Document

MULTI CARRIER (MAURITIUS) LIMITED

TABLE OF CONTENTS

We certify that, to the best of our knowledge and belief, the company has filed with the Registrar of Companies all such returns as are required of the company under the Companies Act 2001.

S. Banshi
Corporate Secretary

Date:

The Directors have the pleasure in submitting the Annual Report of Multi Carrier (Mauritius) Ltd together with the audited financial statements for the year ended June 30, 2019.

PRINCIPAL ACTIVITIES

The main activity of the company is to provide multimedia service and a network for radio and television broadcasting and to conduct business related to the digital economy.

DIRECTORS

Directors holding office during the year and as at the end of the financial year ended June 30, 2019 are:
Mr. N.K. Ballah
Mr. K. Seebundhun
Mr. A. Pursunon
Mr. K. Conhye
Prof. S. D. D. V Ruughooputh

DIRECTORS REMUNERATION AND BENEFITS

Remuneration and benefits received and receivable from the company were as follows:

	Year ended 30 June 2019	Nine months ended 30 June 2018
	Rs.	Rs.
Non-executive directors	**1,012,780**	731,585

AUDITORS

The fees payable to the auditors for audit and other services were:	**30 June 2019**	30 June 2018
	Rs.	Rs.
Audit fees	**100,000**	183,750
Other services	**36,600**	41,500
	136,600	225,250

MULTI CARRIER (MAURITIUS) LIMITED

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Multi Carrier (Mauritius) Ltd

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Multi Carrier (Mauritius) Limited, on pages 4 to 32 which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 4 to 32 give a true and fair view of the financial position of the Company as at June 30, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are 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 Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor’s Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

We have obtained all information and explanations we have required.

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

MULTI CARRIER (MAURITIUS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONT'D)
To the Shareholders of Multi Cariier (Mauritius) Limited

Other Matter

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

BDO & Co
Chartered Accountants

Port Louis,
Mauritius.

Shabnam Peerbocus, FCA
Licensed by FRC

MULTI CARRIER (MAURITIUS) LIMITED

STATEMENT OF FINANCIAL POSITION AT JUNE 30, 2019

	Notes		2019	2018
			Rs.	Rs.
ASSETS				
Non-current assets				
Property, plant and equipment	5		**77,880,514**	50,108,900
Deferred tax asset	6		**638,364**	2,256,563
			78,518,878	52,365,463
Current assets				
Trade and other receivables	7		**5,518,127**	13,516,107
Financial assets at amortised cost	8		**4,176,046**	-
Current tax assets	12		**1,151,089**	279,228
Cash in hand and at bank	19(b)		**154,140,925**	148,213,849
			164,986,187	162,009,184
Total assets		Rs.	**243,505,065**	214,374,647
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	9		**219,000,000**	209,000,000
Revenue deficit			**(31,617,273)**	(41,701,452)
Owners' interest			**187,382,727**	167,298,548
Non-current liabilities				
Retirement benefit obligation	10		**36,066,055**	35,539,823
Current liabilities				
Trade and other payables	11		**20,056,283**	8,519,352
Current tax liability	12		**-**	1,046,294
Government grant	13		**-**	1,970,630
			20,056,283	11,536,276
Total liabilities			**56,122,338**	47,076,099
Total equity and liabilities		Rs.	**243,505,065**	214,374,647

These financial statements have been approved for issue by the Board of Directors on:

)
) DIRECTORS
)

The notes on pages 8 to 32 form an integral part of these financial statements.
Auditor's report on pages 3 to 3(b).

