio Frequency Monitoring Unit of ICTA and has attended various conferences of the International Telecommunication Union on radio frequency spectrum management. Currently, he is a Director of a consulting engineering firm.

Mr Naushad M. A. Khodabocus

Mr Naushaad K. Malleck, Board Member

Mr Naushaad K Malleck has been a Board Member since 2008. Mr Malleck holds an LLB from the University of Buckingham and completed his Bar Vocational Course at the BPP Law School in London. He is practising at the Bar of Mauritius and is presently at the Chambers of Sir Hamid Moollan Q.C.

Mr Naushaad K. Malleck

Mr Amaresh Ramlugan, Board Member

Mr Amaresh Ramlugan has been a Board Member since 2005. Mr Ramlugan holds a Masters Programme in International Business and a Masters Degree in Marketing Management. He was previously Head of Corporate Affairs for Barclays Bank (Mauritius) PLC from 2005-08, and he is currently Head of Marketing and Communications for the State Bank of Mauritius (SBM) Group.

Mr Amaresh Ramlugan

1.2 Report of Corporate Governance Committee

Composition of the Board

The ICT Authority is administered and managed by the ICT Board in accordance with the provisions of the ICT Act 2001. The ICT Board consists of the Chairperson, the Secretary for Home Affairs or his representative and five other Members appointed by the Minister.

ICT Board's responsibility for the financial statements

The ICT Board is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the prevailing statutes.

Responsibilities of the ICT Board Members

The fundamental statutory responsibilities of the ICT Board Members are to lay down the overall policies regulating the various activities of the Authority; it oversees the Authority's strategic direction and its organizational structure. The Board discharges the above responsibilities either directly or through board committees for more in-depth analysis and review of various issues while retaining responsibilities for all policy matters. The Board promotes openness, integrity, accountability to improve corporate behaviour, strengthens control systems over business and reviews management performance on a regular basis. To fulfill their responsibilities, Board members have unhindered access to accurate, relevant and timely information.

Internal Control

The ICT Board's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatements; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. Such systems should ensure that all transactions are authorized and recorded and that any material irregularities are detected and rectified within a reasonable time frame.

National Code of Corporate Governance

A Corporate Governance Committee has been set up under the ICT Board in order to ensure compliance with the National Code of Corporate Governance. The Committee is constituted as follows:

- **Chairperson:**
  Mr A. C.Moosuddee, representative of the Secretary for Home Affairs
- **Members:**
  Mr A. Ramlugan & Mr Y. Manick

Fast Track Committee

In order to decide upon urgent issues, the ICT Board has set up a Fast Track Committee constituting the Chairperson and two other Members, with delegated powers except to decide on the borrowing of money and the granting of licences. The decisions of the Fast Track Committee are subsequently ratified at the next ICT Board meeting.

Table 1.1: Other Sub-Committees under the ICT Board

Sub Committee:	Chairperson	Members
Audit Committee	Mr N. Malleck	Mr A. Ramlugan Mr N. Khodabocus
Publications Committee	Mr A. Gordon-Gentil	Mr A. Ramlugan Mr N. Malleck
USF Management Committee	Mr Y. Manick	Mr T. Dwarka Mr N. Malleck
Staff Committee	Mr T. Dwarka	Mr A. C. Moosuddee Mr N. Khodabocus
Committee of Needs	Mr T. Dwarka	Mr Y. Manick Mr N. Khodabocus

Terms of Reference of Sub-Committees under ICT Board

Audit Committee

Composition

Mr N. Malleck - Chairperson
Mr N. Khodabocus - Member
Mr A. Ramlugan - Member

The audit committee provides assurance that the system of internal control in the various spheres of activities of the Authority is adequate. To fulfil its role, the audit committee has the following main objectives:

- Evaluate the effectiveness of the system of internal control.
- Identify and assess, in conjunction with management, important risk areas and satisfy itself that the critical risk areas are being effectively addressed by management.
- Assist the Board in setting up an internal audit/ control department.
- Review internal audit plan to determine that internal audit objectives and goals provide for adequate support of the audit committee's objectives and goals.
- Meet with the internal and external auditors to review audit assignments carried out by them.

Publications Committee

Composition

Mr A. Gordon-Gentil - Chairperson
Mr N. Malleck - Member
Mr A. Ramlugan - Member

The publications committee deals with all aspects regarding the items for publication at the level of the Authority, including inter-alia, the annual report, the sector report, the country report, staff magazine and similar publications. The committee also advises the Board on qualitative and quantitative factors pertaining to publications with a view to achieving efficiency in the timing and cost of publications.

USF Management Committee

Composition

Mr Y. Manick - Chairperson
Mr T. Dwarka - Member
Mr N. Malleck - Member

The USF management committee deals with all aspects regarding the management of the USF at the level of the Authority. The committee recommends to the Board any amendments to be made to the structure of the USF management at ICTA and national level and USF regulations.

The committee is also responsible for the preparation of annual budgets and plans for the USF and financial reporting for submission to the Board.

Staff Committee

Composition

Mr T. Dwarka - Chairperson
Mr N. Khodabocus - Member
Mr A. C. Moosuddee - Member

The committee determines and develops the Authority's general policy on executive and senior management remuneration and welfare of general staff members.

Committee of Needs

Composition

Mr T. Dwarka - Chairperson
Mr N. Khodabocus - Member
Mr Y. Manick - Member

The committee identifies and assesses the need for procurement in terms of the Public Procurement Act and the guidelines issued by the Public Procurement Office. The committee also deals with all tender exercises, both for purchase and sale of items, through ad hoc tender committees. The tender committees make recommendations to the ICT Board.

Table 1.2: Attendance at Board and Sub-Committee Meetings - 2008/09

	Board Meeting	Fast Track Committee	Audit Committee	Staff Committee	USF Management Committee	Committee of Needs	Publications Committee
Total no. of meetings held	16	9	1	4	1	6	1
Board Members:							
Mr T. Dwarka *(Chairman)*	16	9	-	3	1	3	-
Late Mr R. Mudhoo *(up to 16 February 2009)*	4	-	-	-	-	-	-
Mr N. M. A. Khodabocus	15	4	1	3	-	1	-
Mr A. Ramlugan	14	2	1	1		3	1
Mr Y. Manick *(as from 14 October 2008)*	12	9	-	2	1	6	-
Mr N. Malleck *(as from 14 October 2008)*	11	5	1	3	1	2	1
Mr A. Gordon-Gentil *(as from 14 October 2008)*	9	1	-	1	-	-	1
Mr A. C. Moosuddee *(as from 15 June 2009)*	1	-	-	-	-	-	-
Mr J. Jhurry *(up to 14 October 2008)*	3	-	-	-	-	-	-
Mr R. Gopaul *(up to 14 October 2008)*	3	-	-	-	-	-	-
Mr L. Jandoo *(up to 14 October 2008)*	3	-	-	-	-	-	-

1.3 Senior Management

Dr Mukund Krishna Oolun, B Tech (Hons), MSc, PhD, MBA, CEng, MIET, MIEEE, RPEM, AMIEM - *Executive Director*

Dr M K Oolun, Chartered Engineer of the UK Engineering Council, holds a First Class Honours in Electrical & Electronic Engineering from the University of Mauritius, an MSc with distinction in Digital Instrumentation & Imaging Systems from the University of Manchester Institute of Science & Technology (UMIST), UK, a PhD in Communications Engineering jointly from the University of Mauritius & UMIST, and an MBA in Information Technology Management from the University of Leicester, UK. Dr Oolun joined the Authority as an Engineer in 2000 before becoming Director of Engineering in 2002 and since 2005 has been Executive Director.

Dr Mukund Krishna Oolun

Mr Jérôme Louis, B Eng (Hons), M Tel Eng, MRP (Telecom), C Eng, MIET, MIEEE, RPEM - *Director of Engineering*

Mr J Louis, Chartered Engineer of the UK Engineering Council holds a Masters in Regulation and Policy (Telecommunications) from the University of West Indies, Trinidad and Tobago, a Masters in Telecommunications Engineering from University of Melbourne, Australia, as well as a BEng (Hons) from the University of Mauritius. He joined the Authority as Trainee Engineer in February 2003 and was appointed Manager – Engineering and Licensing Department in July 2003. He was thereafter appointed Director as from December 2004.

Mr Jérôme Louis

Mr Harish Bhoolah, FCCA - *Director of Finance and Administration*

Mr H Bhoolah, Chartered Certified Accountant joined the Authority as Director of Finance and Administration in 2002. Mr Bhoolah is a Fellow of the Association of Chartered Certified Accountants. Before joining the Authority, Mr Bhoolah worked for more than eight years at Kemp Chatteris - Deloitte and Touche as supervisor, and two years at Ireland Blyth Ltd as Accountant.

Mr Harish Bhoolah

Mr Trilok Dabeesing, MSc Computer Science, DEA Electronique - *Director of IT*

Mr T Dabeesing holds a Masters in Computer Science from the George Washington University, U.S.A, as well as a “Diplome D’Etudes Approfondies” from University of Lille, France, in Electronics. He joined the Authority as Manager of IT in October 2003 and was appointed as Director of the same Department since August 2009. He was formerly the Head of Engineering Services from 1995 to 2003 at the Mauritius College of the Air.

Mr Trilok Dabeesing

1.4 Values

- **Professionalism:**
  to demonstrate high-level professionalism in our day-to-day initiatives in relation to the business of the authority and achieve continuous self-improvement.
- **Responsibility:**
  to speak up and report concerns about the ICT regulatory frameworks and laws, and seek clarification and guidance where there is doubt.
- **Commitment:**
  to develop the right attitude towards the job we undertake, encourage individual initiative and express our dedication in achieving our objects and function.
- **Honesty:**
  to be truthful in all our endeavours, to be honest and straightforward with one another and with our policy makers, communities, licensees, operators and service providers.
- **Integrity:**
  to express what we mean, to deliver what we promise and to stand for what is lawful.
- **Respect:**
  to treat one another with dignity and fairness, appreciating the diversity of our workforce and the uniqueness of each employee.
- **Trust:**
  to build confidence through framework and open and frank communication.

1.5 Risk Management

Credit Risk

The Authority is exposed to credit risk pertaining to the possibility of default by licensees in settling their licence fee claims. The Authority is adequately shielded against this risk; as for major licences the Act provides for the licensees to furnish bank guarantees in favour of the Authority.

This mitigates the credit risk exposure of the Authority with regard to the recoverability of licence fees and the possibility of material loss of revenue arising.

Liquidity Risk

This risk refers to the possibility of default by the Authority to meet its obligations because of unavailability of funds to meet both operational and capital requirements. In order to ensure adequacy of its funds, cash flow forecasts are prepared periodically to identify any shortage of funds.

Related Party Transactions

Remuneration to Management

Key management are persons having authority and responsibility for planning, directing and controlling the activities of the Authority, as per IAS 24 - Related Party Disclosures. During the year, the total remuneration of the key management was as follows:

Table 1.3: Total Remuneration

	30 June 2009	30 June 2008
	Rs	**Rs**
Allowances paid to Chairman and Board Members	**6,009,000**	**4,437,000**
Directors	**5,841,105**	**4,516,511**
	11,850,105	8,953,511

Staff Loans

Staff loans include auto cycle and car loans which are refundable in 60 and 84 equal monthly instalments respectively, and bear interest at the rate of 6.5% per annum. The above also include educational loans to staff members refundable in 60 equal monthly instalments with annual interest rate of 5%.

Table 1.4: Loans granted to staff

	30 June 2009	30 June 2008
	Rs	**Rs**
Opening Balance		
Loans :		
receivable within 1 year	625,396	509,865
receivable after 1 year	1,921,859	1,832,231
Loans granted during the year	3,205,465	774,872
Loan Instalments Received	(1,204,185)	(569,713)
Closing Balance	4,548,535	2,547,255
Receivable within 1 year	1,017,883	625,396
Receivable after 1 year	3,530,652	1,921,859
	4,548,535	2,547,255

Conflicts of Interest

Any Member who has any direct or indirect pecuniary or other interest in a matter being considered or about to be considered by the Board is required to disclose the nature of his interest to the Board and to abstain from being present during any deliberation and decision process of the Board in respect of that matter.

1.6 Corporate Social Responsibility

The Information and Communication Technologies Authority is committed to activities which support a culture of Corporate Social Responsibility (CSR).

As a sign of this commitment, throughout 2008-2009 the ICT Authority made a number of grants in accordance with the provisions of the ICT Act for a series of worthy causes to a number of organisations for the benefit of Mauritians.

The details of the important CSR projects which the Authority funded or sponsored/co-sponsored for the abovementioned period are set out below:

Public Internet Access Point Project

The ICT Authority is currently in its fourth year of providing funding for the **Public Internet Access Point Project** in line with the government's policy to improve public access to ICT services including access to the Internet through this empowerment programme.

The project was underscored by a set of ten guiding principles outlined as commitments to: the Needs of the Community; Inform, Involve and Inspire; Ensure sustainability; Equity; Social Responsibility; Continuous Improvement; Cooperation and Collaboration; Fairness and Choice; Safety, Confidentiality and Privacy and Service to Excellence.

Outer Islands Development Corporation (OIDC)

The ICT Authority part funded a landmark project for the Outer Islands Development Corporation. The request for the OIDC was for the payment of electricity charges to support basic Telephony Services in Agalega. The funding was seen offering concrete support to sustaining basic telecom services in Agalega for the benefit of inhabitants to ensure social inclusion in an era of ICTs.

Sponsorship of Infotech 2009

Infotech which is organised by the National Computer Board each year seeks to promote and facilitate the development of the ICT sector in Mauritius and to strengthen the position of Mauritius as an ICT hub in the region. The ICT Authority regularly sponsors this event and in 2009 was one of the Gold sponsors.

Landing steps at the Aapravasi Ghat

Le Morne Heritage Trust Fund and the Aapravasi Ghat Trust Fund

With a view to encouraging the adoption of an ICT culture in archiving historical information of the country, the Authority made donations of personal computers (PCs) to the Le Morne Heritage Trust Fund and the Aapravasi Ghaat Trust Fund which have received the status of the UNESCO World Heritage recognition.

29th SATA Conference

Mauritius hosted the 29th Annual Conference of the Southern Africa Telecommunications Association. The theme was the "Wired and Wireless Synergy Challenges". The three day conference provided some sixty delegates with an insight into the regional developments for ICT infrastructure and services as well as the key challenges and the way forward.

ICT Competitiveness: The Great Expectations Workshop

From 20-21 November, the ICT Authority co-sponsored a two day conference organised by the Mauritian Management Association on the theme of "ICT Competitiveness: The Great Expectations".

During the two day workshop delegates were encouraged to perceive ICT as a strategic enabler of the management of any organisation in line with international trends for greater policy convergence seeking to combine regulatory instruments with the promotion of research and development schemes.

Sports Fun Day of the Mauritius Institute of Education

Mauritians are fond of rallying around events like Sports and Fun Days. The Authority deemed it a worthy cause to sponsor the MIE's Sports and Fun Day since the institute trains the nation's teachers and educators of tomorrow.

Mental Health Association

The Authority made a grant to the Mental Health Association. The association has a number of laudable objectives to help those with mental health problems and who are therefore vulnerable. The association caters to the needs of some 130 pupils and young adults to promote education for children with intellectual disabilities and to help the integration of such children in Mauritian society.

