ANNUAL REPORT 2024

DRIVING MAURITIUS

ABC MOTORS COMPANY LIMITED

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DRIVING THE SUCCESS

CORPORATE INFORMATION

CORPORATE INFORMATION AS AT 30 JUNE 2024

Company Name	ABC MOTORS COMPANY LIMITED (the "Company" or "ABC Motors")
The Group	ABC Motors and its subsidiaries
ABC Group of Companies	Automobile, Banking, Financial & Insurance Services, Foods, Shipping & Logistics
Registered Office	ABC Centre, Military Road, Port Louis
Places of Business	ABC Centre, Military Road, Port Louis Les Guibies, Pailles Allée Des Manguiers, Pailles Phoenix Trunk Road, Phoenix Plot 1, Trianon (Near Terre Rouge/Verdun Link Road) North/West Atrium, Tribeca Mall, Trianon Route Jean Paul, 11, La Ferme, Rodrigues
Board of Directors	Mr. Vincent Ah-Chuen, *Executive Chairman* Mr. Patrick Andrew Dean Ah-Chuen, *Managing Director* Professor Donald Ah-Chuen, *Non-Executive Director* Mr. André Marc Ah-Chuen, *Non-Executive Director* Mr. David Brian Ah-Chuen, *Non-Executive Director* Mrs. Valérie Ah-Chuen Juban, *Non-Executive Director* Mr. Voon Yue Choon Wan Min Kee, *Independent Director* Mr. Yognandan Sharma Mahabirsingh, *Independent Director* Mr. Tchang Fa Wong Sun Thiong, *Independent Director* Mrs. Jennifer Konfortion, *Independent Director*
Board Committees	Audit and Risk Committee Corporate Governance Committee Nomination and Remuneration Committee
Company Secretary & Share Registry	ABC Professional & Secretarial Services Ltd ABC Centre, Military Road, Port Louis
Legal Advisor	Me. Georges Ng Wong Hing, S.A.
External Auditor	BDO & Co. 10 Frère Felix De Valois Street, Port Louis
Main Bankers	ABC Banking Corporation Ltd AfrAsia Bank Limited ABSA Bank (Mauritius) Limited Hongkong and Shanghai Banking Corporation Limited The Mauritius Commercial Bank Limited

DRIVING THE PERFORMANCE

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

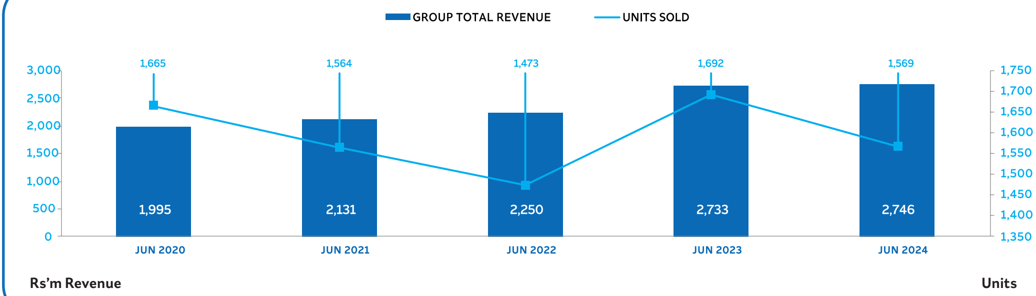
all amounts in million of rupees unless otherwise stated

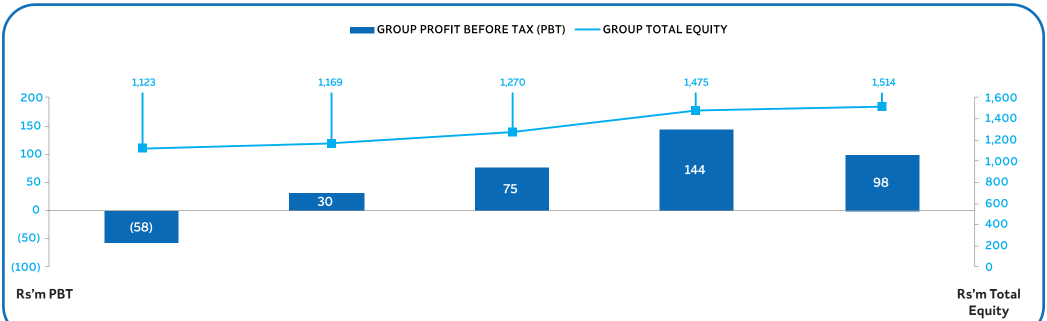
	THE GROUP					THE COMPANY				
Financial Highlights	**Jun-24 Rs'M**	Jun-23 Rs'M	Jun-22 Rs'M	Jun-21 Rs'M	Jun-20 Rs'M ** (restated)	**Jun-24 Rs'M**	Jun-23 Rs'M	Jun-22 Rs'M	Jun-21 Rs'M	Jun -20 Rs'M
Units	**1,569**	1,692	1,473	1,564	1,665	**1,134**	1,212	976	1,049	1,209
Total revenue	**2,746**	2,733	2,250	2,131	1,995	**1,655**	1,730	1,416	1,335	1,416
Profit for the year (before taxation)	**98**	144	75	30	(58)	**37**	65	27	5	3
Total comprehensive income	**66**	188	108	51	218	**16**	93	52	35	198
Earnings per share (Rs)	**7.85**	14.72	8.63	2.96	(6.16)	**-**	-	-	-	-

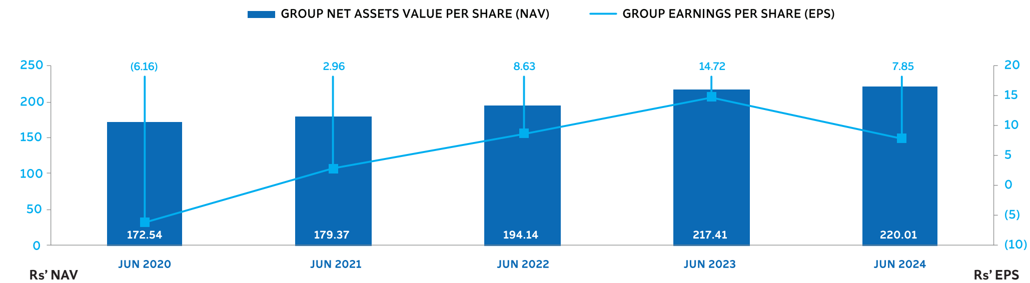
Group Performance Measures	**Jun-24 Rs'M**	Jun-23 Rs'M	Jun-22 Rs'M	Jun-21 Rs'M	Jun-20 Rs'M
Total Equity	**1,514**	1,475	1,270	1,169	1,123
Net assets value per share (Rs)	**220.01**	217.41	194.14	179.37	172.54
Net Debt to equity ratio *	**0.87**	0.78	0.72	0.84	1.06
Stock price - at reporting date (Rs)	**108.00**	116.00	123.50	125.00	125.00

** Net Debt to equity ratio has been calculated by dividing total borrowings net of cash and cash equivalents over total equity.*
*** Based on restated figures of 01 July 2019.*

FINANCIAL HIGHLIGHTS (CONT'D)







VISION

To be the most outstanding and innovative automobile Company in Mauritius.

MISSION

To provide the best service and the most unique, enriching experience in the automobile industry whilst also delivering superior value to our stakeholders.