MULTI CARRIER (MAURITIUS) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2019

	Notes		Year ended June 30, 2019	Nine months ended June 30, 2018
			Rs.	Rs.
Revenue	2(i)/14		**76,935,796**	56,484,312
Other income	17		**12,840,389**	10,664,837
Administrative expenses	16		**(79,691,242)**	(73,008,738)
Profit/(loss) before tax	15		**10,084,943**	(5,859,589)
Income tax (expense)/credit	12		**(1,527,482)**	855,144
Profit/(loss) for the year			**8,557,461**	(5,004,445)
Other comprehensive income:				
Measurement of post employment benefit obligations			**1,839,419**	1,945,662
Items that will not be reclassified to profit or loss				
Deferred tax on post employment benefit obligations			**(312,701)**	(330,763)
Total comprehensive income for the year/period			**1,526,718**	1,614,899
Total comprehensive income for the year/period		Rs.	**10,084,179**	(3,389,546)

The notes on pages 8 to 32 form an integral part of these financial statements.
Auditor's report on pages 3 to 3(b).

STATEMENT OF CASH FLOWS - YEAR ENDED JUNE 30, 2019

	Note		Year ended June 30, 2019	Nine months ended June 30, 2019
			Rs.	Rs.
Operating activities				
Cash generated from operations	19(a)		**43,853,255**	11,377,471
Income tax (paid)/received			**(2,140,139)**	1,065,140
Net cash from operating activities			**41,713,116**	12,442,611
Investing activities				
Purchase of property, plant and equipment			**(46,290,138)**	(11,269,316)
Proceeds from sale of property, plant and equipment			**456,522**	377,950
Interest received			**47,576**	40,697
Net cash used in investing activities			**(45,786,040)**	(10,850,669)
Financing activities				
Proceeds from issue of shares			**10,000,000**	75,000,000
Net cash used in from financing activities			**10,000,000**	75,000,000
Increase in cash and cash equivalents		Rs.	**5,927,076**	76,591,942
Movement in cash and cash equivalents				
At July 1,			**148,213,849**	71,621,907
Increase			**5,927,076**	76,591,942
At June 30,	19(b)	Rs.	**154,140,925**	148,213,849

The notes on pages 8 to 32 form an integral part of these financial statements.
Auditor's report on pages 3 to 3(b).

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2019

	Note		Share Capital	Retained Earnings	Total
			Rs.	Rs.	Rs.
Balance at July 1, 2018			209,000,000	(41,701,452)	167,298,548
Issue of shares for the year	9		10,000,000	-	10,000,000
			219,000,000	(41,701,452)	177,298,548
Profit for the year			-	8,557,461	8,557,461
Other comprehensive income for the year			-	1,526,718	1,526,718
Total comprehensive income for the year			-	10,084,179	10,084,179
Balance at June 30, 2019		Rs.	**219,000,000**	**(31,617,273)**	**187,382,727**
Balance at October 1, 2017			134,000,000	(38,311,906)	95,688,094
Issue of shares for the period	9		75,000,000	-	75,000,000
			209,000,000	(38,311,906)	170,688,094
Loss for the period			-	(5,004,445)	(5,004,445)
Other comprehensive income for the period			-	1,614,899	1,614,899
Total comprehensive income for the period			-	(3,389,546)	(3,389,546)
Balance at June 30, 2018		Rs.	209,000,000	(41,701,452)	167,298,548

The notes on pages 8 to 32 form an integral part of these financial statements.
Auditor's report on pages 3 to 3(b).

1. GENERAL INFORMATION

Multi Carrier (Mauritius) Ltd is a private company incorporated and domiciled in Mauritius, whose main activity is to provide multimedia service and a network for radio and television broadcasting and to conduct business related to the digital economy.

The address of the registered office of the company is situated at Corner Malherbes amd Clement Charoux Streets, P.O. Box , Malherbes, Curepipe.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the company.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements of Multi Carrier (Mauritius) Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). Where necessary, comparative figures have been amended to conform with changes in presentation in the current year. The financial statements are prepared under the historical cost convention, except that relevant financial assets/liabilities are carried at amortised cost.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 Financial Instruments from July 1, 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 2(d) The Company has elected to apply the exemption in IFRS 9 paragraph 7.2.15 not to restate prior periods in the year of initial application of the standard. The Company has chosen to adopt the simplified expected credit loss model for trade receivables in accordance with IFRS 9 paragraph 5.5.15.