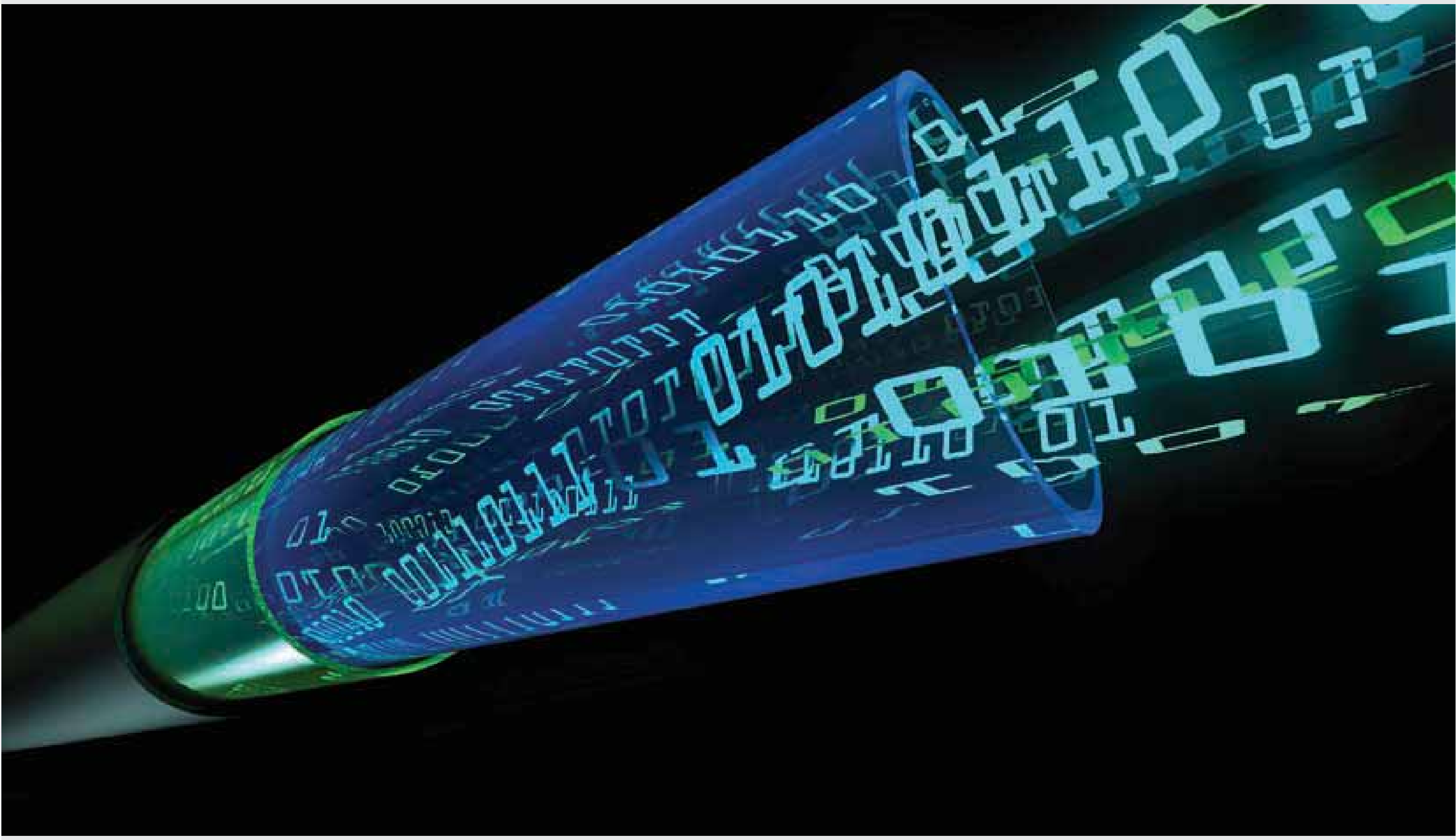
1.7 Health and Safety

Health and Safety projects for 2010

In accordance with the Occupational Safety and Health Act 2005, the Authority has recruited a Health and Safety Officer since August 2009 to oversee various Health and Safety aspects.

Major projects to be undertaken at the Authority in 2010 include a fire drill and fire awareness programme, a Health record for every employee as well as the setting up of a Health and Safety Committee.

2. Technical Regulation



2. Technical Regulation

The Engineering Department is headed by Mr. Jérôme Louis and consists of five Engineers/Licensing Officers and one Technical Officer. The department is responsible for technical regulation and licensing. Technical Regulation may be divided into three main functions, namely Spectrum Management, Numbering Management and Quality of Service Monitoring. As regards licensing, the department is responsible for the processing of applications for commercial licences in conjunction with the Legal and Finance Departments. The department is also constantly involved in studies, the outcomes of which are published as consultation papers. These papers are an integral part of the decision making process of the Authority. The Engineering Department is also regularly involved in field work which include inspection of ship stations, inspection of radio installations, spectrum monitoring and Radio Frequency radiation measurements.

2.1 Telecommunications and Radiocommunications

2.1.1 Consultation paper on Numbering Change for Mobile Services in Mauritius

A public consultation on the migration of the numbering plan for mobile services to eight digits was released by the Authority. This document presented the Authority's proposal regarding the migration procedures to be followed by the relevant stakeholders including the Authority itself so as to ensure that this major event takes place as smoothly as possible.

The main objectives of the document were to retrace the activities of the Authority since liberalization with respect to Numbering administration, reviewing the reasons for which the numbering plan has to be migrated to 8-digits, presenting a two-phased approach to the migration to the 8-digit numbering plan, whereby the first phase will involve mobile numbers only and the second phase fixed line numbers. The document sets out the roadmap for the migration of the mobile numbers to 8-digits.

Responses were received by the Authority where amongst other things contributors expressed their views on the two-phased approach and single-phased approach as well as on other aspects of the consultation document including the cost implications of the migration and the adoption of number portability. The Authority examined these views expressed in the finalising of its decision.

2.1.2 Decision on Migration of Non-Geographic (mobile) E.164 Telephone Numbers from Seven to Eight Digits

On 31 December 2008, the ICT Authority issued its Decision on the migration of non-geographic (mobile) E.164 telephone numbers from seven to eight digits, following a public consultation exercise carried out on this September 2008. The migration of mobile numbers to 8-digits has been scheduled to take place on 1 November 2009. A Numbering Change Monitoring Committee and a technical sub-committee have been set up in order to oversee the implementation of the new numbering plan.

The gist of this decision is that the migration is to be undertaken in two phases. The mobile operators and other relevant operators were urged to take all necessary steps in accordance with the guidelines to be published by the Authority to make their system ready on 1 November 2009 to accept, route and terminate voice calls, Short Messaging Services (SMS) and all relevant services which they provide on their networks, from their subscribers dialling both seven and eight digits mobile telephone numbers. The International Telecommunication Union (ITU) was also informed of this major numbering plan change.

2.1.3 Quality of Service (QoS) Monitoring Framework

The ICT Authority is in the process of establishing a framework for monitoring Quality of Service in the ICT sector. Based on international best practices, the Authority has defined QoS parameters for Fixed, Mobile, Internet, International Telephony and Leased Line services respectively. Target QoS values and the procedures for monitoring and enforcement will be finalized following consultation with all relevant stakeholders.

A primary survey on QoS has been conducted by the Authority using the defined QoS parameters. Survey forms were dispatched to operators in the PSTN, PLMN, ILD, ISP and Leased Line markets and data was requested for the period of June, July and August 2007 respectively. This exercise has allowed the Authority to have an indication of the prevailing Quality of Service level, by comparing data submitted by operators with internationally-set benchmarks, on the basis of which a proper QoS framework is now being worked out.

2.1.4 Contribution to ITU-T Study Group 12

The Authority participated in the ITU-T Study Group 12 meeting on Quality of Service and Quality of Experience, held in Geneva from 10-19 March 2009. In that context, the Authority also attended and contributed to the informal meetings of the Study Group 12 Regional Group for Africa (SG12 RG-AFR). The Regional Group is working on some QoS/QoE monitoring and measurement guidelines for the countries for this region.

The first meeting of the ITU-T SG12 RG-AFR on QoS/QoE was held in Accra, Ghana (18-19 June, 2009). In that context, the ICT Authority contributed a paper entitled "Guidelines towards a Harmonised Quality of Service Framework". The paper aimed at establishing a harmonised QoS framework by capturing appropriate QoS parameters, measurements and target values from existing QoS-related standards. The contribution of the ICT Authority was presented by the Chairman of the SG12 RG-AFR during the meeting in Ghana. It was agreed that this document could become the basis for a harmonised QoS framework for the members of the SG12 RG-AFR.

2.1.5 Consultation Paper on the Opening of the 1785 – 1805 MHz Band for BWA

In this consultation document, the Authority proposed to designate the band 1785 – 1805 MHz for Broadband Wireless Access (BWA) following expressions of interest received. The main challenge of operating in the said band is that it is currently used as the inter-band gap between the uplink and downlink frequencies of Digital Cellular System (DCS) 1800.

The main objectives of the consultation document were to evaluate the possibility of allocating the said frequency band to BWA whilst providing sufficient protection to both existing DCS 1800 networks and the future BWA networks and to propose appropriate technical and regulatory parameters to enable efficient use of the frequency band of interest and to protect adjacent services from harmful interference.

Based on the contributions received, the Authority is pursuing further study, which is particularly geared towards determining compatibility with adjacent systems such as GSM 1800. A decision will be taken once the study is completed.

2.1.6 EMF Safety

In response to the rise in public concern about the potential health hazards of human exposure to Electromagnetic Fields (EMF) from radio communication facilities, the Authority now conducts evaluations of base stations in accordance with the ITU-T Rec. K.52 to determine, prior to being put into service, the stations' compliance with the safety limits for human exposure to EMF of the International Commission for Non-Ionizing Radiation Protection (ICNIRP). The ITU-T Rec. K.52 provides for the techniques and procedures for assessing the severity of the field exposure and for limiting the exposure to workers and the general public to these fields if the limits are exceeded. As far as the Authority is concerned, evaluations are carried out with respect to the general public alone.

Equipment used for Spectrum Analysis

The Authority has put in place an in-situ measurement protocol for evaluating, from direct measurement carried out in the far-field of radio base stations, the compliance to the ICNIRP safety limits.

The measurement protocol is based on international standards including those set by the Electronic Communications Committee (ECC) and the International Electrotechnical Commission (IEC). The Authority uses a frequency selective field measurement technique for its evaluation. This technique employs spectrum analysis or channel decoding to isolate and identify Radio Base Station source and frequencies.

The Authority has also invested in appropriate equipment and provided training to its staff in order to accurately carry out those in-situ measurements.

2.1.7 Radio Frequency Audit

The Authority has embarked on a radio frequency audit. The main objective of this audit is to record all radio stations on the territory of Mauritius in the SMS4DC spectrum management software of the Authority. This audit is normally a long-term exercise of prime importance as it will improve the efficiency of spectrum assignment and the spectrum monitoring functions of the Authority.

2.1.8 Radio Amateur Examinations

Article 25 of The Radio Regulations of the ITU states that: "Administrations shall take such measures as they judge necessary to verify the operational and technical qualifications of any person wishing to operate the apparatus of an amateur station." The ICTA is mandated under the ICT Act 2001 (as amended) to: "regulate the conduct of examinations for, and the issue of, certificates of competency to persons wishing to operate any apparatus used for purposes of information and communication services including telecommunication."

The measurement protocol is based on international standards including those set by the Electronic Communications Committee (ECC) and the International Electrotechnical Commission (IEC).

All prospective radio amateurs are therefore required to demonstrate a suitable level of competence and proficiency as a pre-requisite to holding a licence. In this context, the ICT Authority has worked on a framework for the conduct of local Radio Amateur Licensing (both Class A and Class B).

The Authority now recognises the qualification and certificate issued by the Radio Society of Great Britain (RSGB) and has therefore contacted the latter regarding the possibility of conducting radio amateur examinations in Mauritius for the benefit of prospective Class A radio amateurs.

As regards the Class B radio amateur licence, the Authority is in the process of signing a Memorandum of

In-situ measurement using Spectrum Analyzer

Understanding with the Mauritius Radio Amateur Society (MARS) to address this issue. The (MoU) sets out the terms under which MARS agrees to assess the competency of candidates and under which the ICT Authority agrees to recognise a certificate of competency issued by MARS for the purpose of granting a radio amateur (Class B) licence.

2.2 Information Technology

The work of the IT Department falls into two different categories. In the first category, the main tasks pertain to in-house computerisation projects with a focus on the development of an e-business strategy for the organisation and its underlying technology shift. In the second category, IT-related regulatory measures are defined and implemented by taking into account convergence issues as well as the architectural differences between classical telecommunication and IP-based networks.

2.2.1 The IT Department's Integrated Computerisation Plan for the ICT Authority

In April 2009, the Board of the ICT Authority approved the Integrated Computerisation Plan for the Authority. This plan provides a consolidated and integrated information environment where knowledge is well managed and easily accessible both internally and externally. It also focuses on ensuring that the IT environment that supports the ICT Authority is secure, robust and flexible.

The implementation of this computerisation plan will enable the deployment and effective use of different software applications onto the existing computer network which will be reinforced for this purpose.

The different applications to be deployed are:

1. Licensing Management System (LMS)
2. Accounting/HR system
3. Document Management System (Registry)

The flagship software application to be deployed will be the LMS. The Authority's revenue stream is the collection of licence fees from ICT service providers. The LMS will enable online licence application/renewal submissions by ICT service providers. It will also automate the back office work required for the management of the licence fees and streamline business processes and interactions between the different departments involved.

The computerisation of the Accounting/HR & Registry will:

1. Streamline the ICT Authority's business processes.
2. Make information more readily available, as appropriate, to all departments.
3. Provide system users and functional managers, with the necessary technology, tools, and training to enable them to extract the data they require to meet their business needs.
4. Provide employees direct access, as appropriate, to personnel, payroll, time and attendance, benefit, and retirement information.
5. Improve the ICT Authority's ability to conduct business, human resources and filing activities based on reliable, timely financial, HR and documentation data.

A phased approach has been adopted in order to meet different project delivery milestones to ensure better project manageability and cost effectiveness. The prioritised project delivery milestones are in terms of:

- The upgrading of hardware components
- The deployment of each software application

During the 2008-2009, Financial Year a tender exercise for the computer hardware upgrading was launched on 1st June 2009. This upgrading will start as soon as the procurement process is completed.

PKI is the basis for safe and fault free online services via the Internet. It is based on the use of digital signatures to provide security services in terms of confidentiality, integrity and non-repudiation features to online applications.

2.2.2 Public Key Infrastructure (PKI) project

On 11 February 2009, a Memorandum of Understanding (MoU) was signed between the Controller of Certifying Authorities (CCA), Department of Information Technology, Government of India and the ICT Authority of Mauritius in New Delhi India in the presence of Mr M. Choonee, the Mauritian High Commissioner to India.

MoU Signature Ceremony in New Delhi - India for PKI

The objective of this MoU was to seek the assistance of the Indian counterpart to set up the Mauritian PKI based on the Indian PKI model.

PKI is the basis for safe and fault free online services via the Internet. It is based on the use of digital signatures to provide security services in terms of confidentiality, integrity and non-repudiation features to online applications.

The major components of a PKI are the CCA, the Certifying Authority (CA) and the Registration Authority (RA).

The normal budgetary estimates for setting up these components in Mauritius were estimated at USD 1 million, USD 2 million and USD 300,000 respectively. Through the operationalisation of this MoU, Mauritius will make use of the Indian PKI components instead of having to set up its own infrastructure components locally.

Dr. N. Vijayaditya, Controller of Certifying Authorities (CCA), Department of Information Technology, Government of India making his keynote address at Le Sirius, Labourdonnais Hotel, Mauritius

Following the signature of this MoU and at the invitation of the ICT Authority, a six-member delegation headed by Dr. N. Vijayaditya, Controller of Certifying Authorities (CCA), Department of Information Technology, Government of India visited Mauritius from 25 to 30 May 2009.

The five other members who also came are:

- Mr. J.S. Kochar, ED, (n) Code Solutions
- Mr. N. Subramanian, C-DAC, Bangalore
- Ms. Vandana Sethi, DGM(IT)-CA, MTNL
- Dr. Sundeep Oberoi, TCS
- Mr. R. Jagannathan, MD, 3i Infotech Consumer Services

The purpose of this visit was to set up the first working session aimed at implementing the Mauritian PKI. The following topics were discussed during the visit of the delegation:

- Meeting the legal, regulatory and statutory provisions of Mauritius
- Cost effective implementation model for Mauritius
- Willingness of Indian Certificate Authority to operate in Mauritius
- Deployment of potential PKI-based applications in Mauritius
- Capacity building opportunities for Mauritius

3. Communication and Marketing

3. Communication and Marketing

3.1 Introduction

The ICT Authority of Mauritius is often looked upon as a model for the region. A recent report from the African Development Bank clearly highlighted the fact that Mauritius has a very strong regulatory framework and that we are moving fast to improve the said framework in order to cope with technological changes.