VALUES

CONNECTED

AGILITY

LOYALTY

INTEGRITY

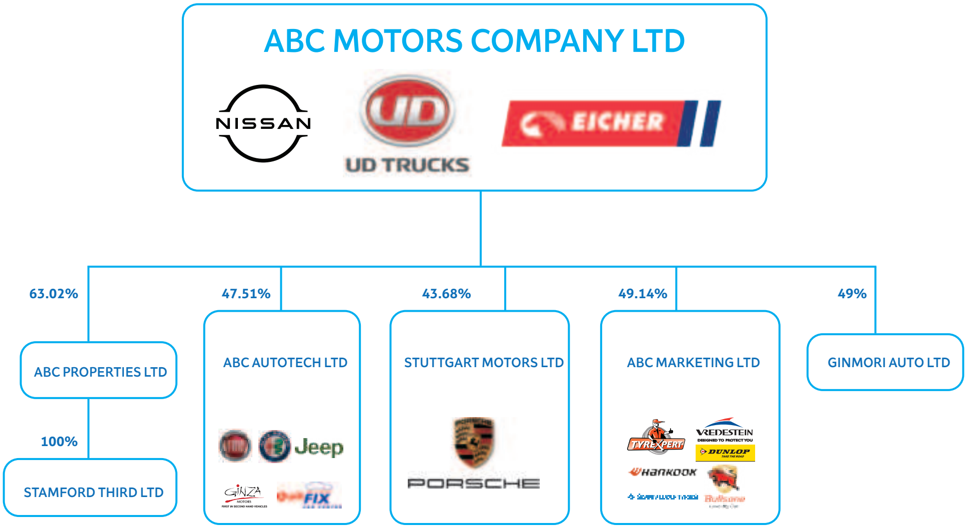
TENACITY

DRIVING THE EXCELLENCE

MANAGING DIRECTOR'S REPORT

MANAGING DIRECTOR'S REPORT

CORPORATE STRUCTURE



Associates: ABC Banking Corporation Ltd, ABC Car Rental Ltd, Globe Freight Ltd, Expert Leasing Ltd

Dear Shareholders and Stakeholders,

I am pleased to present the annual report for ABC MOTORS COMPANY LIMITED for the financial year ended 30 June 2024. The global automotive industry is navigating a complex landscape shaped by several key trends and challenges, such as recovery from post-pandemic, growth in demand for electric and hybrid vehicles and technological innovation. Supply chain resilience has also become a priority as automobile companies in both new and second-hand markets are under consistent pressure to mitigate their risks and adapt to disruptions.

Operational Highlights

Local Market Performance:

The local automobile market demonstrated notable growth with a 17% increase in Total Industry Volume for new vehicles, rising from 12,273 units in FY22/23 to 14,200 units in FY23/24. This reflects a positive trend in overall market demand.

Sales Performance:

ABC MOTORS COMPANY LIMITED experienced a 7% decrease in full-year sales, reaching 1,133 units in FY23/24. This decline is attributed to several factors, such as supply chain disruptions, unavailability of critical models, particularly in competitive passenger segments which constrained our market presence. In addition, shifts in consumer preferences towards green mobility influenced buying patterns, requiring adjustments in our product offerings.

At Nissan, we have concentrated our resources on two core models, Nissan Magnite (crossover segment) and Navara (Pickup segment), and we have launched two green vehicles, Nissan Kicks and Note in ePower technology. As for the Light

MANAGING DIRECTOR'S REPORT (CONT'D)

Commercial Segment, we extended our Navara pickup line-up with the introduction of a Two-Wheel drive pickup in Automatic transmission during 2024. The impact/results thereof will be more apparent during FY24/25.

In the competitive landscape of the Heavy Trucks Segment, where established players like Isuzu, Fuso Canter, and Hino dominate, Eicher Trucks has managed to stand out with a notable 6% increase in sales, reaching 68 units in FY23/24. This growth can be attributed to the strategic focus on small and specialized trucks. However, UD Trucks showed a notable drop in sales volume by 18 units (FY22/23: 31 units to FY23/24:13 units) due to supply chain challenges and price competitivity. The new UD Kuzer was launched in 2024 and it will tap into a new market for medium trucks.

During FY23/24, our aftersales departments have encountered recurrent challenges that negatively impacted on their operational and financial performance. A decline in the number of vehicles serviced in our workshops was due to supply chain challenges for parts. such as delays and shortages, and fluctuating prices from our principals that hindered our ability to perform timely and efficient repairs. Several initiatives have been put in place to minimise the impact of such issues.

Several initiatives were set during the year to improve our operational excellence and enrich our customer experience:

- Full adoption of our Dealer Management System which has contributed to improve operational efficiencies
- Sales team focus on core models and product repositioning strategies, which include both corporate and tender business
- Increased exposure of Nissan model lineup to our customers, with the setting up of our pop-up store in Tribeca
- Setting up of our sales and aftersales outlet in Rodrigues for Nissan and UD/Eicher vehicles
- Improving relationships with our suppliers and hold inventory reserves to mitigate impact of vehicle and parts shortages
- Cost management measures and optimising vehicle repair processes to counteract rising cost of parts, without compromising quality of repairs

I wish to congratulate the Nissan team for having been awarded Best National Sales Company in the 'Large National Sales Company category in Africa', based on sales and aftersales performance, customer handling standards and operational excellence in FY23/24. Additionally, I'm proud to announce that our Diesel Service Department has been recognized as the Best Service Distributor in sub-Saharan Africa. These awards reflect our unwavering commitment to delivering exceptional value and service to our customers.

Future Outlook

The local automobile market is poised for further growth in the FY24/25. The diverse demand in sectors like construction, finance, tourism, and personal use signals a robust market with multiple growth avenues.

ABC MOTORS COMPANY LIMITED's optimism about the automotive sector is well-placed, given the growth outlook for the market. However, being aware of potential challenges such as foreign exchange rate volatility, Supply Chain disruptions, new vehicle brands on the market and manpower availability is crucial for strategic planning.

By proactively addressing these challenges, ABC Motors will strengthen its resilience and position itself to seize the growth opportunities in the automotive sector. Additionally, staying agile and adaptable will be key to navigating the evolving market landscape effectively.

On the product side, with excise duty structure on vehicles having been streamlined and with green vehicles still benefiting from duty free taxation, we will continue to focus on strengthening our lineup of green vehicles, with the new Nissan Note and Xtrail in ePower technology, which is Nissan's unique hybrid system. As for Commercial vehicles, we expect to expand our pickup lineup with Automatic Transmission on mid-spec pickups in both Two-Wheel Drive and Four-Wheel Drive.

We will be focusing on consolidating our aftersales organizational structure and enhancing service retention strategies. Other process improvement initiatives will consist of streamlining our aftersales operations, extending training and development, and fully integrate technology in our processes. By focusing on these strategies, we expect to enhance our aftersales service operations, improve customer satisfaction, and ultimately boost customer retention.

ABC Motors is committed to not only addressing immediate operational needs but also investing in long-term staff development and motivation. On the operational side, importing skilled labour to address workforce scarcity and focusing on employee motivation and productivity are strategic steps that will help us overcome current operational challenges. As for long term development of our workforce, we are maintaining our staff development initiatives such as Talent Development program for Managers and Supervisory Development Program and Talent Pool Program to enable us to upskill our key employees and align with our succession planning strategy.

At ABC Motors, we are dedicated to making a positive impact on our community and supporting those in need. As part of our ongoing CSR efforts, we will continue to focus on supporting various partner NGOs, including Caritas, Safire, SOS Children's Village, APPEL, and Couvent Mere Theresa. These organizations play a crucial role in alleviating community poverty and enhancing the well-being of families in need.

In addition to our community-focused initiatives, we are committed to supporting Mauritian athletes who represent our country on the international stage. We are proud to extend our sponsorship of Noemi Alphonse, our esteemed brand ambassador, gold medallist at the World Para Athletics Championships and took part in the paralympic games in Paris in September 2024.

Conclusion

As we navigate the evolving landscape of the automotive industry, we are confident that our strategic initiatives and unwavering focus on employee development will position ABC Motors for continued success and growth. We remain steadfast in our commitment to creating value for our shareholders and stakeholders, and we are excited about the opportunities that lie ahead.

Thank you for your ongoing support and confidence in ABC Motors. We look forward to achieving new milestones together.

Dean Ah-Chuen
Managing Director

ABC MOTORS COMPANY LIMITED

DRIVING THE WAY

COMPANY PROFILE

COMPANY PROFILE

ABC Motors was founded in 1985 with a clear and forward-looking vision to become a leading player in the automotive retailing industry in Mauritius. Its business model philosophy is inspired by a commitment to the values of a long-held family tradition as pioneered by the founder Sir Jean Etienne Moilin Ah-Chuen. ABC Motors is the flagship of the ABC Group of Companies' Automobile Cluster, which has grown into a multi-brand vehicle dealer.