IFRS 15 Revenue from Contracts with Customers is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The Company has adopted IFRS 15 Revenue from Contracts with Customers from July 1, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 2(i). In accordance with the transition provisions in IFRS 15, the Company has not restated comparatives for the 2018 financial year.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
The amendments clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. The amendment has no impact on the Company's financial statements.

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. The amendment has no impact on the Company's financial statements.

Annual Improvements to IFRSs 2014-2016 Cycle

- IFRS 1 - deleted short-term exemptions covering transition provisions of IFRS 7, IAS 19 and IFRS 10 which are no longer relevant.
- IAS 28 - clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition. The amendment has no impact on the Company's financial statements.

IFRIC 22 Foreign Currency Transactions and Advance Consideration. The interpretation clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. The amendment has no impact on the Company's financial statements.

Transfers of Investment Property (Amendments to IAS 40). The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The amendment has no impact on the Company's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2019 or later periods, but which the Company has not early adopted.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

At the reporting date of these financial statements, the following were in issue but not yet effective:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
IFRS 16 Leases
IFRS 17 Insurance Contracts
IFRIC 23 Uncertainty over Income Tax Treatments
Prepayment Features with negative compensation (Amendments to IFRS 9)
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)
Annual Improvements to IFRSs 2015-2017 Cycle
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)
Definition of a Business (Amendments to IFRS 3)
Definition of Material (Amendments to IAS 1 and IAS 8)

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(b) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, plant and equipment (cont'd)

Depreciation is calculated on the straight line method for Building, plant and equipment, motor vehicles, furniture & fittings, and computer equipment to write off the cost of each asset to its residual values over its estimated useful life as follows:

Buildings	5%
Assets taken over from MCB	15.0%
Plant and equipment	10% - 15%
Computer and office equipment	25%
Furniture and fittings	15%
Motor vehicles	20%

The assets' residual values and useful lives and depreciation method are reviewed and adjusted prospectively, if appropriate, at each end of reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the statement of profit or loss.

(c) Current and deferred income tax

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

Current tax
The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting period and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Current and deferred income tax (cont'd)

Deferred tax assets are recognised to the extent that future taxable profit will be available against which deductible temporary differences can be utilised.

(d) Financial assets

Categories of financial assets

The Company classifies its financial assets as financial assets at amortised cost. The classification depends on the purpose for which the asset was acquired. Management determines the classification of their financial assets at initial recognition.

Amortised cost

These assets arise principally from the provision of services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from other receivables are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial assets (cont'd)

Amortised cost (cont'd)

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

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

Cash and cash equivalents includes cash in hand and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

(e) Financial liabilities

Other than financial liabilities in a qualifying hedging relationship, the Company’s accounting policy for each category is as follows:

(i) Other financial liabilities
Other financial liabilities include the following items:
Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(f) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

(g) Retirement benefit obligations

(i) *Defined contribution plan*
A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity.

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

2. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(g) **Retirement benefit obligations (cont'd)**

(ii) *Defined benefit plan*

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent

The Company determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

(iii) *Gratuity on retirement*

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Emploment Rights Act 2008 is calculated by qualified actuaries and provided for. The obligations arising under this item are not

(h) **Foreign currencies**

(i) *Functional and presentation currency*

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Mauritian rupees, which is the company's functional and presentation currency.

2. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(h) **Foreign currencies (cont'd)**

(ii) *Transactions and balances*
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(i) **Revenue recognition**

(i) *Revenue from contracts with customers.*

Performance obligations and timing of revenue recognition
The majority of the revenue is derived from selling goods and services with revenue recognised at a point in time when control of the goods/services has been transferred to the customer. This is generally when the goods are delivered to the customer.

Determining the transaction price
Most of the revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Practical Exemptions
The Company has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

(ii) *Other revenues earned by the Company are recognised on the following bases:*

- Interest income is calculated by applying the effective rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Revenue recognition (cont'd)

(j) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(k) Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party making financial or operational decisions.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks which have to be effectively managed so as to protect its long term sustainability and to safeguard the interests of its stakeholders.