Every year the Authority endeavours to nurture links with local and foreign organisations seeking to promote knowledge and use of ICTs in a variety of contexts. For the 2008-2009 Financial Year, the Authority organised or co-organised five major events.

3.2 Workshop: ICT as a Driver for Business Competitiveness

From 20-21 November 2008, the ICT Authority co-sponsored a two-day conference organised by the Mauritian Management Association on the theme of **"ICT Competitiveness: The Great Expectations"**.

The two day workshop was held at La Canelle, Domaine les Pailles. Workshop delegates were encouraged to perceive ICT as a strategic enabler of the management of any organisation in line with international, and particularly, European calls for greater policy convergence seeking to combine regulatory instruments with the promotion of research and development schemes.

The workshop urged participating organisations to turn around their view of ICTs and not just to see it as an industry in its own right but rather as a strategic driver in order to better compete in the global business environment.

3.3 Business Process Re-engineering Workshop for the African Region

Also in November, the ICT Authority was one of the institutional sponsors for the Commonwealth Secretariat Workshop in Business Process Re-engineering for the African Region held from 24-29 November 2008 at the Trou aux Biches Hotel, Triolet.

The Honourable Mohammed Asraf Ally Dulull, Minister of Information and Communication Technology officially opened the workshop which drew the participation of some 30 delegates from overseas.

The workshop was co-sponsored by the Commonwealth Fund for Technical Co-operation (CFTC). It was organised and conducted by the Governance and Institutional Development Division Commonwealth Secretariat in collaboration with Singapore's e-Government Leadership Centre, the Institute of Systems Science and the National University of Singapore.

Delegates examined the fundamental concepts of Business Process Re-engineering: BPR Framework, Visioning, Current Process Analysis and Process Selection and New Process Design.

3.4 Effective Use of ICTs for Disaster Management in Mauritius

From the 3-5 March 2009, the ICT Authority organised a three day Forum on **"The Effective Use of ICTs for Disaster Management"** (ICT4DM) in partnership with the Commonwealth Telecommunications Organisation. The Forum in Mauritius was designed to focus on the way ICTs can be used to meet the challenges faced by small island states like Mauritius and others like it in the Indian Ocean.

The Forum attracted speakers and experts on the ICT4DM from the ITU-D, the UN-Habitat and the CTO and the Indian Ocean Commission. Some eighty delegates from a cross section of stakeholders-government, the private sector and academia as well as NGOs working to empower communities at grassroots level also took part.

The Mauritian Minister of Information and Communication Technology, the Honourable Mohammed Asraf Ally Dulull gave the keynote address during the Introductory Session.

The various sessions gave speakers and delegates the opportunity to explore the four stages of the disaster management cycle: i.e. preparedness, mitigation, relief and recovery and reconstruction and build on a logical framework to develop practical and realistic tools to come up with disaster management strategies.

One of the key recommendations of the Forum was the strong call for the creation of a centralized agency to coordinate disaster management in Mauritius. The recommendation was welcomed by the Minister of Communication and Information Technology who said that the government had already been working on measures to come forward with a legislative framework to create a National Disaster Management Agency. As such the Forum's other recommendations for using ICTs efficiently for effective disaster management will be fed into this framework.

The centralized agency as proposed by the Forum would rectify what delegates saw as the insufficient level of coordination between the different emergency service providers who have to handle disasters in Mauritius.

The Forum also called for a National Emergency ICT plan that would spell out what and how resources should be deployed before, during and after a disaster. The Forum also urged that Mauritius becomes a signatory to the Tampere Convention which relaxes regulatory barriers to the movement of telecommunications equipment and trained personnel during disasters.

Forum delegates also felt that the deployment of ICTs in disaster management would serve no purpose if communities who are to benefit are not properly informed and more crucially, involved in the decision-making process.

The Honourable Mohammed Asraf Ally Dulull, Minister of Information and Communication Technology in group photo of delegates at the ICT4DM Forum in Port Louis Mauritius

The outcome of the Forum has been submitted to the Minister who in turn has tabled same to Cabinet for inclusion in the national emergency strategic plan.

3.5 Internet Governance Forum for African ICT Regulators and Policy Makers

Hot on the heels of the ICT4DM Forum of March was another high level event, this time with the spotlight on country code Top Level Domains (ccTLD) in Africa. The ICT Authority and its counterpart organisations and policy makers from mainland Africa debated key issues during the Internet Governance Forum for African ICT Regulators and Policy Makers during a Forum held from 17-19 March 2009 at the Swami Vivekananda International Conference Centre, Pailles.

3.5.1 Re-delegation of .mu

One of the main objectives of the Forum was to propel the process of the re-delegation of ccTLD in general for African countries and more specifically the .mu ccTLD for Mauritius. The Forum was organised by the African Telecommunication Union (ATU) and Information and Communication Technologies Authority (ICTA) under the aegis of the Ministry of Information and Communication Technology and in collaboration with the Internet Corporation for Assigned Names and Numbers (ICANN), the African Network Information Centre (AfriNIC) and the African Top Level Domains Association (AfTLDs).

One of the main objectives of the Forum was to propel the process of the re-delegation of ccTLD in general for African countries and more specifically the .mu ccTLD for Mauritius.

3.5.2 Pailles Declaration - Foundation for Internet Governance in Africa

The main outcome of the Forum was the Pailles Declaration which urged African governments to pursue the re-delegation of their ccTLDs where this applies. The Chairman of the ICTA, Mr Trilock Dwarka welcomed the Declaration and congratulated the delegates who contributed to its drafting adding that the Declaration effectively provides the foundation for an Internet Governance action plan for the African continent.

What emerged from discussions is that ccTLD is a critical national resource granting each country its unique identity in cyber space, is the driver in e-commerce and helps countries develop technical human capacity and as such should be hosted locally by each country in question.

The Honourable Mohammed Asraf Ally Dulull, Minister of Information and Communication Technology officially opened the event on Tuesday 17 March 2009

Drawing upon international best practices, the Forum agreed that a multi-stakeholder framework should be created for ccTLD. This would include the involvement of the private sector, academia and civil society organisations.

3.6 ICTA steps up moves to implement Public Key Infrastructure

The making of a Public Key Infrastructure (PKI) in Mauritius a reality gathered steam with the arrival of the high level delegation from India in May 2009. The five-member delegation was led by Dr. N. Vijayaditya, India's Controller of Certification Authorities (CCA India), Department of Information Technology, Government of India who came to Mauritius at the invitation of the Information and Communication Technologies Authority.

During the week-long visit of the Indian experts, the ICTA led the initiative of hosting several working sessions with stakeholders from other institutions involved in PKI implementation. These sessions culminated with the holding of a workshop organised by the ICT Authority to raise awareness about PKI, in particular, the parameters for implementing PKI in Mauritius.

The half day workshop was held at Le Sirius, Labourdonnais Waterfront Hotel on Friday 29 May 2009 and was officially opened by the Honourable Mohammed Asraf Ally Dulull, Minister of Information and Communication Technology. His Excellency, Mr Madhusudan Ganapathi, High Commissioner of India was among the eminent personalities.

The Indian delegation's visit followed the signature of a Memorandum of Understanding (MoU) on 11 February 2009 between CCA India and the ICT Authority. The objective of this MoU was to seek the assistance of CCA India to set up the Mauritian PKI based on the Indian PKI model.

The major components of a PKI are the CCA, the Certifying Authority (CA) and the Registration Authority (RA). PKI is a framework of policies, services and encryption software that gives users the guarantees that they can transmit sensitive information online be it on the Internet or other networks.

The need for a PKI at this point in time has been urgently felt because the Internet is increasingly becoming the primary platform for global commerce and communications.

For governments, the corporate world and individuals, there are both immediate and long term benefits of being the holders of digital certificates.

Governments, businesses and individuals will not only expect guarantees and assurances for the integrity of online transactions but also the same level of trust as the more traditional paper transactions. Examples of such transactions are procurement of services and goods online - the so called e-procurement, e-government, i.e. government services which citizens can access online.

3.6.1 Digital Signatures, Public and Private Keys

At the heart of the PKI is that sensitive documents and data are sent between two points using digital signatures, a system of pairs of keys known as a public key and a private key. PKI is considered the most secure way to send information online as opposed to other methods like user name and password which can be misused to interfere with and tamper with information. The private key must be kept secret.

In Mauritius, the ICT Authority is mandated by law to issue licences to the Certification Authority/Authorities granting digital certificates. For governments, the corporate world and individuals, there are both immediate and long term benefits of being the holders of digital certificates.

The May workshop served to give new impetus for PKI Implementation in Mauritius, something which is bound to be an ongoing process aimed at encouraging different stakeholders and interest groups to participate in and promote the wider use of PKI in order to reap the full benefits of the digital revolution.

4. Social Regulation

4. Social Regulation

4.1 Consumer Matters

Throughout the year the ICT Authority receives complaints verbally or in writing from consumers regarding a number of issues.

For the period 1July 2008 to end June 2009, the Authority, in terms of the provisions of the ICT Act, attended to 49 cases of complaints which were made in writing by consumers regarding products and services. The tables provide a snapshot of the types of complaints that the Authority had to deal with during that period. Out of these cases, 28.5% are known to have been resolved to the satisfaction of all parties concerned.

In addition to handling these cases by writing to the appropriate authorities concerned on behalf of the consumers, the Communication Department of the Authority also deals with a wide variety of phone calls and visits by consumers seeking guidance as to how best to make a complaint or have their problems resolved in the most efficient and timely manner.

Many of these visits pertain to consumers seeking accurate information about the costs of services and their rights as telecommunication consumers.

The following charts give a breakdown of the percentage of consumer complaints in the various categories handled by the Authority for the 2008-2009 Financial Year as well as the respective quarters for that period.

Chart 4.1: Consumer Complaints handled by the Authority from 1 July 2008-30 June 2009

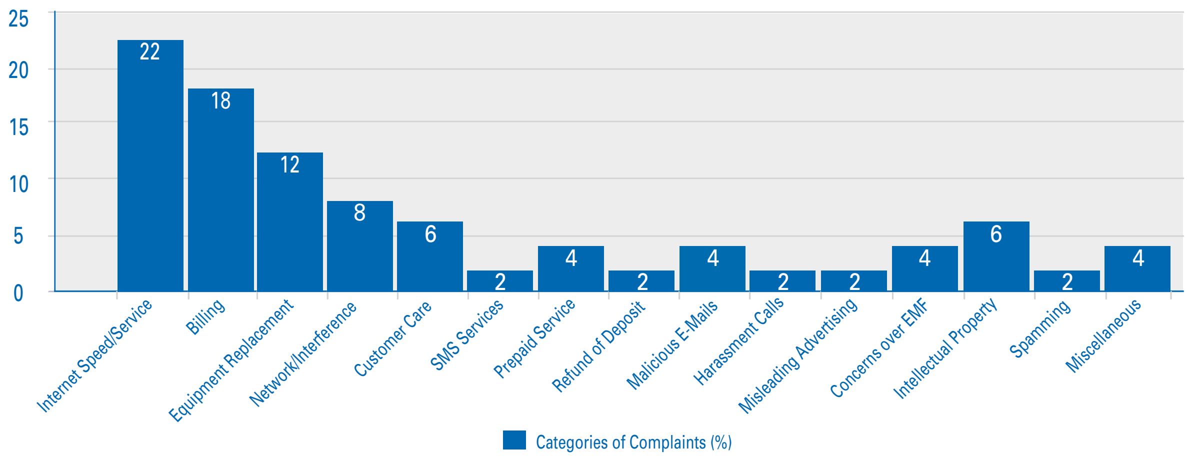


Chart 4.2: Snapshot of categories of complaints handled for the First Quarter

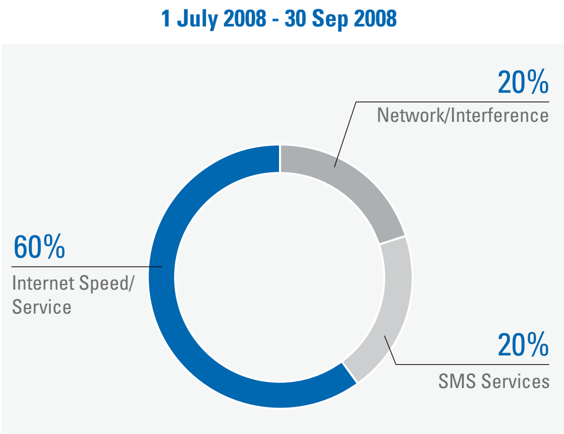


Chart 4.5: Snapshot of categories of complaints handled for the Second Quarter

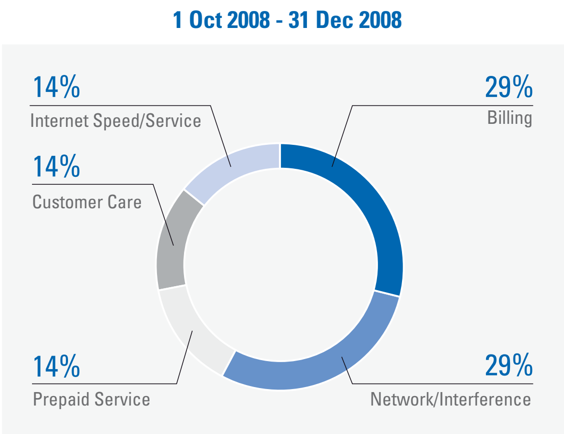


Chart 4.3: Snapshot of categories of complaints handled for the Third Quarter

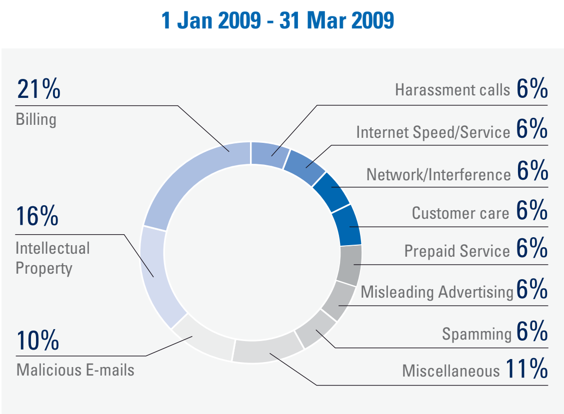
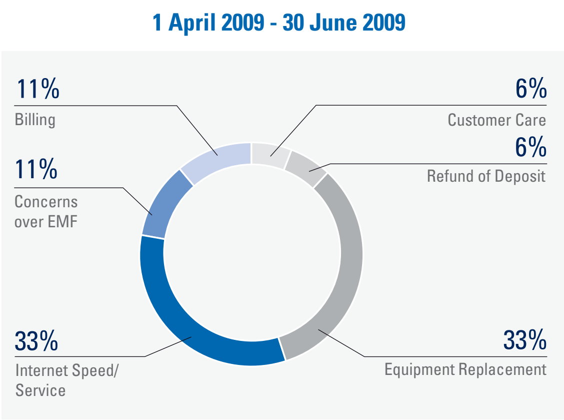


Chart 4.4: Snapshot of categories of complaints handled for the Fourth Quarter



4.2 Statutory Public Notifications

Under Section 24 of the Information and Communication Technologies Act 2001 (as amended), the ICT Authority is required to give public notice for applications for licences it has received and invites any party who wishes to object thereon to do so.

Under Section 10 of the Postal Services Act 2002, the Postal Authority must also give notice for applications for licences it has received and invites any party who wishes to object thereon to do so.

In accordance with the provisions under Section 31(3)(b) of the Information and Communication Technologies Act, the Authority must also give public notification of determinations of tariffs applications in relation to the applications that it receives in accordance with the said section.

Table 4.1: Communiqués Published

Types of Communiqué	No Published During Period 1 July 2008-30 June 2009
Application for Licence Notices	26
Press Communiqué	1
Tariff Notifications	12
Tender Notice	1

5. Economic Regulation

5. Economic Regulation

The responsibility of ensuring effective and timely economic regulation of the ICT sector is focalized within the Department of Finance and Administration, which is headed by Mr H. Bhoolah. A team of 12 full time staff are involved in the operation of the department and are assigned to several units with different specialisations notably finance, tariffing and research, documentation and human resources. The holistic vision of the Department lies in assisting the organisation in nurturing a vibrant and competitive ICT industry, while optimising the internal operational functions of the Authority towards being a resilient and adaptive sector facilitator.