More than three decades into its existence, ABC Motors boasts a proven track record of sustained growth. Such a performance has led the Company to be, *inter alia*, publicly listed on the Development & Enterprise Market of the Stock Exchange of Mauritius in 2006.

ABC Motors started its operations as the sole distributor of the Nissan brand for the Mauritius market. Since then, the Company has deployed all the required resources to fulfil the stringent service obligations as prescribed by the Japanese manufacturer. Over the years ABC Motors has demonstrated outstanding sales performance and dedication to high quality customer experience and received the Nissan National Sales Company Global Award several times. ABC Motors was the No. 1 dealer in Mauritius for 16 consecutive years. More recently, Nissan team has been awarded Best National Sales Company in the 'Large National Sales Company category in Africa', based on sales and aftersales performance, customer handling standards and operational excellence in FY23/24.

Building its reputation as one of the leaders in terms of market share, innovation and customer service, ABC Motors is in a strong position to work towards new goals and further its development. With our avant-garde approach, attuned to the latest market trends and technological advances, car users can expect a range of more environmentally friendly models to be introduced in the market. In a bid to position itself as a full-fledged vehicle dealer, meeting every individual or business requirement, taste and budget, ABC Motors is also a distributor of Light Commercial, heavy goods vehicles, trucks and buses under the Nissan, UD and Eicher brands.

For the past decade, the ABC Car Gallery at Phoenix has been in existence for the convenience and accessibility of customers. Service bays at this client-oriented facility are manned by highly skilled technicians for reliable, affordable car servicing, maintenance and repairs. Similar to the head office in Port Louis, the Phoenix Service Centre benefits from Nissan's comprehensive offerings of genuine manufacturer parts and specialised tools as well as expert diagnosis by highly trained technicians.

Being confident that trained personnel is critical for responding to advanced technology and business trends, ABC Motors invests significantly in the training and personal development of its workforce at all levels to ensure that they have the appropriate knowledge and skills. The Company also ensures that they are provided with all the necessary tools, equipment and IT support to meet the ever-evolving technological progress being made in its products and industry. Friendly policies and schemes are also in place to promote workplace fairness, collaboration and effectiveness. As a corporate citizen, ABC Motors contributes generously to the betterment of the local and broader communities and supports employee volunteers in developing charitable and welfare projects.

DRIVING THE GROWTH

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

Introduction

This Corporate Governance Report describes the key elements of ABC Motors' corporate governance framework and how the Board of Directors of the Company (the "Board") has applied the eight principles of the National Code of Corporate Governance for Mauritius (2016) (the "Code") and has complied with its provisions, for the financial year ended 30 June 2024, other than the statutory disclosures of the Companies Act 2001.

The Company is classified as a Public Interest Entity under the Financial Reporting Act 2004. The Board of Directors of the Company is fully committed to attaining and sustaining the highest standards of corporate governance with the objective of enhancing shareholders' value whilst having regard to stakeholders at large. It believes that good governance is not only concerned with complying with the legal and regulatory requirements but also encompasses operating within the highest level of business ethics as well as the stewardship and supervision of the management of the Company by the Board of Directors.

PRINCIPLE ONE – GOVERNANCE STRUCTURE

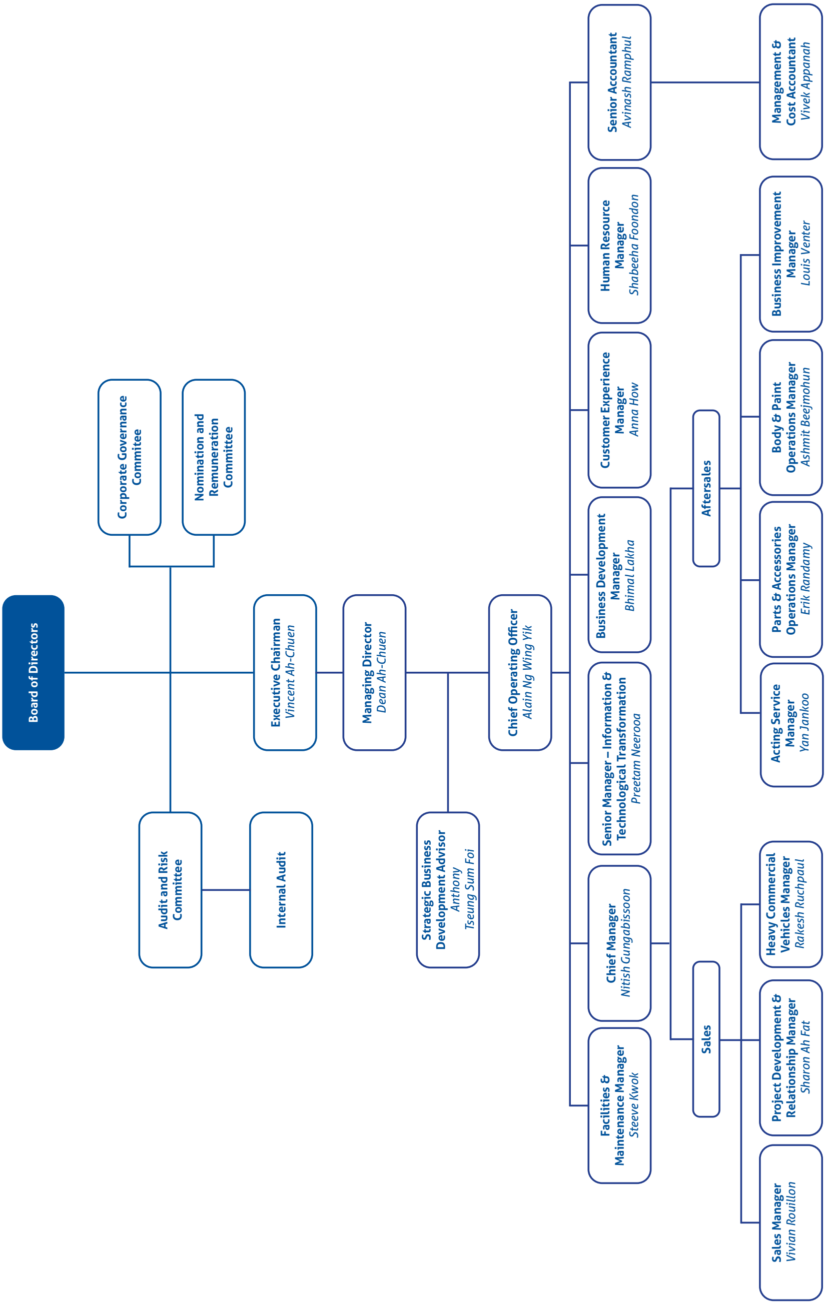
The Board of Directors is the link between the Company and its stakeholders and Board members are collectively responsible for leading and controlling the Company to enable it to attain its strategic objectives. In discharging its duties, the Board of Directors shall promote the best interests of the Company and consider the interests of other stakeholders.

The Company has a Constitution that conforms to the provisions of the Mauritius Companies Act 2001 and the DEM Rules. A copy of the Constitution can be seen on the Company's website.

The Company's Board Charter and the Code of Conduct & Ethics are also available on the Company's website.

Organisation Chart

As at 30 June 2024, the Organisation Chart of the Company was as follows:



CORPORATE GOVERNANCE REPORT (CONT'D)

Key Governance Responsibilities

Board of Directors

The Board of Directors is the Company's ultimate decision-making entity. The Board is collectively responsible and accountable for the affairs and overall performance of the Company. It ensures that proper systems and controls are in place to protect the Company's assets and its good reputation. It also determines the Company's strategic direction and identifies key risk areas, monitors and evaluates the implementation of policies and plans and approves the Company's capital expenditure, including investments and operating budgets. The Board also ensures that the Company's activities comply with all legal and regulatory requirements as well as with its Constitution.

Responsibilities of the Board are set out in its Charter which may be reviewed on a yearly basis or as and when required with the introduction of or amendments to laws and regulations.