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

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

(ii) **Cash flow and fair value interest rate risk**

The Company has no significant interest bearing assets nor liabilities at end of reporting period and is thus not materially exposed to cash flow nor fair value interest rate risks.

(iii) **Liquidity risk**

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

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. The Company aims at maintaining flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Company on the basis of expected cash flows.

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

		Less than one year
		Rs.
At June 30, 2019		
Trade and other payables	Rs.	**20,056,283**
At June 30, 2018		
Trade and other payables	Rs.	8,519,352

3. FINANCIAL RISK MANAGEMENT

3.2 Fair value estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Company for similar financial instruments.

3.3 Capital risk management

The Company's objectives when managing capital are:

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Pension benefits

The present value of the pension obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 10.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) **Limitation of sensitivity analysis**

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

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

(c) **Depreciation policies**

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the company would currently obtain from disposal of the asset if the asset was already of the age and in the condition expected at the end of its useful life.

The directors therefore make estimates based in historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

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

5. PROPERTY, PLANT AND EQUIPMENT

	Land and building	Assets taken over from MBC	Plant and Equipment	Furniture & Fittings	Computer and office equipment	Motor Vehicles	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) COST OR VALUATION							
At July 1, 2018	12,615,585	125,000,000	259,214,243	194,705	2,519,025	7,101,997	406,645,555
Additions	-	-	43,079,142	-	254,205	2,956,791	46,290,138
Disposals	-	-	-	-	-	(3,864,610)	(3,864,610)
At June 30, 2019	**12,615,585**	**125,000,000**	**302,293,385**	**194,705**	**2,773,230**	**6,194,178**	**449,071,083**
DEPRECIATION							
At July 1, 2018	6,907,738	125,000,000	215,101,536	175,537	2,249,847	7,101,997	356,536,655
Charge for the year	622,779	-	17,227,837	4,671	131,879	531,358	18,518,524
Disposal adjustments	-	-	-	-	-	(3,864,610)	(3,864,610)
At June 30, 2019	7,530,517	**125,000,000**	**232,329,373**	**180,208**	**2,381,726**	**3,768,745**	**371,190,569**
NET BOOK VALUES							
At June 30, 2019 Rs.	**5,085,068**	**-**	**69,964,012**	**14,497**	**391,504**	**2,425,433**	**77,880,514**

5. **PROPERTY, PLANT AND EQUIPMENT**

	Land and building	Assets taken over from MBC	Plant and Equipment	Furniture & Fittings	Computer and office equipment	Motor Vehicles	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(b) COST OR VALUATION							
At July 1, 2017	12,615,585	125,000,000	248,037,279	194,705	2,426,673	7,967,447	396,241,689
Additions	-	-	11,176,964	-	92,352	-	11,269,316
Disposals	-	-	-	-	-	(865,450)	(865,450)
At June 30, 2018	**12,615,585**	**125,000,000**	**259,214,243**	**194,705**	**2,519,025**	**7,101,997**	**406,645,555**
DEPRECIATION							
At July 1, 2017	6,440,654	125,000,000	204,369,203	171,724	2,198,293	7,724,206	345,904,080
Charge for the year	467,084	-	10,732,333	3,813	51,554	243,241	11,498,025
Disposal adjustments	-	-	-	-	-	(865,450)	(865,450)
At June 30, 2018	6,907,738	**125,000,000**	**215,101,536**	**175,537**	**2,249,847**	**7,101,997**	**356,536,655**
NET BOOK VALUES							
At June 30, 2018 Rs.	**5,707,847**	**-**	**44,112,707**	**19,168**	**269,178**	**-**	**50,108,900**

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Depreciation of Rs.18,518,524 (2018: Rs.11,498,025) has been charged to administrative expenses.

(d) Further to the Memorandum of Agreement between Mauritius Broadcasting Corporation (MCB) and Multi Carrier (Mauritius) Ltd (MCML), dated 2 April 2002, MCML acquired MBC's assets relating to transmission services for a total consideration of Rs.125M.

6. DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2018: 17%).

The movement on the deferred income taxes account is as follows:-		**2019**	2018
		Rs.	Rs.
Balance at July 1,		**2,256,563**	2,045,189
Under provision of deferred tax in previous years		**-**	(252,887)
(Credited)/charged to profit or loss (note (12))		**(1,305,498)**	795,024
(Credited)/charged to equity		**(312,701)**	(330,763)
At June 30,	Rs.	**638,364**	2,256,563

Deferred income tax asset and deferred tax charged/(credited) in the statement of comprehensive income are attributable to the following items:

		Other provisions	Provision for doubtful debts	Retirement benefit obligations	Credited to Accelerated tax depreciation	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
At October 1, 2017		730,792	-	6,102,815	(4,788,418)	2,045,189
(Charged)/credited to profit or loss		(69,578)	184,612	269,717	157,386	542,137
(Charged)/credited to other comprehensive income		-	-	(330,763)	-	(330,763)
At June 30, 2018		661,214	184,612	6,041,769	(4,631,032)	2,256,563
Credited to profit or loss		(661,214)	(184,612)	402,161	(861,833)	(1,305,498)
(Charged)/credited to other comprehensive income		-	-	(312,701)	-	(312,701)
At December 31, 2019	Rs.	**-**	**-**	**6,131,229**	**(5,492,865)**	**638,364**

7. TRADE AND OTHER RECEIVABLES

		2019	2018
		Rs.	Rs.
Trade receivables		**6,955,852**	8,092,403
Less: provision for impairment		**(1,437,725)**	(1,085,954)
Trade receivables - net		**5,518,127**	7,006,449
TDS receivable		**-**	1,942,838
Staff loan		**-**	648,330
Other receivables		**-**	3,918,490
	Rs.	**5,518,127**	13,516,107

The carrying amounts of trade and other receivables approximate their fair values and are all receivable in the Mauritian Rupee. The Company does not hold any collateral as security.

(a) *Impairment of Trade receivables*

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 month before June 30, 2019 or July 1, 2018 respectively and the corresponding historical credit losses experienced within this period.

On that basis, the loss allowance as at June 30, 2019 (on adoption of IFRS 9) was determined as follows for trade receivables.

At June 30, 2019	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Expected loss rate	0.00%	0.00%	0.00%	20.67%	20.67%
Gross carrying amount - trade receivable	1,609,078	676,313	1,026,313	3,644,149	6,955,853
Loss allowance	-	-	-	1,437,725	1,437,725

(b) In 2019, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

7. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) In 2018, trade receivables were recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables was established when there was objective evidence that the Company would not be able to collect all amounts due according to the original terms of receivables.

(d) The carrying amount of the Company's trade receivabls are denominated in Mauritian Rupees.

(e) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security.

8. FINANCIAL ASSETS AT AMORTISED COST

		2019
		Rs.
Other receivables	Rs.	**4,176,046**

(a) Other receivables
These amounts generally arise from transactions outside the usual operating activities of the Company. Collateral is not normally obtained.

(b) All of the financial assets at amortised cost are denominated in Mauritian rupees. As a result, there is no exposure to foreign currency risk.

(c) The financial assets at amortised cost were accounted for as receivables in the previous year.

9. SHARE CAPITAL

	2019		2018	
	Number of ordinary shares	**Rs.**	Number of ordinary shares	Rs.
At January 1,	**2,090,000**	**209,000,000**	1,340,000	134,000,000
Additions	**100,000**	**10,000,000**	750,000	75,000,000
At December 31,	**2,190,000**	**219,000,000**	2,090,000	209,000,000

All issued shares are fully paid.

Fully paid ordinary shares carry one vote per share and a right to dividend.