A highlight of the major programmes, projects and deliverables, overseen by the Department of Finance and Administration in the area of economic regulation, in line with the policy direction of the ICTA, is set out below for the year under review.

5.1 Universal Service Fund

As countries develop, the need to ensure that basic communications are available at various layers of the social strata becomes ever more pertinent. Holistically, this has been accomplished by providing basic telephony access to the public, to a given community or area – Universal Access (UA) - and eventually to ensure that a telephone line is present in every household, at affordable rates and that services are delivered at acceptable quality levels (Universal Service). This transition typically signals that UA is a pre-cursor to US, and increasingly in many countries where the respective ICT sectors have had time to mature, a regulatory framework for Universal Access & Service (UAS) policy has been developed in parallel. This framework looks at what should be included as part of UAS, in the face of convergence and technological progress in the field of communications.

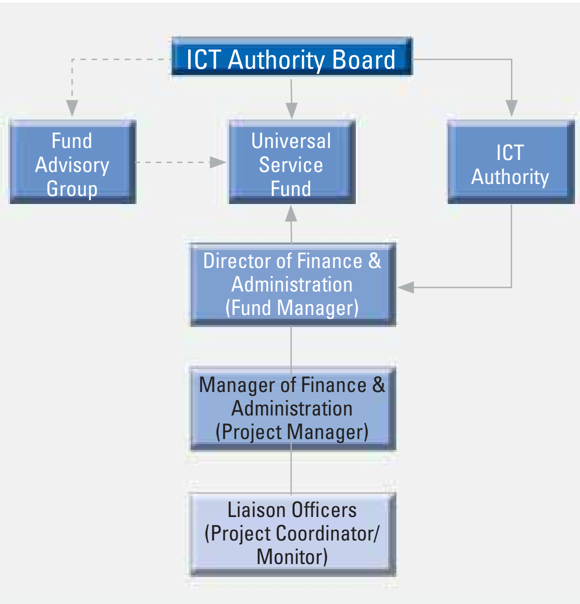
The principle of US is already enshrined in the ICT Act 2001, and its definition allows for a wide scope for its implementation in Mauritius. More specifically, Section 21 (1) of the ICT Act 2001 stipulates that the Authority shall establish a Universal Service Fund (USF) towards which public operators would be called upon to make annual contributions, and out of which payments would be made to any licensee which would be entrusted with the provision of a universal service. Pursuant to the recommendations made in January 2006 by the Authority to the Minister, in accordance with Section 21 (3) of the Act, and further to the various consultative meetings that the Ministry had held with the stakeholders on the subject since June 2008, the Minister has, in accordance with Sections 21(3) and 48 of the Act prescribed the manner and basis of contribution into the USF. The said prescription has been made by way of Regulation which is gazetted as GN 206 of 2008. The said Regulations came into effect on the 3rd October 2008.

With the coming into effect of the aforesaid Regulations, an administrative structure and established procedures have been set up for the management of the USF. In that regard, based on the early consultations conducted by the Authority and in line with best international practices as upheld by the ITU, the following arrangements have been put in place:-

5.1.1 Management and Administration of Funds

It is established under the Act that the Authority shall be the body designated to manage the USF. It is thus important to draw up the management and organisational structure that fits within the Authority to handle the USF, while at the same time ensuring transparency, accountability and preserving autonomy. The following structure has been set up:-

Chart 5.1: Organisational Structure of USF



- The ICT Authority Board which is the board created under the Act.
- The USF advisory group which provides input, suggestions and ideas to the USF management concerning project priorities, operational plans, objectives and key issues. The group shall consist of appointed representatives from the industry, the government, public institutions with an emphasis on those most involved with fund activities, public operators, and consumer representatives.
- The USF fund administrator who oversees all fund activities.
- The project manager who is responsible for analysing market conditions, developing proposed project plans and liaising with USF funding recipients in the implementation and evaluation of approved projects.
- Liaison officers: within the Authority (engineers, attorneys, accountants, economists, et al) will be responsible to extend professional support and resources in their fields of responsibility to Management.

5.1.2 Review and Revisions of Fund Activities

The operations and objectives of the USF programmes shall be subject to periodic review and revisions, both within the Authority and through public comment and a consultation process. The Fund administrator will issue an annual report containing at least the following information:

- Financial reports (collections, expenditure, reserves among others).
- Description of projects that were funded.
- Goals and budgets of the USF for the coming years.
- Review of previously funded projects.
- Revisions to target objectives and estimates of progress.

5.1.3 Evaluation Procedure for Determining Funding Allocations

In practice, it is expected that the amount of funding available will be limited and will have to be allocated among a number of competing worthy investments. As such, a proper method of rationing should be devised. According to ITU guidelines, quantitative methods may be used to analyse the various choices, by comparing the long-term net present value of alternative project incorporating social benefits. Competitive bidding is a methodology that can be used to determine funding allocation. Under this, the licensees are asked to bid for implementing each of the Universal Service. The licensee who bids for the lowest charges for implementing a Universal Service is asked to provide the Universal Service with the bid amount given from the USF. This model has proven successful in Chile.

Project proposals shall be evaluated according to the viability and completeness of their implementation plans, which in many cases may be a vital factor in determining the success or failure of the project. The evaluation criteria that will be adopted will basically include the following seven elements:

1) Location of proposed service
2) Quality of service
3) Quantity of service
4) Community benefits
5) Implementation plan
6) Cost
7) Bidder qualifications.

Points 1 to 4 may be easily analysed in terms of the submitted data and information. The implementation plan requires both a short-term process for installing facilities and services and a long-term plan for operating and maintaining the services. This will set a foundation to ensure that the networks and services will be sustainable after the USF subsidy has been exhausted.

Implementation plans to be included with project proposals should incorporate the following information:

- Business plans – three to five year budget projections, break-even analysis and market demand analysis should be provided.
- Tariff and other pricing proposals – these should include interconnection agreements with other carriers.
- Management plan – these should set out the organisation of the project and the responsibility of personnel.
- Implementation schedule – specific dates and sequence of events, the timing of equipment installation and operation startup dates should be included.
- Publicity and community inclusion programmes – these should describe plans for inviting participation in the project from affected communities as well as gender awareness considerations and publicity and outreach plans to promote use and benefits of service.
- Monitoring and reporting plans – there should be provisions for informing USF managers about progress in implementation, the public response to the services, lessons learnt, identified obstacles and possible improvements.

The cost of a project is defined in terms of the proposed subsidy amount requested from the USF to support its implementation. Additional costs beyond the subsidy amount should not be considered but should be a factor in the evaluation of community benefits and the above-referred implementation plan. For projects that are otherwise considered to be equivalent according to the other evaluation criteria, the proposal requesting the smallest amount of USF is usually awarded the concession. In case it is difficult to compare projects according to exactly equivalent characteristics, though the amount of subsidy requested remains the selection criterion, other factors may be included to ensure that the successful proposal is the one that provides the greatest net social and economic value.

5.2 Interconnection Usage Charges (IUC)

Interconnection is one of the most critical areas of telecoms regulation, especially in the implementation phase of the policy objectives of liberalisation and healthy competition respectively. Essentially, interconnection involves the linking up of two information and communication networks, so that users of each network may interact with one another, notably through the use of information and communication services. This is closely associated with the benefits of network externalities, whereby as more users join the existing networks, the net benefit to everyone else on the networks increases correspondingly.

To that end, it is imperative that the sector regulator ensures that new entrants can interconnect with existing operators on terms that are fair and cost-based, in order to generate effective and healthy competition. In May 2008, the Government took the decision to implement a ‘zero-access deficit’ policy for the telecommunications industry in Mauritius. The determination by the ICTA on the cost-based Interconnection Usage Charges (IUC), i.e. the rates for interconnection between access networks, subsequent to this policy decision has resulted in significant reductions in the said charges. This has in turn led to significant competitive benefits for both operators and ultimately, Mauritian consumers.

There is a direct correlation between the underlying cost of a call, and the eventual tariff being charged for the said call by the relevant operator. As a rule of thumb, any decrease in the cost-based IUC for respective call categories, will translate into cost savings for the operator, and by extension, lower tariffs to end users. A comparison of the IUC for major call categories, as proclaimed under Telecommunication Directives (TD) 1&3 of 2008 is tabled next:

Table 5.1: Revision of IUC with the proclamation of TD1 & TD3 of 2008

Call Category	Previous Rate	New Rate	Difference (Rs/min)
Fixed to Fixed	0.16	0.38	0.22 increase
Mobile to Fixed	1.25	0.38	0.87 decrease
Fixed to ILD	2.50	0.38	2.12 decrease
Mobile to ILD	2.50	0.90	1.60 decrease
ILD to Fixed	2.75	0.38	2.37 decrease
ILD to Mobile	2.75	0.90	1.85 decrease

> The impact of the amendments brought to the prevailing interconnection regime by the ICTA has led to numerous positive market developments

The impact of the amendments brought to the prevailing interconnection regime by the ICTA has led to numerous positive market developments most notably in terms of voice traffic figures and tariffs for voice calls respectively, as will be elaborated hereon. The immediate result of the revision to the IUC is condensed into a staged decrease of the tariffs for various voice services spanning fixed and mobile telephony, including international calls.

5.2.1 Fixed Telephony Services

Despite an increase in the IUC for fixed to fixed calls by 22 cents per minute, the tariffs of local calls from a fixed telephone in Mauritius to another telephone in Mauritius has been maintained at its present rate of 85 cents per minute (for the first minute) and 60 cents for the subsequent minute. In addition, the coming into operation of a second operator into the fixed telephony market has nevertheless enriched the range of voice services available to consumers. For instance, a local fixed to fixed call cost 60 cents for the first minute, and 42 cents per minute thereafter, or may even be free altogether, depending on the chosen package.

The tariffs of inter-island calls from a fixed telephone in Mauritius to a fixed telephone in Rodrigues have been reduced from Rs 3.00 per minute to 85 cents per minute with a view to rationalising the tariffs of national calls. This constitutes a reduction of 72% for the calls from fixed phone made between Mauritius and Rodrigues and vice versa. The tariffs of inter-island calls from a fixed telephone in Mauritius to a mobile phone in Rodrigues, and vice versa, has also been reviewed downwards. This brings the said rates from Rs 3.90 per minute, for the first minute, to Rs 1.75 per minute, which corresponds to a reduction of 55%. The policy of the Authority in this context is centred on the notion that consumers in Rodrigues, which is part of the Republic of Mauritius, ought to benefit from the same range of tariffs, as those being offered to consumers in Mauritius.

5.2.2 International Calls

There are generally two kinds of outgoing international call services - the International Direct Dialling (IDD) service and the Internet Telephony Service (ITS) - which were commercialised in Mauritius by 7 operators for the year under review. The determination made by the Authority on the IUC for international calls has impacted on both types of international voice services respectively.

For IDD calls, the net reduction in retail tariffs, resulting from the decrease in IUC, averaged around 33% over major destinations. For the first time in Mauritius, the tariffs for IDD calls have gone below the Rs 4.00/- level. Indeed, the Authority approved the tariffs for calls to the USA, Canada and China at Rs 3.60 per minute. Compared with four years ago, this constitutes an average reduction of around 74%. Similarly, as regards the tariffs for Internet Telephony calls, the reductions have been on average 5% for the major destinations, while varying between 1% and 47% for the remaining destinations for the year under review, further to the proclamation of the new rates of interconnection.

The general reduction in the rates of interconnection, enhanced by other key factors such as the negotiation of better termination rates, and the decreases in the price of international bandwidth connectivity, to highlight but a few, have undoubtedly provided an additional stimulus to the overall performance of the ILD (International Long Distance) market. over these particular destinations.

Chart 5.2: International Incoming and Outgoing ILD traffic

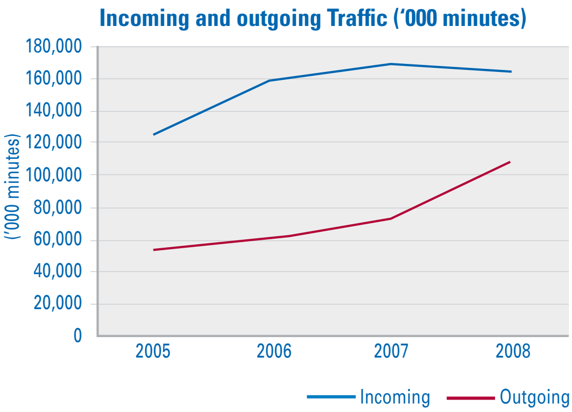


Table 5.2: Reduction in IDD tariffs of selected major destinations

International Calls under IDD Service (Rs/min)	2004	2005	2006	2007	2008	"As at Jun 2009"
Postpaid IDD Calls to Fixed Line in:						
UK	15.60	15.60	5.75	5.50	4.00	4.00
France	15.60	15.60	5.75	5.50	4.00	4.00
India	15.60	15.60	6.50	6.50	4.50	4.50
China	15.60	15.60	5.75	5.50	4.00	3.60
USA	15.60	15.60	5.95	5.50	4.00	4.00

The Authority further determined a reduction in the IUC for the mobile to fixed calls to the tune of 87 cents per minute, under TD1 of 2008.
This reduction was passed on to end users, leading to an average downward revision of 21% in the tariffs of mobile to fixed local calls, under the prepaid mobile packages offered by mobile network operators.

For instance, figures from 2005 till 2008 reveal the constant progress achieved in terms of minutes of outgoing international calls originating from Mauritius, which closely follows the wider international economic performance delivered by the country, in terms of international trade, business and diplomatic affiliations towards other countries. More specifically, the magnitude of traffic as of date is marginally more than twice its initial level of 2005.

A similar observation may be extrapolated for the incoming ILD market, which also features a steady rise in the volume of international calls being terminated into Mauritius. This grew by some 48% from its 2005 to its 2008 level, while the magnitude of such calls has been maintained above the 150 million minute mark since 2006. This is further proof of the economic and diplomatic interests other countries have with Mauritius, and also coincides with the boom in the number of tourist arrivals over the corresponding period.

5.2.3 Mobile to Fixed Calls

The Authority further determined a reduction in the IUC for the mobile to fixed calls to the tune of 87 cents per minute, under TD1 of 2008. This reduction was passed on to end users, leading to an average downward revision of 21% in the tariffs of mobile to fixed local calls, under the prepaid mobile packages offered by mobile network operators. In comparison, the average reduction for this particular call category amounted to 28% for peak time mobile to fixed calls, as opposed to a decrease by 38% for off-peak hour calls respectively, under postpaid mobile plans.

Table 5.3: Lowest tariffs (Rs/min) for Mobile to Fixed calls, under selected plans

Mobile to Fixed Call Category	Old Tariffs	New Tariffs
	Rs per minute	
Under Prepaid service	3.60	2.73
Under Postpaid service		
- Peak hours	2.00	1.13
- Off-peak hours	1.50	0.63

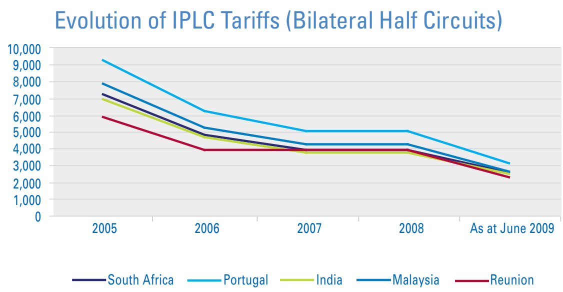
Table 5.3 above provides an indication of the cheapest call rates available on the market following the reduction in IUC of Rs 0.87 per minute for mobile to fixed calls. It must be highlighted that the Authority determined that the full extent of the reduction was to be passed on to end users accordingly.