The Board takes particular note of the following key positions which are critical to the Board performing its strategy and achieving a high level of good governance:

Executive Chairman

The Executive Chairman is responsible for leading the Board and ascertaining its effectiveness. He provides overall leadership to the Board and ensures the smooth functioning thereof whilst encouraging active participation of the members. He ensures that the Board is effective in its duties of setting out the Company's policies, objectives and strategies and the implementation thereof.

Managing Director

The Managing Director is responsible for the management and supervision of the Company's operations and day-to-day administration. He provides leadership and direction to Senior Management and implements the plans and strategies of the business in line with the policies, guidelines and instructions set by the Board.

Non-Executive Directors and Independent Directors

The Non-Executive and Independent Directors constructively challenge and contribute to the development of the Company's strategies and goals. They provide support to the Executive Directors and monitor the progress of the agreed plans and strategies within the risk and control framework set by the Board.

Company Secretary

ABC Motors has a service agreement with ABC Professional & Secretarial Services Ltd ("ABCPS" or the "Company Secretary") for the provision of company secretarial services. ABCPS provides assistance and information on corporate governance and administration issues. The Company Secretary is responsible for ensuring that Board procedures are followed, and that applicable laws and regulations are complied with. It also has primary responsibility for guiding the Board members regarding their duties and responsibilities.

ABCPS is also responsible for taking accurate and precise Board minutes which are then submitted for approval at the following meeting. The Company Secretary also acts as Secretary to all Committees and the Committee meetings' minutes are tabled at Board meetings for the Directors to take note of the deliberations and recommendations made by these Committees.

ABCPS is also the primary channel of communication between the Company and its shareholders as well as the regulatory bodies.

ABCPS is represented by Mrs. Cindy Larose, *ACIS*. Mrs. Larose has more than 14 years' experience in the corporate secretarial field and is an Associate of The Chartered Governance Institute UK & Ireland *(formerly known as the Institute of Chartered Secretaries and Administrators, ICSA)*. She is also a member of the MIoD.

Board Committees

The Board of Directors is supported by three main Committees in its functions, namely Audit and Risk, Corporate Governance and Nomination and Remuneration. The various Committees are headed by experienced Chairmen who report on their activities and make recommendations on matters delegated to them under their respective Charters at the subsequent meeting of the Board. In order to fulfil the duties and responsibilities delegated to them, the Committees are authorised to obtain independent professional advice at the Company's expense.

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities and is also accountable for any other duties that may be assigned by the Board from time to time.

The Corporate Governance Committee has been set up in order to advise the Board on Corporate Governance matters and to ensure that the Company complies with the requirements of the National Code of Corporate Governance for Mauritius (2016) (the "Code").

The Nomination and Remuneration Committee has been set up to advise the Board on the structure, size and composition of the Board and its Committees. It also makes recommendations on the remuneration policy for Executive and Senior Management.

Responsibilities of the Board Committees as set out in the Board Charter may be reviewed on a yearly basis or as and when required with the introduction of or amendments to laws and regulations.

More information on Board Committees is provided under Principle Two.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE TWO – STRUCTURE OF THE BOARD AND ITS COMMITTEES

Board Structure

ABC Motors is led by an effective unitary Board, which is the favoured structure for companies in Mauritius.

Board Size

The Constitution of ABC Motors provides that the number of directors shall not be less than two (2) or more than ten (10).

All the directors are re-elected by separate resolution at every Annual Meeting of Shareholders of the Company.

Board Composition

As at 30 June 2024, the Board of ABC Motors was composed as follows:

Names of Directors	Category
Mr. Vincent Ah-Chuen	Executive Chairman
Mr. Patrick Andrew Dean Ah-Chuen	Managing Director
Professor Donald Ah-Chuen	Non-Executive Director
Mr. André Marc Ah-Chuen	Non-Executive Director
Mr. David Brian Ah-Chuen	Non-Executive Director
Mrs. Valérie Ah-Chuen Juban	Non-Executive Director
Mr. Voon Yue Choon Wan Min Kee	Independent Director
Mr. Yognandan Sharma Mahabirsingh	Independent Director
Mr. Tchang Fa Wong Sun Thiong	Independent Director
Me. Jennifer Konfortion	Independent Director

Alternate directors:

Mrs. Valérie Ah-Chuen Juban acts as alternate director to Mr. Vincent Ah-Chuen

Mr. Mark Cedric Ah Chuen acts as alternate director to Mr. André Marc Ah-Chuen

There is a clear separation of the roles of the Executive Chairman and the Managing Director.

On one hand, Mr. Vincent Ah-Chuen, in his role as Executive Chairman, is responsible for leading the Board and ascertaining its effectiveness. He is also responsible for ensuring that the directors receive accurate and timely information and he encourages the active participation of all Board members in discussions and decisions. With his wide experience and strong knowledge of the Company and its industry, the Chairman is in an excellent position to oversee the affairs of the Company while ensuring that value is being created for all stakeholders.

In his capacity as Managing Director, Mr. Dean Ah-Chuen is responsible for the executive management of the operations of the Company and for implementing its short-term to long-term strategies, objectives and vision.

The directors' profiles and their directorships in other listed companies are set out on pages 26 to 30 of this Annual Report and are available on the Company's website.

Board Balance and Diversity

The directors of ABC Motors are all ordinarily resident of Mauritius.

The Board believes that, based on its size and the industry that it is operating in, the current directors possess the right mix of skills and experience to provide leadership, integrity and judgement in managing the affairs of the Company. The Board is composed of both male and female directors.

Board Meetings

Board meetings are convened not less than four times a year and appropriate notice is given to the directors. Detailed agenda, together with management reports and other relevant documents, are circulated in advance to the directors to enable them to make focused and informed deliberations at meetings. Urgent decisions of the Board are taken by way of written resolutions, approved and signed by all the directors and are ratified at subsequent Board meetings. During the year under review, the Board met four times. The attendance of directors is set out on page 25 of this Annual Report.

Board Committees

The Board is supported by its Committees that provide in-depth focus on specific areas and make recommendations on matters delegated to them, encompassing internal control, financial reporting, strategy and remuneration issues. Each Committee has its own terms of reference that is approved by the Board and is reviewed as and when necessary.

Audit and Risk Committee

The Audit and Risk Committee has been established by the Board to assist it in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

The Committee provides a forum for the discussion of business risks and control issues faced by the Company. Relevant recommendations are thus generated for consideration by the Board. The Committee also monitors the role and scope of work of internal auditors. It has the authority to conduct investigations into any matter within its scope of responsibilities and to obtain such outside or other independent professional advice as it considers necessary to carry out its duties.

The Committee normally meets on a quarterly basis and during the financial year under review, the Committee met four times.

Members of the Audit and Risk Committee as at 30 June 2024 were:

Chairman:	Voon Yue Choon WAN MIN KEE	Independent Director
Members:	Yognandan Sharma MAHABIRSINGH	Independent Director
	Tchang Fa WONG SUN THIONG	Independent Director

Corporate Governance Committee

The Corporate Governance Committee has been established by the Board to oversee the application of corporate governance provisions within the organisation and to make such recommendations to the Board as may be required to ensure strict adherence to the Code. Hence, the Company remains effective and complies with prevailing corporate governance principles.

CORPORATE GOVERNANCE REPORT (CONT'D)

The Committee normally meets on a yearly basis and during the financial year under review,the Committee met once.

Members of the Corporate Governance Committee as at 30 June 2024 were:

Chairman:	Yognandan Sharma MAHABIRSINGH	Independent Director
Members:	Tchang Fa WONG SUN THIONG	Independent Director
	Voon Yue Choon WAN MIN KEE	Independent Director
	Jennifer KONFORTION	Independent Director

Nomination and Remuneration Committee

The main responsibilities of the Nomination and Remuneration Committee is to make recommendations for the appointment of directors to the Board, changes to be made to Board composition, policy in respect of Executive and Senior Management's remuneration and the periodic review of the terms and conditions relating to Executive Directors' service agreements.

Based on its size and the industry that it is operating in, the current directors possess the right mix of skills and experience to provide leadership, integrity and judgement in managing the affairs of the Company. As such, the Board lays much emphasis on expertise, objectivity and independent judgement of its members and considered that such members always act in the best interest of the Company.

The Committee normally meets on a yearly basis and during the financial year under review, the Committee met once.