10. RETIREMENT BENEFIT OBLIGATION

(i) The assets of the plan are independently administered by The State Insurance Company of Mauritius Ltd.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at June 30, 2019 by The State Insurance Company of Mauritius Ltd. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) The amounts recognised in the statement of financial position are as follows:

		2019	2018
		Rs.	Rs.
Present value of funded obligations		**80,587,703**	78,104,093
Fair value of plan assets		**(44,521,648)**	(42,564,270)
Asset in the statement of financial position	Rs.	**36,066,055**	35,539,823

The reconciliation of the opening balances to the closing balances for the net defined benefit asset is as follows:

		2019	2018
		Rs.	Rs.
At July 1,		**35,539,823**	35,898,912
Charged to profit or loss		**3,656,009**	2,634,328
Credited to other comprehensive income		**(1,839,419)**	(1,945,662)
Contribution paid		**(1,290,358)**	(1,047,755)
At June 30,	Rs.	**36,066,055**	35,539,823

(iii) The movement in the defined benefit obligation over the year is as follows:

		2019	2018
		Rs.	Rs.
At July 1,		**78,104,093**	75,503,586
Current service cost		**2,106,471**	1,510,008
Interest cost		**5,193,922**	3,765,741
Contributions by plan participants		**(2,208,855)**	(1,611,921)
Actuarial losses/(gains)		**(2,607,928)**	(1,063,321)
At June 30,	Rs.	**80,587,703**	78,104,093

10. RETIREMENT BENEFIT OBLIGATION (CONT'D)

(iv) The movement in the fair value of plan assets of the year is as follows

		2019	2018
		Rs.	Rs.
At July 1,		**42,564,270**	39,604,674
Expected return on plan assets		**2,827,157**	1,977,764
Employer contributions		**1,290,358**	1,047,755
Employee contributions		**860,239**	698,504
Benefits paid		**(2,251,867)**	(1,646,768)
Actuarial gain/(losses)		**(768,509)**	882,341
At June 30,	Rs.	**44,521,648**	42,564,270

(v) The amounts recognised in the statement of profit or loss are as follows:

		2019	2018
		Rs.	Rs.
Current service cost		**2,106,471**	1,510,008
Contribution by employees		**(860,239)**	(698,504)
Fund expenses and life insurance		**43,012**	34,847
Interest cost		**2,366,765**	1,787,977
Total included in employee benefit expense	Rs.	**3,656,009**	2,634,328
Actual return on plan assets	Rs.	**1,423,704**	132,033

(vi) The amounts recognised in other comprehensive income are as follows:

		2019	2018
		Rs.	Rs.
Remeasurement on the net defined beneift liability:			
Liability experience gain		**(2,607,928)**	(1,063,321)
Asset experience loss/(gain)		**768,509**	(882,341)
Gain recognised in other comprehensive income	Rs.	**(1,839,419)**	(1,945,662)

(vii) Distribution of plan assets at the end of period:

		2019	2018
Percentage of assets at end of year:		**%**	%
Fixed Interest securitirs and cash		**58.70**	59.50
Loans		**3.40**	3.70
Local bond and equities		**13.10**	14.60
Overseas bonds and equities		**24.20**	21.60
Property		**0.60**	0.60
Total	Rs.	**100**	100

10. **RETIREMENT BENEFIT OBLIGATION (CONT'D)**

(vii) The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets whereas the fair values of properties and derivatives are not based on quoted market prices in active markets.

The company's ordinary shares are not included in the pension plan assets.

(viii) The principal actuarial assumptions used for accounting purposes were:

	2019	2018
	%	%
Discount rate	**6.65**	6.65
Expected rate of return on plan assets	**6.65**	6.65
Future salary increases	**4.50**	4.50
Future pension increases	**3.50**	3.50

(ix) Sensitivity analysis on defined benefit obligations at end of the reporting date:

	Increase	**Decrease**
June 30, 2019	**Rs.**	**Rs.**
Discount rate (1% movement)	**11,500,000**	**9,400,000**
Future salary growth rate (1% movement)	**5,100,000**	**4,500,000**
Life expectancy (1% movement)	**2,300,000**	**2,300,000**

An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on defined benefit obligations at the end of the reporting period.

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occuring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in th defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

(x) The defined benefit pension plan exposes the company to actuarial risks, such as longevity risks, salary risk, investment risk and interest rate risk.