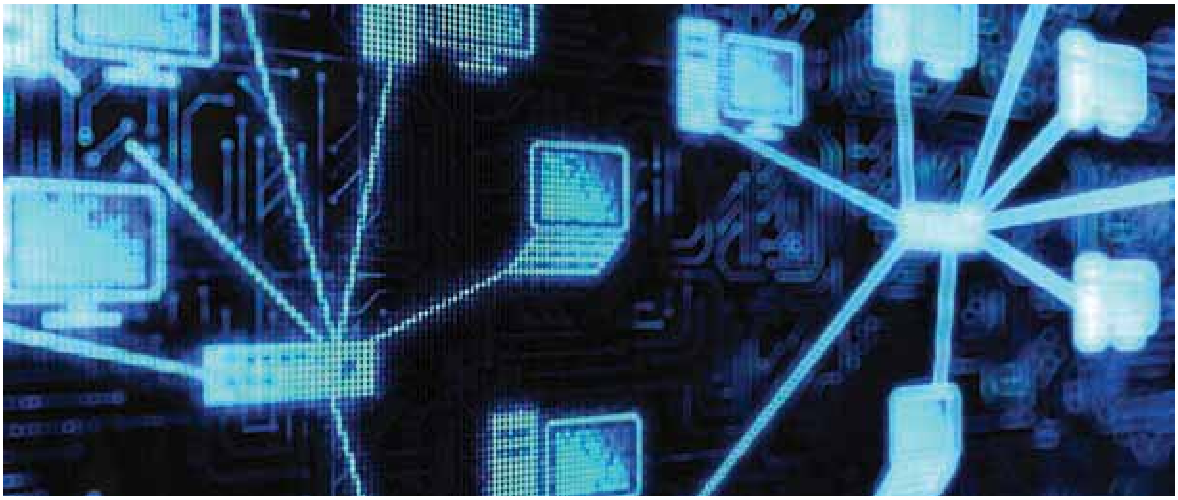
5.3 Decrease in IPLC Tariffs

Various socio-economic agents in the ICT sector are presently dependent upon the South Africa Far East (SAFE) submarine cable for their international connectivity needs. This resource is of crucial economic interest to Mauritius, being an island state, in ensuring that the country fully lives up to its vision of becoming a cyber-island, as well as integrating fully into the digital global economy. Being fully conscious of this objective, the charges for access to the SAFE cable have therefore been regularly reduced at the initiative of the Authority and reflects practical policy.

The latest tariff revision for Bilateral International Private Leased Circuits (IPLC) i.e. the tariffs for buying international bandwidth was implemented on 1 January 2009. The chart below provides the five-year view of the said IPLC charges:

Chart 5.3: Evolution of the tariffs for International Bandwidth





It is apparent that the significant decrease in the price of international bandwidth has afforded much breathing space to service providers and other economic operators – especially those in the Business Process Outsourcing – IT Enabled Services (BPO-ITES) sector. For instance, it is observed that connectivity to Europe for example now only costs around a third of its initial value in 2005, over the covered period.

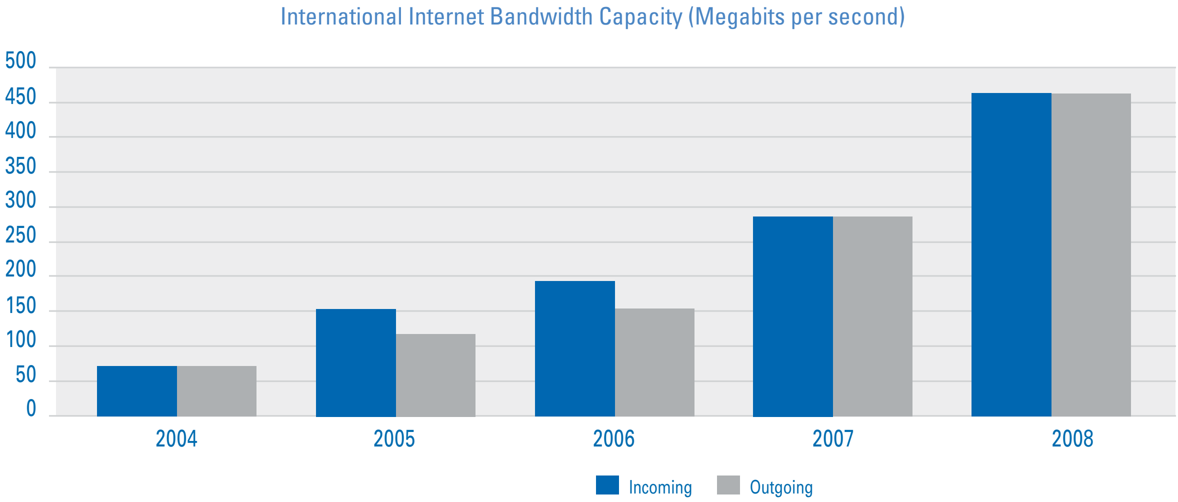
The decrease in IPLC tariffs also directly contributed towards improving the viability of telecom operators, especially ILD operators and Internet Service Providers (ISP), whose business cases revolve around international bandwidth connectivity. The evolution of the international Internet bandwidth capacity bears testimony to this observation, as highlighted in Chart 5.4.

By extension, a part of the cost savings thus generated were passed on to end users in the form of tariff reductions, as identified next.

5.4 Decrease in ADSL Tariffs

The Authority has overseen a two stage reduction in the tariffs of ADSL services, notably at the wholesale and retail levels respectively. In February 2009, as per the determination of the Authority on the wholesale tariffs for the ADSL lines of Mauritius Telecom Ltd, an average reduction ranging between 30 – 50% was implemented, depending on the chosen speed denominations and the committed number of lines. The combined effect of the reduction in wholesale ADSL tariffs, coupled with the reduction in the tariffs of International connectivity, has been an improvement in both the speeds and tariffs offered on the retail Internet services market.

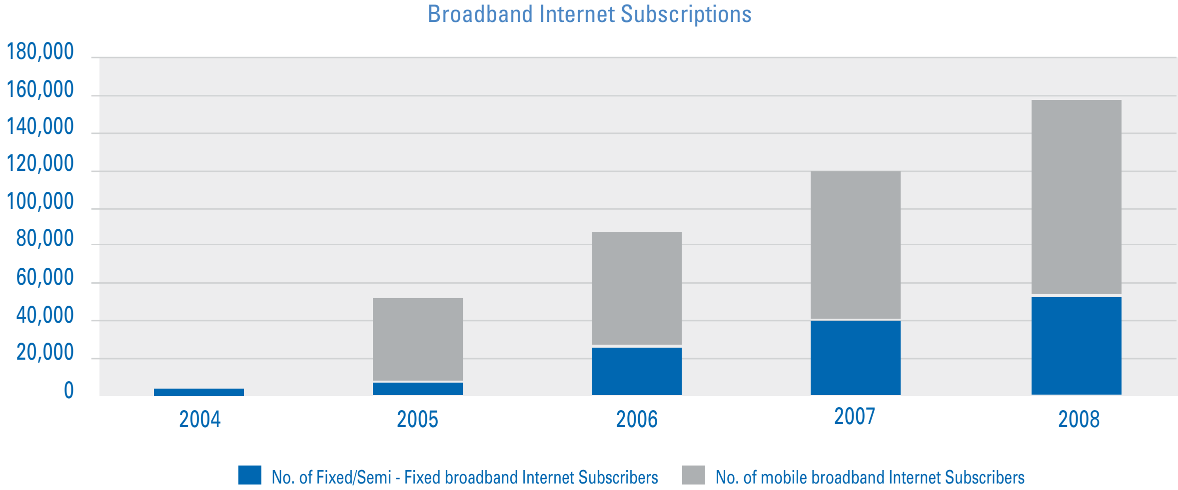
Chart 5.4: Evolution of International Internet Bandwidth Capacity



The falling prices of ADSL connections must also be viewed in the context of continued investment by operators towards increasing capacity of International Internet Bandwidth (in mbps) available to Mauritius over the past 5 years.

Accordingly, a sharp increase has been observed with regards to the number of broadband Internet subscriptions, as depicted in Chart 5.5.

Chart 5.5: Increase in Broadband Internet Subscriptions



It is interesting also to note that as early as 2005, more and more subscribers were accessing the Internet from mobile networks, the latter having experienced major developments in terms of their capabilities to offer data services, notably through investments into EDGE, 3G and 3.5G networks. This trend has similarly been experienced in many developed countries across the globe, where the common denominator is the demand for high bandwidth, coupled with increased mobility.

At the retail level, the Authority approved the new tariffs for the ADSL service of Telecom Plus Ltd, effective as from 1 March 2009. These were last reviewed towards the end of 2006. The new offers from Telecom Plus Ltd involved a general downward revision in tariffs, coupled with improvements in the speed of the said service. For instance, a reduction of between 14-45% was applicable to home offers, compared to a 14-22% decrease for business offers in general. The entry level package is now at 256 kbps, compared to 128 kbps previously, while a new home offering of ADSL 1mbps has been introduced.

Table 5.4: Reduction in ADSL tariffs

ADSL HOME OFFERS			
Existing Offers		NEW Offers	
Offer	"Monthly Tariff (Rs excluding VAT)"	Offer	"Monthly Tariff (Rs excluding VAT)"
ADSL 128kbps; 1GB allowance	"Rs 650; Excess - Rs 0.50 per MB"	ADSL256kbps; 3 GB allowance	"Rs 434; Excess - Rs 0.50 per MB"
ADSL 512kbps; Fair Usage Policy	1,360	ADSL 512kbps; Fair Usage Policy	750
		ADSL 1mbps; Fair Usage Policy	1,360
ADSL HOME OFFERS			
Existing Offers		NEW Offers	
Offer	"Monthly Tariff (Rs excluding VAT)"	Offer	"Monthly Tariff (Rs excluding VAT)"
ADSL 256kbps; 2GB allowance	"Rs 950; Excess - Rs 0.50 per MB"	ADSL 256kbps; 3GB allowance	"Rs 800; Excess - Rs 0.50 per MB"
ADSL 512kbps; 4GB allowance	"Rs 1,540; Excess - Rs 0.50 per MB"	ADSL 512kbps; 5GB allowance	"Rs 1,300; Excess - Rs 0.50 per MB"
ADSL BUSINESS OFFERS			
Existing Offers		NEW Offers	
Offer	"Monthly Tariff (Rs excluding VAT)"	Offer	"Monthly Tariff (Rs excluding VAT)"
ADSL 256kbps / 128 kbps	1,860	ADSL 256kbps / 128 kbps	1,600
ADSL 512kbps / 128 kbps	3,190	ADSL 512kbps / 128 kbps	2,500
ADSL 1mbps / 256 kbps	5,990	ADSL 1mbps / 256 kbps	5,000
ADSL 2mbps / 256 kbps	10,490	ADSL 2mbps / 256 kbps	8,900
ADSL BUSINESS OFFERS			
Existing Offers		NEW Offers	
Offer	"Monthly Tariff (Rs excluding VAT)"	Offer	"Monthly Tariff (Rs excluding VAT)"
ADSL Home 128 kbps	750	ADSL Home 128kbps	434
ADSL Business 256 kbps	1,860	ADSL Business 256 kbps	1,600

Table 5.5: Tariff Approval for the Financial Year 1 July 2008 to 30 June 2009

Month	Operator	Tariff Approval by Service	Details
Aug-08	MTML	Revision of Prepaid IDD tariffs - Selected destinations	Tariff reduction of 12.5% for calls to Bangladesh; 6.3% to India
	Emtel Ltd	New tariffs for launch of new Micro Data Plans	Launch of 5 new data packages
Oct-08	Cellplus Ltd	New Tariffs for Bundled packages on postpaid mobile	Launch of 2 new bundled (voice+data+sms) packages
	MTML	Tariff revision for prepaid & postpaid mobile packages	“Tariff reduction of 50% for prepaid MTML calls to other mobile operators, and calls to Rodrigues; Launch of new postpaid Freedom plan”
	Hot Link Ltd	Revision of Prepaid ITS tariffs - Selected destinations	Tariff reduction of 17.1% for calls to China
	T@media	New Tariffs for launch of Postpaid IDD service	Launch of Postpaid IDD ‘044’ service
Dec-08	Hot Link Ltd	Revision of Prepaid ITS tariffs - Selected destinations	“Tariff reduction ranging from 6.7 - 13.0% for calls to China; Bangladesh and Sri Lanka”
	MTML	Revision of Prepaid & Postpaid IDD tariffs - Selected destinations	Tariff reduction ranging from 6.7 - 35% for selected destinations under prepaid IDD;Tariff reduction ranging from 12.5 - 43.8% for selected destinations under postpaid IDD
	Cellplus Ltd	New Tariffs for Bundled packages on postpaid mobile	Amended tariffs for bundled (voice+data+sms) packages
Jan-09	MT	Tariff revision for Bilateral Half Circuits on SAFE	Average Tariff reduction ranging from 30.5 - 47.5% depending on destination and speed denomination of half circuit
	Cellplus Ltd	New Tariffs for Post Pay Bundled Offers on mobile	Launch of 4 new bundled packages
Feb-09	MT	Determination on tariffs for wholesale ADSL connections	“Average Tariff reduction ranging from 30 - 50% depending on speed denomination and number of committed ADSL lines”
	MTML	New Tariffs for launch of Zero Rental Fixed Wireless Plan	Launch of new Fixed Wireless Plan with no monthly rental charges
	Hot Link Ltd	Revision of Postpaid IDD tariffs - Selected destinations	Tariff reduction of 26% for calls to China
	Telecom Plus Ltd	Revision of Retail ADSL tariffs	Tariff reduction ranging from 14 - 45% depending on chosen offer
	MTML	New Tariffs for launch of Zero Rental Mobile Plan	Launch of new Mobile Plan with no monthly rental charges
	MTML	New Tariffs for launch of Prepaid Family Number Plan	Tariff reduction of 50% off normal tariff for on-net calls for designated numbers
Mar-09	Telecom Plus Ltd	Tariff Revision for Retail Frame Relay Service	Tariff reduction ranging from 5 - 41% depending on chosen speed
May-09	MTML	New Tariffs for launch of Prepaid Closed User Group Plans	Launch of new prepaid mobile plans for corporate / bulk customers
	MTML	Nsw Tariffs for launch of Postpaid All One Mobile Plan	Launch of new postpaid mobile plan with any voice call at Rs 1.00 per minute
Jun-09	MT	Revision of Prepaid ITS Sezam Tariffs - Selected destinations	Tariff reduction of 12.3% for calls to Australia; 39.9% to China
	Emtel Ltd	New Tariffs for launch of WAP Packages	Launch of 3 new WAP packages

6. Service Regulation

6. Service Regulation

6.1 Licences Granted and Renewed

Under section 24 of the ICT Act, the Authority has the statutory duty to receive applications for licences by any person and to make a determination thereon. During the financial year July 2008 - June 2009 a total of 28 licences were either granted or renewed; the details are provided in the table hereunder:-

Table 6.1: Licences granted and/or renewed for the following Licensees

Types of Licence		Licensees	Total
1. Dealer's licence	1.	Enterprise Information System Ltd	
	2.	Premier Marketing Ltd	
	3.	J M Goupille	
	4.	Robert Le Maire Bureautique Ltd	
	5.	Netera.com Ltd	
	6.	Hoefler Co Ltd	
	7.	Asea Brown Boveri Ltd	
	8.	Westcon Africa (Mauritius) Ltd	
	9.	Enterprise Data Services Ltd	
	10.	Xanboo International Co. Ltd	
	11.	Rivory Co. Ltd	
	12.	Security and Property Protection Agency Co. Ltd	
	13.	Atlas Communication International Co. Ltd	
	14.	Ms Bhunjun Swamytah	
	15.	ViTech Electronics Ltd	
	16.	Ishamrook Ltee	
	17.	Security World Ltd	
	18.	Khool Marketing Ltd	
	19.	Simelec Ltee	
	20.	Speedlink Communications Ltd	
	21.	Navigation & Geocoding Technologies Ltd	
	22.	Alan Christopher & Co Ltd	22
2. Networking Services Provider (National) (B.01)	1.	Multi-Carrier (Mauritius) Ltd	
	2.	Alusafe Network Ltd	
	3.	Wimaxlogistics Ltd	3
3. Internet Service (C.08)	1.	Wimaxlogistics Ltd	
	2.	Cellplus Mobile Communications Ltd	2
4. Alarm monitoring service licence	1.	Xanboo International Co. Ltd	1
			28

6.2 Directives and Decisions

In exercise of the powers conferred upon it pursuant to section 17(3) combined with sections 16(c) and 18(1)(a) under the Information & Communication Technologies Act 2001, the Authority issued two Directives and one Decision during the financial year 2008-2009.

6.2.1 TD2 of 2008

This Directive was referred to as "The Telecommunication Directive 2 of 2008" and came into force on the 1 September 2008.