Members of the Nomination and Remuneration Committee as at 30 June 2024 were:

Chairman:	Tchang Fa WONG SUN THIONG	Independent Director
Members:	Professor Donald AH-CHUEN	Non-Executive Director
	Vincent AH-CHUEN	Executive Chairman
	Patrick Andrew Dean AH-CHUEN	Managing Director

Attendance of Directors at Board Meetings and Committee Meetings for the year under review

Directors	Board Meetings	Audit and Risk Committee Meetings	Corporate Governance Committee Meetings	Nomination and Remuneration Committee Meetings
AH-CHUEN Donald	2			1
AH-CHUEN Vincent	3			1
AH-CHUEN André Marc	3			
AH-CHUEN Patrick Andrew Dean	4			1
AH-CHUEN David Brian	4			
AH-CHUEN JUBAN Valérie	4		1	
WAN MIN KEE Voon Yue Choon	4	4	1	
MAHABIRSINGH Yognandan Sharma	4	4	1	
WONG SUN THIONG Tchang Fa	4	4	1	1
KONFORTION Jennifer	2			
Total Number of Meetings	4	4	1	1

PRINCIPLE THREE – DIRECTOR APPOINTMENT PROCEDURES

Appointment and Re-election of Directors

The Nomination and Remuneration Committee makes recommendations to the Board for the appointment of directors to either fill a casual vacancy or as an additional member of the Board and ensures that the number of directors is not less than two (2) or more than ten (10) as stipulated in the Constitution of the Company.

Newly appointed directors are subject to election in their first year of appointment by the shareholders of the Company at its Annual Meeting. As a listed entity, ABC Motors is required to submit to the Regulators all documents pertaining to any newly appointed director. In accordance with the Mauritius Companies Act 2001, directors who have attained or are over the age of 70 years are subject to annual re-appointment.

Induction and Orientation

On appointment to the Board, new directors receive a comprehensive induction pack and an orientation programme.

Professional Development

Directors are encouraged to keep themselves abreast of changes & trends in the Company's businesses, environment & markets.

Succession Planning

The Board of Directors of ABC Motors believes that effective succession planning is essential to the delivery of the Company's strategic aims by ensuring the desired training and development needs of current and potential Board members. The Board is also committed to recognising and nurturing talents within executive and management levels across the Company to ensure that it creates opportunities to develop current and future leaders.

Profile of directors

Mr. Vincent Ah-Chuen – *Executive Chairman*

Mr. Vincent Ah-Chuen is the Executive Chairman of the Company. He is a skilled and experienced entrepreneur and has played a key role in the development and diversification of the ABC Group of Companies. He is the Managing Director of ABC Group of Companies and is actively involved in various socio-cultural and religious non-profit associations.

In December 2016, he obtained the World Business Leadership Excellence Award. He is the Chairman of P.O.L.I.C.Y Limited, a listed company on the official market.

Mr. Dean Ah-Chuen – *Managing Director*

Mr. Dean Ah-Chuen holds a BA degree in Computer Science from the University of Sydney (Australia) and holds an MBA in International Business from the University of Western Sydney.

Dean Ah-Chuen worked for Westpac Banking Corporation (Australia) in the IT Division and for Clinton's Toyota before returning to Mauritius in 1994 where he joined ABC MOTORS COMPANY LIMITED as Business Development Manager. As at date, he is the Managing Director of ABC MOTORS COMPANY LIMITED, now listed on DEM with overall responsibility for the Automobile Cluster, and also

Managing Director of the Shipping & Logistics, Property and Insurance clusters of the ABC Group of Companies. He is a Non-Executive Director of ABC Banking Corporation Ltd, listed on DEM. He is currently an independent director on the Board of Harel Mallac & Co Ltd, a listed company, a Board member of Lovebridge Ltd (a joint private / public project to assist poor income families) and also a Benefactor of the Court of the University of Mauritius since May 2019. Previously, he was a director of the Mauritius Post & Co-operative Bank Ltd. He was appointed to the Board of Directors in June 2002.

Professor Donald Ah-Chuen, G. O. S. K. – *Non-Executive Director*

Professor Donald Ah-Chuen holds an M.B.A (University of Strathclyde, UK). He is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of the Institute of Chartered Accountants of Australia and holds an M.C.I.P.D (Chartered Institute of Personnel & Development, UK).

Professor Donald's long career started with his appointment as the first Chief Internal Auditor of the Central Electricity Board of Mauritius followed by his promotion three years later to the position of Secretary and Head of Administration of the same organization. His hard work, administrative skills and initiatives, especially in bringing stability in the Company's state of Industrial Relations and securing a durable long-term Agreement on Wages and Conditions of Employment with the Workers' Union were greatly appreciated by the Board which then granted him a scholarship to undertake post-graduate studies in Management in the UK. Shortly after successful completion of his studies he joined the University of Mauritius to head the Centre of Professional Studies and in 1975 he became the first Mauritian to be appointed Professor of Management and Head of the School of Administration of the University. He subsequently served as Pro-Vice Chancellor of the University before he decided to move to Australia.

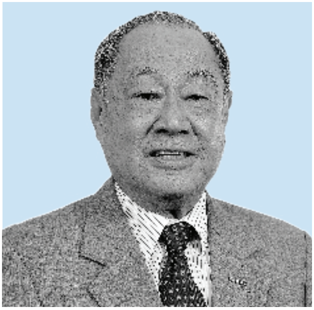
Professor Donald worked for a period of 12 years in Sydney in important professional roles in both Academia & Industry, becoming the CEO of Graham Group of Companies and finishing with distinction as Chairman of the Association of Steel Galvanizing Enterprises of Australia after which he returned to Mauritius in 1995 to contribute in the consolidation, diversification and further development of the family business which soon expanded to become the ABC Group of Companies.

Professor Donald is a director of the Stock Exchange of Mauritius Ltd (SEM) and was its Chairman for the year 2018. He is also a director of P.O.L.I.C.Y Limited and the Managing Director of ABC Banking Corporation Ltd, listed on the SEM and DEM respectively. He is a former Board Director of the Development Bank of Mauritius and the Bank of Mauritius, and former Chairman of the Standard Bank (Mauritius) Ltd of South Africa. His other previous responsibilities include the Presidency of the Mauritius Chamber of Commerce and Industry, the Chinese Chamber of Commerce, the Mauritian Institute of Management and the Association of Accountants of Mauritius, the Chairmanship of the Tertiary Education Commission of Mauritius, and that of the Mauritius Broadcasting Corporation.

Professor Donald was called by the Authorities to serve as a member of the Commission of Inquiry on Education, the Committee of Inquiry on the Amcol Project of Domaine Les Pailles, and as Chairman of the Committee of Inquiry on the Industrial Disputes in the Public Hospitals Service.

Prior to his appointment as Managing Director of ABC Banking Corporation Ltd in January 2012, Professor Donald was the founding Chairman of the bank which was originally set up by him as the ABC Finance & Leasing Company before its subsequent establishment 13 years later as a fully-fledged commercial bank.

Finally, in 2009 he was conferred by Government the distinction of G.O.S.K (Grand Officer of the Order of the Star and Key of the Indian Ocean) in recognition of his valuable contributions to Commerce and Industry, Banking & Financial Services, and Tertiary Education.



Mr. Raymond Ah-Chuen – *Non-Executive Director*

Mr. Raymond Ah-Chuen holds a Diploma in Business Administration from the University of Waterloo, Canada. He served as President of the Chinese Chamber of Commerce in 1978 and had also been a director in other companies such as New Goodwill Ltd, Crystal Textile Co. Ltd and The Mauritius Commercial Bank Limited. Mr. Raymond has also acted as Chairman and/or Director of several companies of the ABC Group of Companies.

Mr. André Marc Ah-Chuen – *Non-Executive Director*

Mr. Marc Ah-Chuen is the Managing Director of CHUE WING & COMPANY LIMITED which specializes in the food imports, production and distribution under the ABC Foods Cluster. He has long standing experience in the Fast-moving consumer goods (FMCG) sector.