(xi) The funding requirement are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(xii) The company is expected to contribute Rs.1,423,704 to the pension scheme for the year ending June 30, 2020.

(xiii) The weighted average duration of the liabilities as at June 30, 2019 is 13 years.

11. TRADE AND OTHER PAYABLES

		2019	2018
		Rs.	Rs.
Trade payables		**13,794,538**	2,845,884
Other payables and accruals		**6,261,745**	5,673,468
	Rs.	**20,056,283**	8,519,352

The carrying amounts of trade and other payables approximate their fair value and are denominated in the following currencies:

		2019	2018
		Rs.	Rs.
Rupee		**7,610,361**	8,519,352
US Dollar		**12,445,922**	-
	Rs.	**20,056,283**	8,519,352

Included in other payables and accruals are provisions for vacation leave of Rs.1,469,067 (2018: Rs.1,469,067) and provision for sick leave of Rs.278,470 (2018: Rs.278,470) following taken over from MCB.

12. INCOME TAX

			2019	2018
			Rs.	Rs.
(a)	**Statement of financial position**			
	At July 1,		**767,066**	(279,228)
	Tax (paid)/received on account		**(766,557)**	1,065,140
	(Under)/over provision in previous years		**(509)**	420,661
			-	1,206,573
	Current tax on the adjusted profit for the year at 15% (2018:15%)		**196,317**	-
	APS		**(747,114)**	-
	Tax deducted at source		**(626,468)**	(470,086)
	Provision for CSR		**26,176**	30,579
	At June 30,	Rs.	**(1,151,089)**	767,066

			Year ended June 30, 2019	Nine months ended June 30, 2018
(b)	**Statement of profit or loss and other comprehensive income**			
			Rs.	Rs.
	Current tax on the adjusted profit for the year at 15% (2018: 15%)		**196,317**	(996,130)
	Deferred taxation (note 9)		**1,305,498**	(795,024)
	Provision for CSR		**26,176**	30,579
	(Under)/over provision in previous years		**(509)**	905,431
		Rs.	**1,527,482**	(855,144)

12. INCOME TAX (CONT'D)

The tax on the company's profit differs from the theoretical amount that would arise using the basic tax rate of the company as follows:

		Year ended June 30, 2019	Nine months ended June 30, 2018
		Rs.	Rs.
Profit before tax		**10,084,943**	(5,859,589)
Tax calculated at 15% (2018:15%)		**1,512,741**	(996,130)
Income not subject to tax		**(1,182,771)**	(474,210)
Expenses not deductible for tax purposes		**175,408**	2,359,224
Other permanent differences		**1,047,771**	(511,360)
Under/(over) provision in previous years		**509**	(1,065,140)
Provision for CSR		**(26,176)**	(167,528)
Tax charge	Rs.	**1,527,482**	(855,144)

13. GOVERNMENT GRANT

		2019	2018
		Rs.	Rs.
At July 1,		**1,970,630**	4,382,149
Amortisation for the year		**(1,970,630)**	(2,411,519)
At June 30,	Rs.	**-**	1,970,630

Government grants are recognised in profit and loss on a straight line basis over the useful lives of the assets for which the grants have been obtained.

14. REVENUE

		Year ended 30 June 2019	Nine months ended 30 June 2018
		Rs.	Rs.
Revenue from rendering of services	Rs.	**76,935,796**	56,484,312

(a) Disaggregation of revenue

		Year ended 30 June 2019
		Rs.
At a point in time	Rs.	**76,935,796**

15. PROFIT BEFORE TAXATION

		Year ended 30 June 2019	Nine months ended 30 June 2018
		Rs.	Rs.
The profit before taxation is arrived at after charging:			
Depreciation		**18,518,525**	11,498,025
Provision for doubtful debts		**1,437,725**	1,085,954
Bad debts		**-**	13,872,450
Employee benefit expense (note 18)	Rs.	**29,300,291**	22,095,732