The purpose of the said Directive was to determine the minimum charges for terminating incoming international calls into Mauritius at USD 0.0855 per minute.

Termination rate is the amount of money that is paid per minute by the foreign ILD operator to its local counterpart in respect of the call termination service that the local operator offers to the foreign operator. This is in accordance with the recommendation of the International Telecommunication Union (ITU) that the determination of termination rate has to be cost-based to the extent that it is possible.

ITU-T Recommendation D.140 on 'Accounting Rate Principles for the International Telephone Service' sets the principles to be followed in the determination of termination rates in bilateral relations. The calculation of minimum termination rates in this Directive is based on Supplement 3 to the said Recommendation.

6.2.2 TD3 of 2008

This Directive was referred to as "The Telecommunication Directive 3 of 2008 and came into effect on the 1st September 2008.

The purpose of the said Directive was to determine the Interconnection Usage Charges for ILD to Fixed and ILD to Mobile access networks as shown in table 6.2.

6.2.3 Decision ICTA/OCT/01/2008: Promotional Policy Framework on Telecommunication Services

The Information and Communication Technologies Authority has as its function under section 18(c) of the Information and Communication Technologies Act of 2001, as amended, to "promote and maintain effective competition, fair and efficient market conduct between entities engaged in the information and communication industry in Mauritius and to ensure that this Act is implemented with due regard to the public interest and so as to prevent any unfair or anti-competitive practices by licensees."

With the increasing number of players in the various telecommunications markets, the need for service and brand differentiation has become fundamental; promotional campaigns are key inputs for operators and service providers to meet their objectives.

There is a widespread feeling across various stakeholders that in the retail markets more flexibility needs to be introduced for promotional policy in order to accommodate changes that are taking place with increasing competition.

In the light of this, the ICT Authority issued this Decision (Decision ICTA/OCT/01/2008) in order to provide a new Promotional Policy Framework as set out in the table below, which improves upon the existing one, with the objectives of enhancing the commercial flexibility to operators, reducing their administrative burdens in respect of the filing of applications for promotions, and also towards safeguarding consumers' interests.

Table 6.2: Incoming International Long Distance Calls

Call Type	Cost based Origination / Termination Charges (per minute)	IUC determined (per minute)	Payable by	Payable to
ILD to Fixed	Rs.0.38	Rs.0.38	ILD	Fixed
ILD to Mobile	Rs.0.90	Rs.0.90	ILD	Mobile

Table 6.3: New framework on promotional tariffs

Scenarios		New Framework
A)	New Operator launching its service	Up to a maximum of 3 months per calendar year
B)	Existing Operator launching a new service	Up to a maximum of 3 months per calendar year
C)	Existing Operator promoting an existing service	**Anytime during the year**, for up to a maximum aggregate of 60 days per calendar year per service, with a maximum discount of 20% on approved tariffs, applicable to all telecommunications services

6.3 Cases of Appeal Against ICT Decision Before ICT Appeal Tribunal

6.3.1 City Call v/s ICTA (Supreme Court of Mauritius)

On 18 July 2008 City Call seized the Supreme Court to appeal in law against a determination of the ICT Appeal Tribunal which has set aside an appeal made by City Call against the decision of ICTA to approve the tariff of MT for its 'Sezam' branded International calling service. The case is yet to be heard.

6.3.2 MT v/s ICTA (ICT Appeal Tribunal)

On 10 June 2009, the ICT Appeal Tribunal set aside the appeal of MT against a decision of ICTA. The decision of the ICTA was to the effect that it undertook an arbitration in a dispute between MT and Mauritel Ltd. and had determined that MT should grant interconnection to Mauritel Ltd.

6.3.3 City Call v/s ICTA (ICT Appeal Tribunal)

On 10 June 2009, the ICT Appeal Tribunal determined that on 25 February 2004 the approval given by ICTA to MT was in respect of its prepaid cards. However, upon application by MT on 24 May 2004, the ICTA extended this service to prepaid account customers. Accordingly, the averment that by allowing MT to apply the same tariff for prepaid and post-paid service, the ICTA was wrong, was not upheld by the Tribunal.

7. Training and Development

7. Training and Development

7.1 Commitment to Staff Development

The Authority believes in the continual training and development of its staff especially since it is evolving in an environment which is continuously changing. A learning-organisation style has been encouraged whereby staff members receive in-house, local and/or overseas training whenever required. The ICT Board has also approved a loan scheme which is granted to members of staff who intend to upgrade their qualifications in fields that are relevant to the Authority.

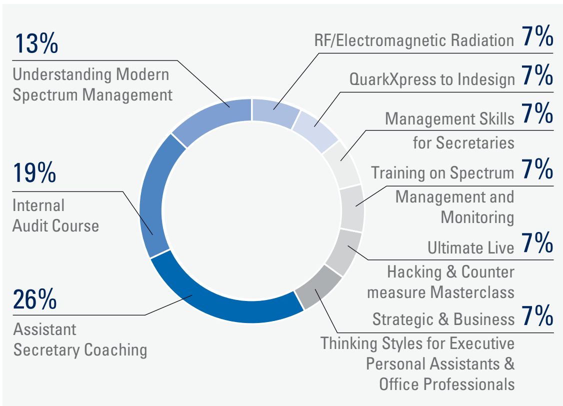
During the last financial year employees involved in the core process have followed specialised training in the following areas:-

Understanding Modern Spectrum Management	2
RF/Electromagnetic Radiation	1
Training on Spectrum Management and Monitoring and	1
Ultimate Live Hacking & Countermeasures Master class	1

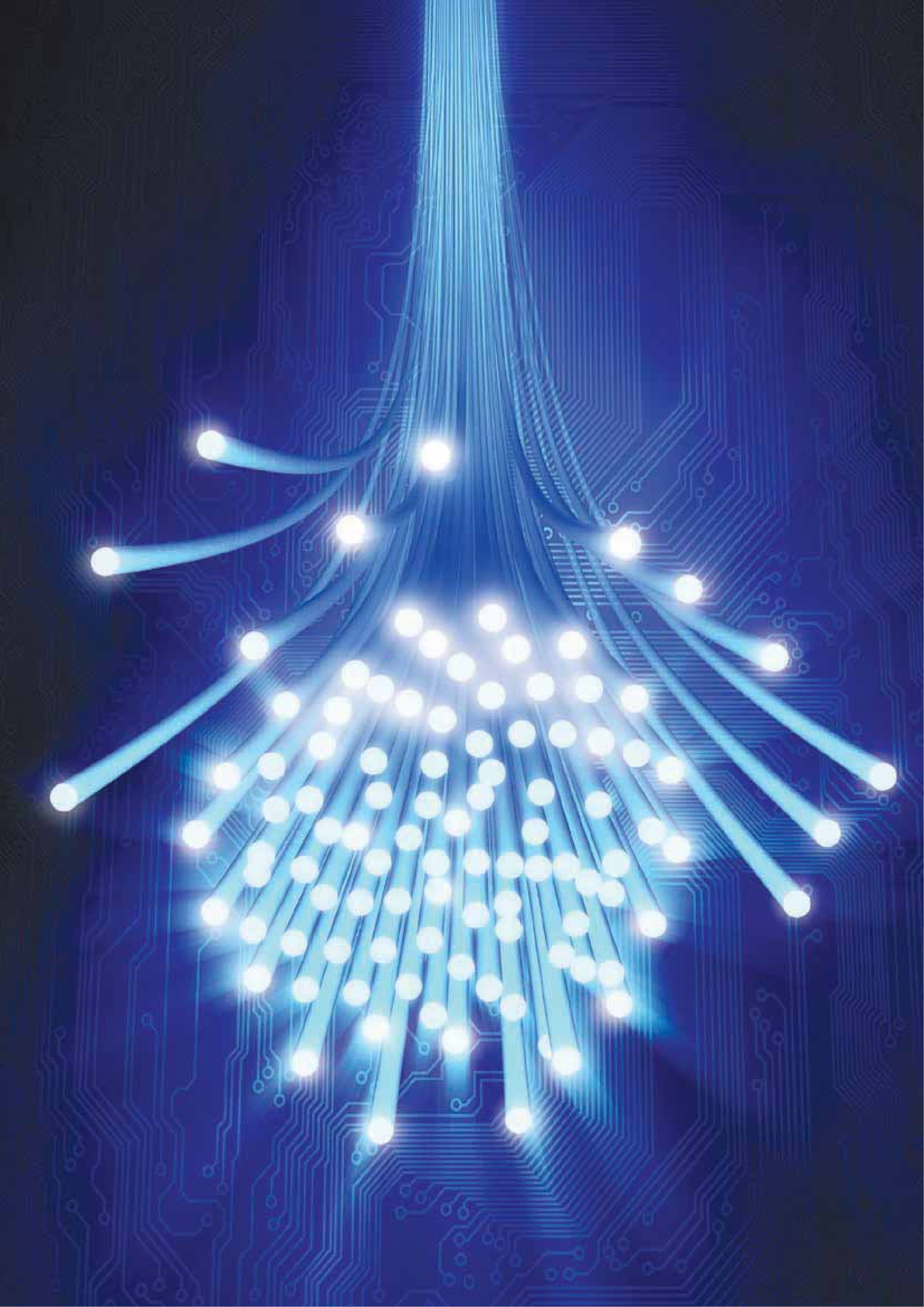
whereas other members of staff have followed relevant training in the field of:-

Assistant Secretary Coaching,	4
Strategic & Business Thinking Styles for Executive Personal Assistants & Office Professionals	1
QuarkX Press to In Design	1
Internal Audit course and	3
Management Skills for Secretaries	1

Chart 7.1: Training and Development



8. Financial Statements



REPORT OF THE

DIRECTOR OF AUDIT

On the Financial Statements of the Information and Communication Technologies Authority for the Year Ended 30 June 2009

NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT

TO THE BOARD OF THE

INFORMATION AND COMMUNICATION

TECHNOLOGIES AUTHORITY

Report on the Financial Statements

I have audited the accompanying financial statements of the Information and Communication Technologies Authority which comprise its statement of financial position as of 30 June 2009, and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Information and Communication Technologies Authority and for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and in compliance with the Information and Communication Technologies Act 2001 and the Statutory Bodies (Accounts and Audit) Act 1972. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my audit opinion.

Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Information and Communication Technologies Authority as of 30 June 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Statutory Bodies (Accounts and Audit) Act 1972.

I have obtained all information and explanations I have required. Proper accounting records have been kept by the Information and Communication Technologies Authority as far as it appears from my examination of those records.

In my opinion, the financial statements of the Information and Communication Technologies Authority as of 30 June 2009 comply with the Statutory Bodies (Accounts and Audit) Act 1972.

The Financial Reporting Act 2004

The Board is responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius ("Code"). My responsibility is to report on these disclosures.

In my opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the "Code".

(Dr R. JUGURNATH)
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

11 March 2010

Statement of Financial Position as at 30 June 2009

	Notes	30 June 2009 Rs	30 June 2008 Rs
ASSETS			
Non-current assets			
Plant and equipment	5	9,877,214	6,156,157
Other receivables	9	3,530,652	1,921,859
		13,407,866	8,078,016
Current assets			
Trade receivables	8	11,337,587	10,592,644
Other receivables	9	4,405,822	2,090,692
Investments in deposits	10	250,000,000	-
Cash and bank balances	11	79,288,579	260,943,572
		345,031,988	**273,626,908**
TOTAL ASSETS		**358,439,854**	**281,704,924**
EQUITY AND LIABILITIES			
Capital & Reserve			
Equity	12	276,544,416	245,992,524
Revaluation Reserve	13	1,678,302	-
		278,222,718	245,992,524
Non-current liabilities			
Retirement benefit obligations	14	2,820,000	3,898,000
Long term employee benefits	15	5,743,689	3,133,520
		8,563,689	7,031,520
Current liabilities			
Special deposits	16	22,907,769	21,606,730
Creditors and payables	17	47,584,39	6,815,999
Short term employee benefits	15	1,161,281	258,151
		71,653,447	**28,680,880**
TOTAL EQUITY AND LIABILITIES		**358,439,854**	**281,704,924**

These Financial Statements were approved by the Board of the ICT Authority on 26 February 2010.
Signed on their behalf:

Mr T. Dwarka
(Chairman)

Dr M. K. Oolun
(Executive Director)

The notes on pages 68 to 78 form an integral part of these financial statements.

Statement of Comprehensive Income for the year ended 30 June 2009

	Notes	30 June 2009 Rs	30 June 2008 Rs
Revenue	18	129,126,748	121,725,690
Other income	19	17,819,317	17,843,014
		146,946,065	139,568,704
Administrative expenses	20	(55,524,607)	(38,414,053)
Other expenses	21	(20,869,566)	(16,131,442)
NET SURPLUS		**70,551,892**	**85,023,209**
Other Comprehensive Income:			
Gain on revaluation	13	1,678,302	-
Total Comprehensive Income for the Year		**72,230,194**	**85,023,209**

The notes on pages 68 to 78 form an integral part of these financial statements.

Statement of Change in Equity for the year ended 30 June 2009

	Rs Accumulated Fund	Rs Revaluation Reserve	Rs TOTAL
Balance as at 30 June 2007	**200,969,315**	**-**	**200,969,315**
Surplus for the year 2007-2008	85,023,209	-	85,023,209
Contribution to the Consolidated Fund	(40,000,000)	-	(40,000,000)
Balance as at 30 June 2008	**245,992,524**	**-**	**245,992,524**
Surplus for the year 2008-2009	70,551,892	-	70,551,892
Revaluation Reserve	-	1,678,302	1,678,302
Contribution to the Consolidated Fund	(40,000,000)	-	(40,000,000)
Balance as at 30 June 2009	**276,544,416**	**1,678,302**	**278,222,718**

The notes on pages 68 to 78 form an integral part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2009

	30 June 2009	June 2008
	Rs	Rs
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year	*70,551,892*	*85,023,209*
Adjustments for:		
Depreciation	3,007,427	2,990,892
Loss on disposal	98,428	147,821
Increase/(Decrease) in retirement benefit obligations	(1,078,000)	(962,000)
	2,027,855	**2,176,713**
Operating surplus before working capital changes	*72,579,747*	*87,199,922*
Decrease/(Increase) in trade receivables	(744,942)	(741,419)
Decrease/(Increase) in other receivables	(3,923,923)	1,079,809
Increase in special deposits	1,301,039	1,618,824
Increase in employee benefits	3,513,299	210,146
Increase in creditors & payables	40,768,397	1,075,093
Net change in working capital	*40,913,870*	*3,242,453*
Net cash flows from operating activities	*113,493,617*	*90,442,375*
INVESTMENT ACTIVITIES		
Purchase of fixed assets	(5,178,610)	(964,790)
Proceeds from disposal	30,000	-
	(5,148,610)	**(964,790)**
FINANCING ACTIVITIES		
Transfer to consolidated fund	(40,000,000)	(40,000,000)
INCREASE IN CASH AND CASH EQUIVALENTS	**68,345,007**	**49,477,585**
CASH AND CASH EQUIVALENTS AT 1 JULY 2008	**260,943,572**	**211,465,987**
CASH AND CASH EQUIVALENTS AT 30 JUNE 2009	**329,288,579**	**260,943,572**
Comprising of: - Investment in term deposits	*250,000,000*	
- Cash and bank balances	*79,288,579*	
	329,288,579	

The notes on pages 68 to 78 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 30 June 2009

1. Main activity of the Authority

The ICT Authority was established under the Information and Communication Technologies Act 2001 in order to regulate and democratise information and communication technologies and related matters.

2. Adoption of New and Revised International Financial Reporting Standards

Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

- Amendments to IAS 1: Amendments relating to Disclosure of Puttable Instruments and Obligations arising on Liquidation
- IAS 23: Borrowing Costs – Comprehensive Revision to Prohibit Immediate Expensing
- IAS 27: Consolidated and Separate Financial Statements – Consequential Amendments Arising from Amendments to IFRS 3
- IAS 28: Investments in Associates – Consequential Amendments Arising from Amendments to IFRS 3
- IAS 31: Investments in Joint Ventures - Consequential Amendments Arising from Amendments to IFRS 3
- IFRS 2: Share-Based Payments – Amendment Relating to Vesting Conditions and Cancellations
- IFRS 3: Business Combinations – Comprehensive Revision on Applying the Acquisition Method
- IFRS 8: Operating Segments
- IFRIC 12: Service Concession Agreements
- IFRIC 13: Customer Loyalty Programmes
- IFRIC 14: The Limit on a Defined Asset, Minimum Funding Requirements and Their Interactions
- IFRIC 15: Agreements for the Construction of Real Estate
- IFRIC 16: Hedges of a Net investment in a Foreign Operation

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Authority.