Me Jennifer Konfortion – *Independent Director*

Me Jennifer Konfortion is a barrister in independent practice at the Chambers of Sir Hamid Moollan KC. She read law in England and France and holds a Bachelor of Laws from the University of Kent, a Licence en Droit et Sciences Politiques from Université Paris X and an LLM in Professional Legal Skills from City University London. She was called to the Bar in England at the Honourable Society of Lincoln's Inn in 2009 and to the Bar in Mauritius in 2010.

Over the years, Me Jennifer has developed a broad civil practice and has substantial experience in commercial, construction, competition and banking law. Her practice consists of both advocacy and advisory work. She has appeared before all Courts of Mauritius, including the Privy Council and is instructed to appear in both ongoing litigation and arbitration. As part of her practice, she advises a number of public companies on a regular basis.

Mr. David Brian Ah-Chuen – *Non-Executive Director*

Mr. Brian Ah-Chuen holds a BBA Honours from Schulich School of Business, York University, Toronto, Canada.

Currently the Managing Director of ABC Banking Corporation Ltd, a listed company, he has in this capacity overseen major projects including the opening of the ABC Banking Representative Office in Hong Kong, the setting up of the Private Banking Division and the opening of the ABC Private Banking Lounge. He is currently the Vice Chairperson of the Mauritius Bankers Association. He previously held various managerial positions within other companies of ABC Group of Companies. As Executive Director of ABC AUTOTECH LTD (ABC Automobile Cluster), he successfully introduced the Alfa Romeo and Fiat brands in Mauritius. Moreover, in a quest for expansion and modernisation, he managed the relocation project of CHUE WING & COMPANY LIMITED (ABC Foods) from Port Louis to Trianon. He was also the Executive Director of Marina Resort, a 4-star hotel previously owned by the ABC Group of Companies.

Mr. Brian was a past President of the Chinese Chamber of Commerce and Board Member of the Mauritius Chamber of Commerce & Industry (MCCI). He is currently Director of the Mauritius Union Group (which is listed on the SEM) and also Board Member of the Business Mauritius' Africa Strategy Committee. Mr. Brian is a Fellow member of the Mauritius Institute of Directors (MIoD).

Mrs. Valérie Ah-Chuen Juban – *Non-Executive Director*

Mrs. Valérie Ah-Chuen Juban currently holds the position of Strategic Business Development Manager within ABC Foods cluster. She holds a BBA (Bachelor of Business Administration) from the European University of Toulouse, France. She previously occupied the posts of Strategic Manager at SPEEDFREIGHT LTD, Marketing Executive of the Life Assurance Department of GOOD HARVEST LIMITED (an accredited Agent of the Mauritius Union Assurance) and Business Development Manager at Orange Eight Ltd *(formerly known as ABC Capital Ltd)*. She is currently a non-executive Director of P.O.L.I.C.Y Limited. She also sits on the Board of other companies of ABC Group.

Mr. Yognandan Sharma Mahabirsingh - *Independent Director*

Mr. Yognandan Sharma (Vipin) Mahabirsingh holds a B.Tech (First Class, Hons.) degree in Electrical and Electronic Engineering from the University of Mauritius (Gold Medalist), an M.Phil in Microelectronic Engineering and Semiconductor Physics from the University of Cambridge and an MBA (with distinction) from Edinburgh Business School, Heriot Watt University. He is the Managing Director of the Central Depository & Settlement Co. Ltd (CDS) and a Fellow of the Mauritius Institute of Directors. He is a member of the Ratings Committee of CARE Ratings Africa. He is also a member of the Product Advisory Committee (PAC) of the Digital Token Identifier Foundation (DTIF). DTIF's mission is to provide the golden source reference data for the identification of digital tokens based on ISO's new standard for digital assets, ISO 24165. In his capacity as Managing Director of CDS, he also provides consultancy services to African stock exchanges and central depositories. He was the systems vendor's Project Director in the implementation of trading and depository systems at the Nairobi Stock Exchange (2004/2006), Bank of Ghana (2004), Dar es Salaam Stock Exchange (2006), Botswana Stock Exchange (2008/2012), Lusaka Stock Exchange (2008) and Bolsa de Valores de Mocambique (2013).

He supervised the implementation of an automated trading system at the Zimbabwe Stock Exchange in 2015 and has spearheaded the replacement of the trading and depository systems at the Lusaka Stock Exchange which went live in December 2017. He was also the Project Manager for the replacement of the automated trading system of the Stock Exchange of Mauritius in 2022.

Mr. Tchang Fa Wong Sun Thiong – *Independent Director*

Mr. Tchang Fa (Cyril) Wong Sun Thiong holds a First Class Honours degree in Physics from the University of Manchester and qualified as a Chartered Accountant with KPMG in the UK. He has extensive experience in executive management in multinational companies including Exxon, BAT and Barclays. He was a senior executive with Barclays Bank Mauritius Ltd for more than ten years. He also has an extensive experience in board leadership roles as a non-executive director in a number of listed and non-listed companies for more than ten years. He is currently the Chair of the Audit Committee of several multinational companies including Bank One Ltd, and Sanlam Africa Core Real Estate Ltd. Mr. Cyril is also a director of MDIT, and Avanz Growth Market Limited.

Mr. Voon Yue Choon Wan Min Kee - *Independent Director*

Mr. Voon Yue Choon Wan Min Kee also known as Henri Wan is a Fellow member of the Institute of Chartered Accountants in England and Wales and reckons over 35 years of professional experience in practice and industry both in the UK and Mauritius. His experience is wide ranging and includes accountancy, taxation, auditing, training, consultancy, quality management system (ISO 9001:2008), risk management, legal and compliance matters, human resource management, business development and administration, finance management and mergers and acquisitions. During his career, he worked with sole traders through to multi-national companies operating in various sectors of the economy.

Profile of Senior Management

Mr. Joseph Anthony Tseung Sum Foi – *Strategic Business Development Advisor*

Mr. Joseph Anthony Tseung Sum Foi is a Fellow member of the Association of Chartered Certified Accountants (FCCA) and has been the General Manager of the Automobile Cluster of the ABC Group of Companies since 2001. He previously occupied the posts of Audit and Systems Executive (1996-1998) and Finance and Systems Executive (1998-2001) within the Group. He has been appointed as Chief Operating Officer from October 2017 to June 2021 and is the Company's Strategic Business Development Advisor since 01 July 2021.

He is currently the Chairman of Expert Leasing Ltd.

Mr. José Alain Ng Wing Yik – *Chief Operating Officer*

Mr. José Alain Ng Wing Yik is a Fellow member of the Association of Chartered Certified Accountants (ACCA) and holds an MBA from the University of Birmingham (UK).

He worked at Kemp Chatteris, Deloitte & Touche, Rey & Lenferna Ltd before joining ABC MOTORS COMPANY LIMITED in 1998 as Financial Controller. With more than 20 years of working experience, he has a solid background in the fields of finance, audit, taxation and strategic management. Mr. Alain has been appointed as Chief Financial Officer from October 2017 to June 2021 and thereafter promoted to Chief Operating Officer as from 01 July 2021.

Mr. Nitish Gungabissoon – *Chief Manager*

Mr. Nitish Gungabissoon holds a degree in Business Science – Honours in Marketing from the University of Cape Town. He is also a graduate from the Essec General Management Program.

After his graduation in February 2001, he joined ABC MOTORS COMPANY LIMITED as Customer Relations Executive. In 2003, he was appointed as NSSW (Nissan Sales & Service Way) Coordinator for Sales and After Sales and in 2004 he was promoted to the post of Sales Manager for Nissan Vehicles and Passenger Light Commercial Department. In July 2011, he became the Senior Sales Manager of Nissan Passenger Light Commercial and Premium Vehicles Departments.

Since July 2018, Mr. Nitish has been promoted to the position of Chief Manager of ABC Motors, overseeing the sales and after sales divisions for all the brands represented by ABC Motors.

PRINCIPLE FOUR – DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Legal Duties

The directors of ABC Motors are aware of their legal duties and responsibilities in accordance with the Mauritius Companies Act 2001 and the Code. Besides, the directors maintain a reputation for high standards of business conduct and ethics and perform their duties with due care, skill and diligence.