16. EXPENSES BY NATURE

		Year ended 30 June 2019	Nine months ended 30 June 2018
		Rs.	Rs.
Depreciation		**18,518,525**	11,498,025
Employee benefit expense (note 18)		**29,300,291**	22,095,732
Electricity		**13,793,070**	12,015,984
Repairs and maintenance		**10,309,161**	6,529,830
Licences		**2,256,033**	1,992,933
Directors Fees		**1,012,780**	731,285
Telephone		**741,363**	487,243
Provision for doubtful debt		**1,437,725**	1,085,954
Bad debts		**-**	13,872,450
Other expenses		**2,322,294**	2,699,302
Total cost of sales and administrative expenses	Rs.	**79,691,242**	73,008,738

17. OTHER INCOME

		Year ended 30 June 2019	Nine months ended 30 June 2018
		Rs.	Rs.
Collocation income		**10,315,560**	7,834,671
Amortisation of government grant		**1,970,630**	2,411,519
Gain on disposal of propert, plant & equipment		**456,522**	377,950
Interest income o staff loans		**47,576**	40,697
Others		**50,101**	-
	Rs.	**12,840,389**	10,664,837

18. EMPLOYEE BENEFIT EXPENSE

		Year ended 30 June 2019	Nine months ended 30 June 2018
		Rs.	Rs.
Wages and salaries		**27,447,904**	20,606,379
Social security costs		**351,817**	169,498
Pension costs		**1,500,570**	1,319,855
	Rs.	**29,300,291**	22,095,732

19. NOTES TO THE STATEMENT OF CASH FLOWS

		Year ended 30 June 2019	Nine months ended 30 June 2018
		Rs.	Rs.
(a) Cash generated from operations			
Profit/(loss) before tax		**10,084,943**	(5,859,589)
Adjustments for:-			
Depreciation		**18,518,524**	11,498,025
Amortisation of government grant		**(1,970,630)**	(2,411,519)
Profit on disposal of property,plant and equipment		**(456,522)**	(377,950)
Movement on provision for retirement benefit obligations		**2,365,651**	1,586,573
Interest income		**(47,576)**	(40,697)
Bad debts written off		**-**	13,872,450
Provision for doubtful debts		**1,437,725**	1,085,954
Changes in working capital			
- trade and other receivables		**6,560,255**	(6,678,454)
- trade and other payables		**11,536,931**	(1,297,322)
- financial assets at amortised cost		**(4,176,046)**	-
Cash generated from operations	Rs.	**43,853,255**	11,377,471

(b) Cash and cash equivalents		2019	2018
		Rs.	Rs.
Cash at bank		**154,132,701**	148,213,062
Cash in hand		**8,224**	787
	Rs.	**154,140,925**	148,213,849

While cash and cash equivalents are also subject to the impairment requirements of IFRS9, the identified impairment loss was immaterial.

21. RELATED PARTY TRANSACTIONS

	Sale of services		Collocation income		Bad debts written off		Receivable from related parties	
	Year ended 30 June	Nine months ended 30 June	**Year ended 30 June**	Nine months ended 30 June	**Year ended 30 June**	Nine months ended 30 June	**Year ended 30 June**	Nine months ended 30 June
(a)	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	Rs.	Rs.	**Rs.**	Rs.	**Rs.**	Rs.	**Rs.**	Rs.
Government owned entities	**65,038,000**	49,668,500	**1,281,000**	960,750	**-**	13,872,450	**5,038,000**	6,586,915

The transactions to and from related parties are made at normal market prices. There has been no guarantees provided or received for any related party receivables or payables and outstanding balances at year end are unsecured. For the year ended June 30, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2018: Rs.13,872,450). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(b) Key management personnel compensation

		2019	2018
		Rs.	Rs.
Remuneration of non-executive directors	Rs.	**1,012,780**	731,585

22. CHANGES IN ACCOUNTING POLICIES

There are no changes to the amounts reported in the financial statements year ended June 30, 2019 under IFRS 9 and IFRS 15, to the amounts that would have been reported had the Company continued to report in accordance with IAS 39 Financial insturments and IAS 18, Revenue, respectively.