3. Accounting Policies

The principal accounting policies adopted by the Authority are as follows:

(a) Basis of accounting

The Financial Statements have been prepared in accordance with all applicable International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB).

(b) Revenue Recognition

Revenue, which represents licence fees receivable, has been accounted on an accrual basis, and is recognized upon issue of claims to licencees.

(c) Expenditure

All expenses have been accounted on accrual basis.

(d) Plant and equipment - depreciation

Plant and equipment are stated at cost less accumulated depreciation.

(i) Depreciation is calculated to write off the cost of plant and equipment on a straight line basis over the expected useful lives of such assets. The annual depreciation rates used for the purpose are as follows:-

Item	(%)
Furniture & Fittings	10
Office Equipment	20 – 33 1/3
Computer Equipment & Software	33 1/3 – 40
Motor Vehicles	20
Technical Equipment	20

(ii) *Full depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal.*

(iii) *Fully depreciated assets still in use are revalued and depreciated over their estimated future useful lives.*

(e) Impairment of Tangible Assets

At each date of Statement of Financial Position, the Authority reviews the carrying amounts of its tangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Authority estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

(f) Financial instruments

Financial assets and liabilities are recognized on the Statement of Financial Position when the Authority has become party to the contractual provisions of the financial instruments. Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to the initial recognition, these instruments are measured as set out below:

(i) Trade receivables

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(ii) Other receivables

Other receivables are stated at their nominal value.

(iii) Investments in deposits

Investments in deposits comprise term deposits in local commercial bank accounts. The Investments in deposits are stated at amortised cost.

(iv) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, and investments in deposits.

(v) Creditors and payables

Creditors and payables are stated at their nominal value.

(g) Retirement Benefit Obligations

The Authority contributes to a pension scheme, which is a ‘Defined Benefit’ plan. The assets of the fund are held independently and administered by the State Insurance Company of Mauritius Ltd (SICOM).

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each date of Statement of Financial Position. Actuarial gains and losses which exceed ten per cent of the greater of the present value of the pension obligations and the fair value of plan assets are recognised in the financial year following their recurrence.

The amount recognised in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost,

Notes to the Financial Statements for the year ended 30 June 2009

and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

(h) Provisions

Provisions are recognized when the Authority has a present obligation as a result of past event, which it is probable, will result in an outflow of economic benefits that can reasonably be estimated.

Provision for Impairment of Debts

Trade receivables are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts, and comprise claims for licence fees due at year end. The claims are issued to all licensees of the Authority based upon the applicable licence fees as per regulations. A certain number of claims are expected to be irrecoverable owing to the fact that firstly, the licensees have closed down, and secondly, the equipment to which the claims pertained have either broken down or are no longer being used.

Appropriate amounts, based upon past experience and facts submitted by licensees, have been earmarked in the provision for impairment of debts. In assessing the recoverability of trade receivables, Management considers the ageing of the claims.

During the year, no additional provision was made.

(i) Use of estimates

The preparation of financial statements in accordance with International Financial Reporting Standards and generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

(j) Related Parties

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

4. RISK MANAGEMENT POLICIES

(i) Credit Risk

Credit risk relates to the possibility of default by licencees in settling their claims obligations to the Authority.

For major commercial licences, the Act provides for the obligation of the licensee to furnish a Bank Guarantee, which the Authority can enforce to should the claims for licence fees are not honoured. This mitigates the credit risk exposure of the Authority with regard to the recoverability of the licence fees and the possibility of material loss arising.

(ii) Liquidity Risk

This refers to the possibility of default by the Authority to meet its obligations because of unavailability of funds to meet both operational and capital requirements. In order to ensure adequacy of its funding, cash flow forecasts are prepared periodically to identify any shortage of funds. The expenditure of the Authority is also matched against budget estimates to be within targeted limits.

The single major outflow of the Authority comprises the contribution to the Consolidated Fund. The amount payable is based on budget estimates, as may be adjusted for any actual non-budgeted recurrent and/ or capital expenditure, to arrive at the surplus transferable funds.

5. PLANT AND EQUIPMENT

	Furniture & Fittings	Office Equipment	Computer Equipment & Software	Motor Vehicles	Technical Equipment	TOTAL
	Rs	Rs	Rs	Rs	Rs	Rs
COST						
Balance as at 1 July 2008	1,908,755	2,562,722	8,349,837	14,921,300	3,015,448	**30,758,062**
Additions during the year	184,708	271,890	272,585	3,999,500	449,927	**5,178,610**
Revaluation	-	-	269,722	-	1,408,580	**1,678,302**
Disposal/Scrapped	(86,980)	(739,974)	(685,237)	-	-	**(1,512,191)**
Balance as at 30 June 2009	**2,006,483**	**2,094,638**	**8,206,907**	**18,920,800**	**4,873,955**	**36,102,783**
DEPRECIATION						
Balance as at 1 July 2008	733,213	1,854,767	8,065,328	11,471,300	2,477,297	**24,601,905**
Charge for the year	200,648	371,610	241,894	1,949,900	243,375	**3,007,427**
Disposal/Scrapped	(52,528)	(645,998)	(685,237)	-	-	**(1,383,763)**
Balance as at 30 June 2009	**881,333**	**1,580,379**	**7,621,985**	**13,421,200**	**2,720,672**	**26,225,569**
NBV - 30 June 2009	**1,125,150**	**514,259**	**584,922**	**5,499,600**	**2,153,283**	**9,877,214**
NBV - 30 June 2008	**1,175,542**	**707,955**	**284,510**	**3,450,000**	**538,151**	**6,156,158**

6. SURPLUS FROM OPERATIONS

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

	30 June 2009	30 June 2008
	Rs	Rs
Staff Costs	30,445,162	16,831,309
Auditor's remuneration	150,000	150,000
Depreciation	3,007,427	2,990,892
	Number	**Number**
Employees at end of year	46	45

Notes to the Financial Statements for the year ended 30 June 2009

7. FINANCIAL INSTRUMENTS

In its ordinary operations, the Authority is exposed to financial risk, more precisely to credit risk.

Fair values

The carrying amounts of the Authority's financial assets and financial liabilities reflect their nominal values.

Credit risk

The Authority's credit risk is attributable to its Trade Receivable and Other Receivables. The amounts stated in the Statement of Financial Position are net of allowances for impairment of debts, estimated on prior experience.

Interest rate risk

The Authority does not have significant concentration of interest risk.

8. TRADE RECEIVABLES

Trade Receivables represent licence fees due at year end (30 June 2009: Rs 11,337,587; 30 June 2008: Rs 10,592,644), and are stated net of provision for impairment of debts.

Movement in provision for impairment of debts account:

	Rs
Balance as at 1 July 2008	3,035,172
Additional provision during the year	0
Amount used against previous claims	(558,587)
Balance as at 30 June 2009	**2,476,585**

9. OTHER RECEIVABLES

	30 June 2009	30 June 2008
	Rs	Rs
Interest on deposits	1,922,643	2,547,255
Loans	4,548,535	2,547,255
Prepayments	1,465,296	1,465,296
TOTAL	**7,936,474**	**4,012,551**
Receivable within 1 year	4,405,822	2,090,692
Receivable after 1 year	3,530,652	1,921,859
	7,936,474	**4,012,551**

10. INVESTMENTS IN DEPOSITS

Investments in deposits comprise investments in Term Deposits held in a local commercial bank as detailed below:

Date	Amount	Rate of Interest	Term
20.05.2009	150,000,000	7.78 %	12 Months
20.05.2009	50,000,000	7.25 %	9 Months
12.06.2009	50,000,000	6.25 %	3 Months

11. CASH AND BANK BALANCES

	30 June 2009	30 June 2008
	Rs	Rs
Cash at Bank	79,282,191	260,940,600
Cash in Hand	6,388	2,972
TOTAL	**79,288,579**	**260,943,572**

12. TRANSFER TO CONSOLIDATED FUND

The Authority contributes a sum to the Consolidated Fund (formely Capital Fund) of the Government of Mauritius from the General Fund in terms of the provisions of the Information and Communication Technologies Act 2001 based on income and expenditure estimates, and as determined by the Board of the Authority (2009: Rs 40,000,000 ; 2008: Rs 40,000,000).

13. REVALUATION RESERVE

During the year, Plant & Equipment items were revalued. The carrying amounts of the assets concerned increased as a result of the revaluation exercise as detailed hereunder:

Date of Revaluation	Class of Assets	Increase in Carrying Amount Rs
30.06.2009	Technical Equipment	1,408,580
30.06.2009	Computer Equipment	269,722
Amount recognised in revaluation reserve		**1,678,302**

Basis of Revaluation

No independent valuer was involved. Technical Equipment was revalued based upon estimate received from supplier for the equivalent models and specifications. Computer equipment was revalued based upon best Management estimate bench-marked upon prevailing market prices for items concerned.

14. RETIREMENT BENEFIT OBLIGATIONS

14.1 In conformity with the provisions of the IAS 19 – Employee Benefits, the Authority has included its retirement benefit obligations in the financial statements. The pension scheme of the Authority is a defined benefit plan, and the assets of the funded plan are held independently and administered by SICOM Ltd.

Notes to the Financial Statements for the year ended 30 June 2009

	2009	2008
	Rs M	Rs M
STATEMENT OF FINANCIAL POSITION		
Present value of funded obligations	19.43	11.72
Present value of unfunded obligations	-	-
Fair value of plan assets	(11.39)	(9.53)
	8.04	2.19
Unrecognised transitional liability	-	-
Unrecognised actuarial gain/(loss)	(5.22)	1.70
Net liability in Statement of Financial Position	**2.82**	**3.89**

	2009	2008
	Rs M	Rs M
STATEMENT OF COMPREHENSIVE INCOME		
Current service cost	0.42	0.91
Fund expenses	0.08	0.03
Interest cost	1.23	1.33
Expected return	(1.16)	(0.84)
Actuarial loss/(gain) recognized	0.02	0.00
Settlement i.r.o past service	0.00	(0.73)
Total included in staff costs	**0.59**	**0.70**
RECONCILIATION		
At start of year	3.89	4.85
Add staff cost as above	0.59	0.70
Less contributions paid and actuarial reserves received	(1.67)	(1.65)
Net liability as 30 June	**2.82**	**3.89**
Actual return	**(0.09)**	**1.18**
Main assumptions:		
Discount rate	10.50%	11.00%
Expected return	11.00%	11.50%
Increases in pension	7.50%	8.00%
Salary increases	5.50%	6.00%

14.2 Reconciliation of the present value of defined benefit obligation

	2009	2008
	Rs M	Rs M
Present value of obligation at start of period	11.72	12.15
Current service cost	0.42	0.91
Employee contributions	1.07	-
Interest cost	1.23	1.33
(Benefits paid)	(0.71)	(0.39)
Liability (gain)/loss	5.70	(2.28)
Present value of obligation at end of period	19.43	11.72

14.3 Reconciliation of fair value of plan assets

	2009	2008
Fair value of plan assets at start of period	9.53	6.39
Expected return on plan assets	1.16	0.85
Employer contributions	1.67	1.66
Employee contributions	1.07	-
Settlement in respect of Past Service	-	0.73
(Benefits paid + other outgoings)	(0.78)	(0.43)
Asset gain/(loss)	(1.25)	0.33
Fair value of plan assets at end of period	11.40	9.53

14.4 Distribution of plan assets at end of period

	2009	2008
Percentage of assets at end of year		
Government securities and cash	56.35%	46.80%
Loans	8.06%	8.20%
Local equities	20.97%	30.20%
Overseas bonds and equities	13.65%	13.80%
Property	0.97%	0.99%
Debenture stocks	0.00%	0.01%
Total	100%	100%

14.5 History of obligations, assets & experience adjustments

Year	2009	2008
Currency	Rs M	Rs M
Fair value of plan assets	11.39	9.53
(Present value of defined benefit obligation)	(19.43)	(11.72)
Surplus/(deficit)	(8.04)	(2.19)
Asset experience gain/(loss) during the period	(1.25)	0.33
Liability experience gain/(loss) during the period	(5.69)	2.28

Year	**2010**
Expected employer contributions	2.90

Notes to the Financial Statements for the year ended 30 June 2009

15. EMPLOYEE BENEFITS

Employee benefits comprise the total balance of leaves and accumulated passage benefits not yet availed by employees of the Authority as at year end on 30 June.

	30 June 2009	30 June 2008
	Rs	Rs
Balance at start of year	3,391,671	3,181,525
Amount accrued during the year	3,513,299	210,146
Balance at end of year	6,904,970	3,391,671
Payable within 1 year	1,161,281	258,151
Payable after 1 year	5,743,689	3,133,520
Total	6,904,970	3,391,671

16. SPECIAL DEPOSITS

The Authority issued the Telecommunication Order (11 of 2003), effective from 1 December 2003, which provided for the creation of a Special Account to be credited with contributions received from operators of International Long Distance calls.

	30 June 2009	30 June 2008
	Rs	Rs
Balance as at 1 July 2008	21,606,730	19,987,906
Contributions received	0	0
Bank Charges	0	0
Interest Received	1,301,039	1,618,824
Balance as at 30 June 2009	**22,907,769**	**21,606,730**

17. CREDITORS AND PAYABLES

Sundry Creditors	6,374,742	4,016,703
Expenses Accrued	41,209,655	2,799,297
TOTAL	**47,584,397**	**6,815,999**

18. REVENUE

Income represents licence fees receivable from operators licenced by the Authority. (30 June 2009: Rs 129,126,748; 30 June 2008: Rs 121,725,690)

19. OTHER INCOME

	Year ended 30 June 2009	Year ended 30 June 2008
	Rs	Rs
Bank interest	17,627,519	17,725,121
Interest on Loans	191,798	117,892
TOTAL	17,819,317	17,843,014

20. ADMINISTRATIVE EXPENSES

	Year ended 30 June 2009	Year ended 30 June 2008
	Rs	Rs
Staff Costs	30,445,162	16,831,309
Fees to Chairman and Board Members	6,009,000	4,437,000
Rent	5,869,480	5,877,518
Electricity	1,182,050	917,918
Telephone	1,499,266	1,503,267
Uniforms	75,000	55,000
Printing, Stationery and Correspondences	592,268	425,633
Incidentals and Office Expenses	752,236	477,202
Motor Vehicle Running Expenses	883,844	620,002
Loss on Disposal	98,428	147,821
Maintenance of Equipment & Software	287,916	220,638
Technical Library and Publications	74,153	257,611
Press Advertisements	392,130	314,879
Insurance	514,489	832,459
Training & Workshops	1,062,757	351,604
Professional Fees	2,779,000	2,183,300
Depreciation	3,007,427	2,990,892
	55,524,607	38,414,053

21. OTHER EXPENSES

	Year ended 30 June 2009	Year ended 30 June 2008
	Rs	Rs
Contribution to International Organizations	3,113,957	2,498,780
Consultancy	3,233,951	1,940,468
Overseas Mission	5,267,033	1,869,282
Donation	842,803	8,633,294
Project Recurrent Costs	4,583,040	828,000
Conference	3,828,782	361,618
	20,869,566	16,131,442

22. RELATED PARTY TRANSACTIONS

22.1 Remuneration to management

Key management are persons having authority and responsibility for planning, directing and controlling the activities of the Authority, as per IAS 24 - Related Party Disclosures. During the year, the total remuneration of the key management was as follows:

	30 June 2009	30 June 2008
	Rs	Rs
Allowances paid to Chairman and Board Members	6,009,000	4,437,000
Directors	5,841,105	4,516,511
	11,850,105	**8,953,511**

22.2 Staff Loans

Staff loans include auto cycle and car loans which are refundable in 60 and 84 equal monthly instalments respectively, and bear interest at the rate of 6.5% per annum. The above also include educational loans to staff members refundable in 60 equal monthly instalments with annual interest rate of 5%.