Code of Conduct & Ethics

ABC Motors has adopted a Code of Conduct & Ethics which encompasses the Company's core values and the standard of dealings that the public at large can uncompromisingly expect. ABC Motors does not tolerate corruption in any form, whether direct or indirect, and works proactively to prevent it.

This code is designed to help employees at all levels to understand their responsibilities, carry out their duties with due diligence, honesty and integrity, which are fundamental to the reputation and success of the Company.

The Company has also adopted anti-fraud and whistleblowing policies to encourage employees to freely communicate concerns about any illegal, unethical or questionable practices that they may come across to Senior Management or the Internal Auditor without fear of reprisal.

The Code of Conduct & Ethics is reviewed as and when required with the introduction of or amendments to laws and regulations.

Conflict of Interest

Directors must avoid instances that may give rise to conflicts of interest or which may be perceived by others as conflicting situations. Full information on any conflict or potential conflict of interest is made known to the Board and recorded accordingly. The onus is on the directors to advise the Board on any change in their situation.

On declaration of his interest, the concerned director shall not participate in the discussions and/or decision-making process on the transaction in relation to which conflict arises but may continue to be present unless the Chairman judges otherwise. The transaction may however be concluded and approved at market terms and conditions. Related party transactions will also be disclosed in accordance with accounting policies and standards. During the year under review a policy has been implemented in that respect.

Information, Information Technology (IT) and Information Security Governance

The Board of Directors recognizes the significance of effective IT governance in ensuring the confidentiality, integrity, availability, and overall security of our information assets. The Board is responsible for the information governance whereas the management of Information Technology as well as the Information Security Governance has been delegated to the IT function, which falls under the responsibility of the Senior Manager - Information and Technological Transformation.

The Company's IT governance framework is re-evaluated on an annual basis and updated with changes in industry best practices, regulatory requirements and the specific needs of the organization. The Company has consistently monitored and reassessed the IT policies, practices, investments and all mechanisms like annual IT business planning, Key Performance Indicators monitoring, budgetary controls and monthly management reviews covering aspects of IT governance and security, service level, incident management, IT capital investment and operating expenditure. IT projects are aligned with the business objectives and adequate risk management measures have been implemented to ensure business continuity.

During the year under review, the Data Protection Act 2017 framework has been successfully implemented. This significant milestone reflects the unwavering commitment to safeguarding the personal data of clients and stakeholders. Through this implementation, the Company ensures that all data processing activities within the organization adhere to the highest standards of privacy and security. This implementation not only enhances the Company's data protection measures but also underpins its dedication to transparency and trustworthiness in handling sensitive information.

The Company is continuously consolidating the cybersecurity protocols through the usage of AI-driven security system. This system leverages artificial intelligence and machine learning to proactively detect and respond to potential threats, enhancing the ability to safeguard IT infrastructure and digital assets. As part of the commitment to strengthen the Company's cybersecurity posture, a Vulnerability Assessment and Penetration Testing (VAPT) exercise was successfully conducted across all critical systems in collaboration with foreign cybersecurity experts. Leveraging on their specialized knowledge and global best practices, the exercise identified potential security gaps and robust controls were implemented to safeguard against emerging threats.

In addition to cybersecurity protocols and process automation through Robotic Process Automation (RPA), the Company is continuing its digital transformation by adopting cloud technologies. Cloud solutions allow to enhance scalability, flexibility and accessibility while ensuring robust data backup and disaster recovery capabilities. This strategic shift enhances resilience by enabling rapid recovery in the event of disruptions and ensures that data and applications are securely accessible from multiple locations, thereby reducing the risk of operational downtime and improving business continuity.

The Company's cloud service providers are GDPR compliant and ISO 27001 certified. This choice underscores the Company's dedication to maintaining the highest standards of data security and privacy for its clients. By partnering with these top-tier cloud service providers, the Company's data is managed with strong security protocols and handled in accordance with stringent regulatory requirements.

Task force teams are assigned to focus on innovation, technology adoption and IT transformation. These teams collaborate with business units to identify and implement new opportunities for business innovation, improvements and operational efficacy that are aligned with strategic goals.

Since the implementation of the Dealership Management System (DMS) in October 2021, all post-implementation stages, including issues handling, adoption, and standardisation, have been effectively managed, resulting in a high utilization rate across the Company during the year. To further optimise and enhance the usage of the DMS and its functionalities across the enterprise, a local consulting firm, comprised of experts and highly experienced professionals in the field of digitalisation, project and change management was appointed in August 2023 to assist and support the Company. A business transformation team has been set up to support users of the DMS, acting as improvement champions to drive ongoing enhancements. Additionally, a structured governance framework was put in place with a Steering Committee headed by the COO to ensure proper and systematic review of systems, processes and functions in relation to the DMS optimisation and enhancement initiatives. Champions from different departments and functions across the Company were appointed and encouraged to participate actively in the process improvement initiatives. Currently, the focus is on continuous improvement of the processes and system, in close collaboration with the software reseller based in South Africa and the software house headquartered in the UK, to ensure that the system continues to meet evolving business needs and further boosts operational efficiency.

The Company has developed its IT policies based on universally accepted best practices and standards. Management is responsible for the effective implementation of the IT policies and procedures which are overseen by the Audit and Risk Committee. The effectiveness of General IT Controls is also tested during the yearly audit exercise.

IT Policies and Procedures

Policies and procedures allow management to communicate the way things should be done, and IT policies and procedures are no exception. To this effect, the Company has put in place various IT policies, such as access to and usage of the Company's IT facilities and administration and maintenance of IT hardware and systems amongst others, that are aimed at maintaining and protecting the integrity of data and information from internal or external cyber-attacks and to ensure the smooth operations of the Company as per the adopted protocol. Likewise, the IT policies contribute to the overall increase in the Company's productivity and performance, and allow the Company to achieve greater efficiencies and positive return on investments in technology.

Board Information

The Chairman, with the assistance of the Company Secretary, ensures that directors receive all information necessary for them to perform their duties and that the Board is allocated sufficient time for consultation and decision-making.

Directors' and Officers' Indemnity and Insurance

The Company has contracted the Directors' and Officers' Liability Insurance in order to indemnify and keep indemnified the directors and officers against all actions, suits, claims and liabilities which may properly arise, occur or be sought against them in connection with the Company.

Board Evaluation and Development

The Board's review and evaluation include an assessment of its composition and independence, performance and effectiveness of the Board's responsibilities, maintenance and implementation of the Board's governance, relationship with management as well as an evaluation of its Committees.

An internal evaluation of the Board is conducted on an annual basis by way of a questionnaire whereby each Board member provides his feedback. The Nomination and Remuneration Committee then evaluates such feedback and makes appropriate recommendations to the Board.

Directors are not evaluated on an individual basis given that the directors forming part of the Board have been appointed in light of their wide range of skills and competencies acquired through their several years of working experience and professional background.

Furthermore, Non-Executive Directors are chosen for their business experience and acumen as well as their ability to provide a blend of knowledge, skills, objectivity, integrity, experience and commitment to the Board.

Remuneration

Statement of Remuneration Philosophy

The Company's remuneration philosophy is geared towards encouraging optimal performance on part of every employee within the organisation by rewarding efforts and merits as fairly as possible.

With regard to the Directors, including Executive Directors, their remuneration on an aggregate basis is taken up at the Nomination and Remuneration Committee and ratified by the Board of Directors.In addition to their monthly basic salaries, the Executive Directors are entitled to an annual performance bonus based on the financial results of the Company as well as on their individual contribution thereto. It is to be highlighted that the Company does not make any difference in its remuneration criteria for those Executive Directors approaching retirement.

The Company strongly believes that the achievements and merits of high performing employees should be recognised and rewarded. In that respect, Management and staff are also assessed for the payment of an annual performance bonus.

The remuneration of Directors is disclosed on page 53 of this Annual Report.

