Notes to the financial statements continued

for the year ended 31 March 2022

22. Net cash and cash equivalents and restricted cash continued

22.2 Restricted cash

The restricted cash balance comprises an amount of R1 142 million relating to a portion of the ICASA spectrum auction fee.

At the spectrum auction conducted by ICASA in March 2022, Telkom successfully bid for 2 x 10 MHz in the 800 MHz band and 22 MHz in the 3 500 MHz band. On 22 March 2022, Telkom was officially awarded the spectrum at a cost of R2 114 million, of which R1 142 million was payable within 30 working days from 23 March 2022. The outstanding payment of R972 million relates to a portion of the 800 MHz which ICASA is expected to commence the licensing of in July 2022.

Prior to the auction being finalised, Telkom had launched a court application against ICASA, in which it claimed that it was constrained in its ability to acquire the amount of spectrum it needs to compete effectively. In light of the pending litigation proceedings, Telkom, at their discretion, paid the amount of R1 142 million into a trust account at Werksmans Attorneys, their attorney on record, with specific instructions:

- if Telkom is ultimately unsuccessful in the court application or if the matter is settled out of court, the monies are to be used by Werksmans Attorneys to pay the auction fees to ICASA; or
- if Telkom is ultimately successful in the court application, the monies are to be repaid to Telkom, together with the interest that may have accrued and less any fees and charges to be deducted in terms of the agreement signed with Werksmans Attorneys.

The above instruction to Werksmans Attorneys cannot be revoked by Telkom under any circumstances.

The payment of R1 142 million has been reflected as an investing activity on the statement of cash flows.

Refer to note 42 for the events that took place after the reporting date.

23. Share capital

	Group		Company	
	31 March 2022 Rm	31 March 2021 Rm	**31 March 2022 Rm**	31 March 2021 Rm
Authorised and issued share capital is made up as follows:				
Authorised				
1,000,000,000 ordinary shares of R10 each	**10 000**	10 000	**10 000**	10 000
Issued				
504,975,439 (31 March 2021: 504,975,439) ordinary shares of R10 each (fully paid up)	**5 050**	5 050	**5 050**	5 050
6,164,800 (31 March 2021: 6,164,800) shares at no consideration[1]	**–**	–	**–**	–

[1] *This relates to shares issued in terms of the employee share scheme.*

The following table illustrates the movement within the number of shares issued:	Number of shares		Number of shares	
Shares in issue at the beginning of the year	**511 140 239**	511 140 239	**511 140 239**	511 140 239
Shares repurchased and cancelled during the year	**–**	–	**–**	–
Shares in issue at the end of the year	**511 140 239**	**511 140 239**	**511 140 239**	**511 140 239**

There is only one class of shares, ordinary shares. Each share has the same right to receive dividends and the repayment of capital and represents one vote at shareholders' meetings of Telkom SA SOC Ltd. Other than voting rights, there are no other preferences attached to the shares.

The unissued shares are under the control of the Directors until the next annual general meeting. The Directors have been given the authority by the shareholders to buy back Telkom's own shares up to a limit of 10% of the current issued share capital.

Capital management

Refer to note 14.7 for detailed capital management disclosure.