	30 June 2009	30 June 2008
	Rs	Rs
Opening Balance		
Loans : receivable within 1 year	625,396	509,865
: receivable after 1 year	1,921,859	1,832,231
Loans granted during the year	3,205,465	774,872
Loan Instalments Received	(1,204,185)	(569,713)
Closing Balance	**4,548,535**	**2,547,255**
Receivable within 1 year	1,017,883	625,396
Receivable after 1 year	3,530,652	1,921,859
	4,548,535	**2,547,255**

22.3 Termination Benefits

During the year an amount of Rs 408,000 was paid to outgoing Board Members.

23. FINANCIAL SUMMARY

	2005	2006	2007	2008	2009
	(Restated)				
	Rs	Rs	Rs	Rs	Rs
Revenue	98,909,019	110,198,046	99,603,405	121,725,690	129,126,748
Surplus	54,006,276	68,651,633	37,950,100	85,023,209	70,551,892
Equity	177,549,107	206,200,740	204,150,840	245,992,524	276,544,416
Transfer to Consolidated Fund	(50,000,000)	(40,000,000)	(40,000,000)	(40,000,000)	(40,000,000)

24. CURRENCY

All figures are shown to the nearest Mauritian Rupee.

REPORT OF THE

DIRECTOR OF AUDIT

On the Financial Statements
of the Postal Authority
for the Year Ended 30 June 2009

NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE POSTAL AUTHORITY

Report on the Financial Statements

I have audited the accompanying financial statements of the Postal Authority which comprise its statement of financial position as of 30 June 2009, and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Postal Authority and for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and in compliance with the Postal Services Act 2002.This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my opinion.

Opinion

In my opinion, the financial statements give a true and fair view of the state of affairs of the Postal Authority as of 30 June 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with Postal Services Act 2002.

(Dr R. JUGURNATH)
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

5 July 2010.

Statement of Financial Position as at 30 June 2009

	Notes	2009 Rs	2008 (Restated) Rs
ASSETS			
Current assets			
Accounts receivable	7	200,000	-
Cash and bank balances		17,755,392	14,664,828
TOTAL ASSETS		**17,955,392**	**14,664,828**
EQUITY AND LIABILITIES			
Retained Earnings		17,505,392	14,414,828
Current liabilities			
Accounts payable	8	450,000	250,000
TOTAL EQUITY AND LIABILITIES		**17,955,392**	**14,664,828**

These Financial Statements were approved by the Board of the Postal Authority on 28 September 2009.
Signed on their behalf:

Mr T. Dwarka
(Chairman)

Mr A. Ramlugan
(Board Member)

The notes on pages 86 to 91 form an integral part of these financial statements.

Statement of Comprehensive Income for the year ended 30 June 2009

	Notes	30 June 2009 Rs	30 June 2008 (Restated) Rs
REVENUE	9	4,100,000	3,200,000
OTHER INCOME	10	952,991	1,030,346
		5,052,991	4,230,346
ADMINISTRATIVE EXPENSES	11	*(1,962,427)*	*(985,740)*
SURPLUS FOR THE YEAR		3,090,564	3,244,606

The notes on pages 86 to 91 form an integral part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2009

	Retained Earnings	TOTAL
	Rs	Rs
Balance as at 01 July 2007	**11,170,222**	**11,170,222**
Surplus for the year 2007-2008	3,244,606	3,244,606
Balance as at 30 June 2008 (Restated)	**14,414,828**	**14,414,828**
Surplus for the year 2008-2009	3,090,564	3,090,564
Balance as at 30 June 2009	**17,505,392**	**17,505,392**

The notes on pages 86 to 91 form an integral part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2009

	30 June 2009	30 June 2008
		(Restated)
	Rs	Rs
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year	*3,090,564*	*3,244,606*
Adjustment for:		
Interest income	(943,991)	(1,021,346)
Operating surplus before change in working capital	2,146,573	2,223,260
Change in working capital:		
Increase in accounts receivable	(200,000)	-
Increase in accounts payable	200,000	(50,000)
Cash generated from operations	*2,146,573*	*2,173,260*
Interest income	943,991	1,021,346
INCREASE IN CASH AND BANK BALANCES	**3,090,564**	**3,194,606**
CASH AND BANK BALANCES AT 01 JULY 2008	**14,664,828**	**11,470,222**
CASH AND BANK BALANCES AT 30 JUNE 2009	**17,755,392**	**14,664,828**

The notes on pages 86 to 91 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 30 June 2009

1. LEGAL FORM AND MAIN ACTIVITY OF THE AUTHORITY

The Postal Authority was established as a regulatory body under the Postal Services Act 2002 for the postal, courier and ancillary services. As per section 4 of the Postal Services Act 2002, the members of the Board of the ICT Authority shall be deemed to be and constitute the members of the Board of the Postal Authority.

2. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The accounting policies of the Authority were changed on 1 July 2008 to comply with IFRS. The transition to IFRS is accounted for in accordance with IFRS 1 (First Time Adoption of International Financial Reporting Standards) with 1 July 2007 as the date of transition.

The reconciliation of the effects of the transition to IFRS is presented in the notes to the IFRS Financial Statements.

(a) Note on applicability of IFRS

The officers of the ICT Authority ensure the smooth running and the whole conduct of the operations of the Postal Authority. The Postal Authority does not employ any officer. The Postal Authority does not own any item of non-current assets; it makes use of the non-current assets of the ICT Authority. The only assets of the Postal Authority are the accounts receivable and the cash and bank balances. As such, IFRS relating to Non-current Assets and Employee Benefits do not apply.

Given the present operational structure, as described above, the directors estimate that the adoption of IFRS and Interpretations will have no material impact on the financial statements of the Authority.

(b) Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

- Amendments to IAS 1: Amendments relating to Disclosure of Puttable Instruments and Obligations arising on Liquidation
- IAS 23: Borrowing Costs – Comprehensive Revision to Prohibit Immediate Expensing
- IAS 27: Consolidated and Separate Financial Statements – Consequential Amendments Arising from Amendments to IFRS 3
- IAS 28: Investments in Associates – Consequential Amendments Arising from Amendments to IFRS 3
- IAS 31: Investments in Joint Ventures - Consequential Amendments Arising from Amendments to IFRS 3
- IFRS 2: Share-Based Payments – Amendment Relating to Vesting Conditions and Cancellations
- IFRS 3: Business Combinations – Comprehensive Revision on Applying the Acquisition Method
- IFRS 8: Operating Segments
- IFRIC 12: Service Concession Agreements
- IFRIC 13: Customer Loyalty Programmes
- IFRIC 14: The Limit on a Defined Asset, Minimum Funding Requirements and Their Interactions
- IFRIC 15: Agreements for the Construction of Real Estate
- IFRIC 16: Hedges of a Net investment in a Foreign Operation

3. ACCOUNTING POLICIES

The principal accounting policies adopted by the Authority are as follows:

(a) Basis of accounting

The Financial Statements have been prepared in accordance with all applicable International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB).

(b) Revenue Recognition

Revenue, which represents licence fees receivable, has been accounted on an accrual basis, and is recognized upon issue of claims to licensees.

(c) Expenditure

All expenses have been accounted on accrual basis.

(d) Financial instruments

Financial assets and liabilities are recognized on the Statement of Financial Position when the Authority has become party to the contractual provisions of the financial instruments. Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to the initial recognition, these instruments are measured as set out below:

(i) Accounts receivable

Accounts receivable are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(ii) Cash and bank balances

Cash and bank balances comprise amounts held in a local commercial bank account.

(iii) Accounts Payable

Accounts payable are stated at their nominal value.

(e) Retirement Benefit Obligations

Given that the Authority does not have any employee, the obligation for providing for retirement benefits does not apply.

(f) Provisions

Provisions are recognized when the Authority has a present obligation as a result of past event, which it is probable, will result in an outflow of economic benefits that can reasonably be estimated.

(g) Use of estimates

The preparation of financial statements in accordance with International Financial Reporting Standards and generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

(h) Related Parties

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

Notes to the Financial Statements for the year ended 30 June 2009

(i) Effect of Adopting IFRS on Statement of Financial position as at 30 June 2008 and 1 July 2007

RECONCILIATION OF RESTATED OPENING BALANCE SHEET

	As at 1 July 2007 Under GAAP	Effect of transition to IFRS	Restated as per IFRS as at 1 July 2007
	Rs	Rs	Rs
ASSETS			
Current assets			
Accounts receivable	-	-	-
Cash and bank balances	11,470,222	-	11,470,222
TOTAL ASSETS	**11,470,222**	**-**	**11,470,222**
EQUITY AND LIABILITIES			
Retained Earnings	11,170,222	-	11,170,222
Current liabilities			
Accounts payable	300,000	-	300,000
TOTAL EQUITY AND LIABILITIES	**11,470,222**	**-**	**11,470,222**

	As at 1 July 2008 Under GAAP	Effect of transition to IFRS	Restated as per IFRS as at 1 July 2008
	Rs	Rs	Rs
ASSETS			
Current assets			
Accounts receivable	-	-	-
Cash and bank balances	14,664,828	-	14,664,828
TOTAL ASSETS	**14,664,828**	**-**	**14,664,828**
EQUITY AND LIABILITIES			
Retained Earnings	14,414,828	-	14,414,828
Current liabilities			
Accounts payable	250,000	-	250,000
TOTAL EQUITY AND LIABILITIES	**14,664,828**	**-**	**14,664,828**

RECONCILIATION OF RESTATED RETAINED EARNINGS

	Rs
Balance as at 1 July 2007 under GAAP	11,170,222
Surplus for the year 2007-2008	3,244,606
Opening balance as at 1 July 2008 as per IFRS	**14,414,828**

RECONCILIATION OF STATEMENT OF COMPREHENSIVE INCOME

	As at 1 July 2008 Under GAAP	Effect of transition to IFRS	Restated as per IFRS as at 1 July 2008
	Rs	Rs	Rs
Revenue	3,200,000	-	3,200,000
Other income	1,030,346	-	1,030,346
	4,230,346	-	4,230,346
Administrative expenses	(985,740)	-	(985,740)
Comprehensive Income	**3,244,606**	**-**	**3,244,606**

4. RISK MANAGEMENT POLICIES

(i) Credit Risk

Credit risk relates to the possibility of default by licensees in settling their claims obligations to the Authority.

For all courier service licences, the Act provides for the obligation of the licensee to furnish a Bank Guarantee, which the Authority can enforce to should the claims for licence fees are not honoured. This mitigates the credit risk exposure of the Authority with regard to the recoverability of the licence fees and the possibility of material loss arising.

(ii) Liquidity Risk

This refers to the possibility of default by the Authority to meet its obligations because of unavailability of funds to meet both operational and capital requirements. In order to ensure adequacy of its funding, cash flow forecasts are prepared periodically to identify any shortage of funds. The expenditure of the Authority is also matched against budget estimates to be within targeted limits.

5. SURPLUS FROM OPERATIONS

Surplus for the year is arrived at after charging the following item:

	30 June 2009	30 June 2008
	Rs	Rs
Auditor's remuneration	50,000	50,000

Notes to the Financial Statements for the year ended 30 June 2009

6. FINANCIAL INSTRUMENTS

In its ordinary operations, the Authority is exposed to financial risk, more precisely to credit risk.

Fair values
The carrying amounts of the Authority's financial assets and financial liabilities reflect their nominal values.

Credit risk
The Authority's credit risk is attributable to its Accounts Receivable. The amounts stated in the Statement of Financial Position are net of allowances for impairment of debts, estimated on prior experience.

Interest rate risk
The Authority does not have significant concentration of interest risk.

7. ACCOUNTS RECEIVABLE

Accounts Receivable represent licence fees due at year end (30 June 2009: Rs 200,000; 30 June 2008: Nil).

8. ACCOUNTS PAYABLE

	30 June 2009	30 June 2008
	Rs	Rs
Licence fees received in advance	400,000	200,000
Expense accrued	50,000	50,000
TOTAL	**450,000**	**250,000**

9. REVENUE

Income represents licence fees receivable from operators licenced by the Authority. (30 June 2009: Rs 4,100,000; 30 June 2008: Rs 3,200,000)

10. OTHER INCOME

	Year ended 30 June 2009	Year ended 30 June 2008
	Rs	Rs
Bank interest	943,991	1,021,346
Sundry income	9,000	9,000
TOTAL	**952,991**	**1,030,346**

11. ADMINISTRATIVE EXPENSES

	Year ended 30 June 2009	Year ended 30 June 2008
	Rs	Rs
Allowance to chairman & board members	823,720	612,000
Other allowances	834,971	323,000
Office expenses & incidentals	940	740
Press advertisements	23,766	-
Overseas mission	167,530	-
Professional fees	111,500	50,000
TOTAL	1,962,427	985,740

12. RELATED PARTY TRANSACTIONS

Note on operations

In terms of the Postal Services Act 2002, the members of the Board of the ICT Authority shall be deemed to be and constitute the members of the Board of the Postal Authority. Moreover, the officers of the ICT Authority ensure the smooth running and the whole conduct of the operations of the Postal Authority.

Remuneration to management

Key management are persons having authority and responsibility for planning, directing and controlling the activities of the Authority, as per IAS 24 - Related Party Disclosures. During the year, the total remuneration of the key management was as follows:

		30 June 2009	30 June 2008
		Rs	Rs
Allowances paid to:	Board Members	823,720	612,000
	Directors	142,000	208,000
		965,720	820,000

13. CURRENCY

All figures are shown to the nearest Mauritian Rupee.

8.3 Annual Estimates

INCOME & EXPENDITURE ACCOUNT

	18 months to 31.12.2010	Forecast 12 Months 31.12.2011	12 months 31.12.2012
	Rs000	Rs000	Rs000
A. Income			
Revenue from core activities	**180,374**	**132,876**	**134,876**
Grant from Government	-	-	-
Interest Income	**12,000**	**11,000**	**8,500**
Other	-	-	-
	192,374	143,876	143,376
B. Expenditure			
Operating & Administrative Costs	**121,454**	**82,027**	**87,498**
Other	**48,268**	**29,500**	**26,800**
	169,722	111,527	114,298
C. Surplus/(Deficit) (A-B)	**22,651**	**32,349**	**29,078**
D. Finance costs		-	-
-			
E. Depreciation	**15,510**	**25,669**	**28,388**
	15,510	25,669	28,388
F. Transfer from Capital Grants	-	-	-
Net Surplus/(Deficit) For the Year (C-D-E+F)	7,141	6,680	690
Accumulated Surplus Brought Forward	247,078	214,219	180,899
Transfer to Capital Fund	40,000	40,000	40,000
Accumulated Surplus Carried Forward	214,219	180,899	141,589

8.4 Three-year Strategic Plan in line with PBB

List of Programmes for the Next Three Years

Unit	Programme	2010	2011	2012
CERT unit	Cater for the prevention and detection of computer security incidents at the national level			
PKI Certification & IT Regulation Unit	Handle PKI related activities as well as to investigate the introduction of regulations related to content monitoring technologies, e-security, IDM and DRM based on international best practices			
In-house Computerisation & IP-based Services Regulation Unit	Service the forthcoming integrated Licensing Management, Enterprise Resource Planning and e-Registry systems and to look after regulation within the IP environment			
Mobile Termination Rate	Carry out a detailed cost analysis of mobile operators and determine the IUC to be payable for terminating and originating call from mobile network			
Accounting Separation	Work out a model for the telecom operators to submit information to the Authority . This will enable the Authority to gauge the performance of each service more easily			
ICT Outreach Survey and Observatory Unit	Carry out a complete survey on ICT and create an observatory at the level of the Authority, for the benefit of all stakeholders			
Radio Frequency Management Unit (RFMU)	Flexible Spectrum Management Framework			
	Acquisition of Radio Monitoring Equipment			
	Equipment Standardisation and Compliance Framework			
	Consumer Safety Framework			
	Radio Infrastructure Management Framework			
	World Radio Conference 2012 preparation			
Telecom Services Unit (TSU)	Migration of Numbering Plan to 8-digits			
	Quality of Service Management Framework			
	VoIP Service Regulatory Framework			
	Fraud Prevention Regulatory Framework			
	Next Generation Network (NGN) Regulatory Framework			

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Produced by Daiichi Process (Mauritius) Ltd.

ICTA

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