Directors' interests and share dealings

The Directors' interests in the capital of the Company as at 30 June 2024 were as follows:

Directors	Direct Shareholding	Indirect Shareholding
AH-CHUEN Donald	5.71%	1.39%
AH-CHUEN Vincent	7.96%	3.93%
AH-CHUEN André Marc	4.28%	3.30%
AH-CHUEN Patrick Andrew Dean	1.12%	2.01%
AH-CHUEN David Brian	0.26%	0.07%
AH-CHUEN JUBAN Valérie	0.04%	0.511%
MAHABIRSINGH Yognandan Sharma	NIL	NIL
WAN MIN KEE Voon Yue Choon	NIL	NIL
WONG SUN THIONG Tchang Fa	NIL	NIL
KONFORTION Jennifer	NIL	NIL

In accordance with the DEM Rules, Directors are strictly prohibited to deal in the shares of the Company during closed periods. Thus, on a quarterly basis, Directors are notified via email about the close periods by the Company Secretary.

PRINCIPLE FIVE – RISK GOVERNANCE AND INTERNAL CONTROL

Risk Management

Risk Management refers to the process by which the Company identifies, monitors and mitigates its exposure to those risks which may arise from time to time from its business operations and its environment. At ABC Motors, Risk Management forms an integral part of the organisation's business management and corporate governance structure. The directors therefore strongly advocate the belief that a structure which embeds good governance principles, and a risk-based approach are essential in achieving the business objectives, success, and sustainability, especially in this era of highly volatile, disruptive and complex environment.

While the Board is responsible for the overall Risk Management and internal control systems, the monitoring of the Company's Risk Management process has been delegated to the Audit and Risk Committee as per the terms of reference set out in its Charter. In that respect, the Company has outsourced its internal audit function to Cays LLP.

The Company is principally engaged in the automobile industry which is a highly competitive sector and extremely sensitive to events at both international and domestic levels, the state of the economy, the fiscal policies, market changes and technological progress in the vehicle manufacturing industry itself. The identification of the Company's weaknesses and risks as well as its strengths and opportunities are integrated in the business planning process which is carried out before the beginning of each financial year. Accordingly, appropriate strategies are devised to overcome the major weaknesses identified. Relevant action plans are then initiated to counter risks that may potentially impair the business performance and reputation or negatively impact on the Company's financial stability, cash flow and revenue streams. In the same line, the business planning process provides a structured framework and process for the organisation to identify meaningful business opportunities and set the way for the organisation strategic direction.

The process of risk identification and management has been consolidated through the application of ISO 9001:2015 framework in the aftersales service. This quality system framework secures a structured process and consistency in maintaining a risk register whereby much emphasis is laid on the treatment of medium and high risks areas.

Moreover, the internal audit function is involved in the Risk Management process. The Internal Auditor has the responsibility to constantly evaluate the quality of the business controls through the conduct of risk-based operational audits, inspection of financial reporting controls and compliance audits. The findings of the internal and external audits are reported at the Audit and Risk Committee meetings, which are generally held on a quarterly basis. The weaknesses and areas of concern as reported by the auditors and/or revealed by self-assessment are discussed and reviewed in such a way to ensure that all necessary corrective actions are initiated promptly by Management.

The Company recognises different risk categories namely market, operational, financial, reputational, legal, tax, compliance, and information technology. The extent of their risk exposure and how they are treated are described as follows:

Risks	Exposure	Risk Management Policies	Mitigating Activity
Market risks	Changes in the global and local market environment may adversely affect the cash flow, revenue, profitability and market share of the business.	The Company's business plan and market strategies are regularly reviewed to ensure that corrective actions are taken against any major and potential changes in the market environment that may impair the organisation. Market-driven strategies are deployed to meet the Company's vision of *"always being the outstanding Company in the automobile industry"* and Company's philosophy "*We care for you*".	• Diversification of sourcing and alternative sourcing • Extend the product portfolio of the Company and the Group • Market diversification • Ongoing monitoring to identify emerging competitive threats and act upon on these promptly. • Pro-active and dynamic market intelligence • Regular business meeting with principals and suppliers • Strive continually in reinforcing customer loyalty through focus in improving customer excitement and customer relationship
Operational risks	Failure to achieve improved and effective procurement, work systems and processes, promised time-to-delivery and service standard that may lead to financial losses and customer dis-satisfaction.	Organisational structures, policies and control procedures are regularly reviewed and updated as necessary to minimize the exposure to operational risks. Operational procedures and systems, including detailed job descriptions are documented, explained, and made available to employees to ensure their compliance with the Company's guidelines and delivery of the best level of service. In the same context, the Company has set HR mechanisms and strategies to have a motivated, experienced and skilful workforce and to retain its key and talented employees.	• Engagement forums and team building, and motivational initiatives are organised on a regular basis • Talent pool development and succession plans re-assessed regularly through the ABC Academy program. • Remuneration benchmarking exercises are conducted regularly, and Remuneration offered are within the industry norms. • Continued training and development programme and structured mechanisms in place to preserve organisational knowledge by adopting a knowledge-based sharing approach • Staff welfare committee and management initiatives to improve the employee work experience by having a more exciting working environment, empowerment and providing the employees with a sense of purpose in their responsibilities and meaningful work.
	Failure to take the necessary measures to mitigate risk of misappropriation, fraud and misuse of the Company's resources.	The adequacy of the internal controls systems and compliance are regularly assessed by management, the finance and the internal audit functions.	Every year, in coordination with management the internal auditor carries out a risk assessment and the audit plan and focus control areas are determined. The audit findings are reviewed on a quarterly basis by the Audit & Risk Committee.
Financial risks	Exposure to a variety of financial risks including liquidity, credit, exchange and interest rate risks.	The Company recognizes the significant impact of such risks especially in the prevailing economic and market uncertainty in the global scene and has accordingly put in place a structured finance and treasury unit to manage such risks. These financial risks are further elaborated in "Note 31" of the financial statements.	• Close monitoring and liaison with financial institutions and experts for the organisation's foreign currencies requirements. • Encourage customers to pay in foreign currencies where applicable. • Use of financial instruments such as Currency Swaps, Forward contracts and appropriate structured currency derivatives.
Reputational risks	The risk of loss arising from adverse perception of the corporate image by the customers, counterparties and stakeholders. The reputational risk encompasses strategic, financial, operational and compliance risks.	The Company recognizes the negative impact of this risk. The operational systems and controls as well as an effective communication unit put in place help to mitigate this risk. The Company also invests significantly in customer care training and customer service survey at all levels of the organisation. It also ensures the staff's compliance of Know Your Client ("KYC") and Anti-Money Laundering guidelines and procedures.	• Standard organisation-wide policies and procedures are in place to ensure compliance with relevant regulations. • Designated Spokespersons and well-defined process are in place for the organisation external communication & crisis management. • Regular awareness activities and trainings are conducted

CORPORATE GOVERNANCE REPORT (CONT'D)

Risks	Exposure	Risk Management Policies	Mitigating Activity
Legal risks	Exposure to potential legal claims for liabilities which may arise from the day-to-day activities/ operations of the business.	Guidance and advice are sought from legal advisors and insurance consultants to safeguard against exposure to potential losses. Adequate insurance policies are in place to cover against such potential claims.	• Nominated legal representatives to support management in providing the appropriate response to any issues that arise. • In-house developed sales system to ensure regulatory compliance and ease of customer journey with key checks and validation process in place.
Tax risks	Failure to comply with the prevailing tax legislations or failure to identify changes in tax legislations.	Guidance and advice are sought from tax advisors as required and on-going training on taxation issues provided to staff.	• Regular consultation with tax advisors. • Tax trainings.
Compliance risks	Failure to act in accordance with appropriate laws, regulations and prescribed standards as required by the authorities and the Company's franchise principals, thereby exposing the organisation to potential claims for penalties, damages and loss of franchise.	The Company recognizes its responsibility to conduct business in accordance with the relevant laws and regulations and ensures that management continuously comply with the existing and emerging regulations impacting on operations. Ethical business conduct, policies and standards are enforced at all Company levels to provide quality service and act with integrity vis-à-vis all stakeholders.	• Regular Dealer Process Review are conducted by the Quality Assurance and Customer Experience team. • Standard organisation-wide policies and procedures are in place to ensure compliance with relevant regulations. • Audit & reviews are carried out regularly
Information Technology ("IT") risks	IT forms a fundamental part of operational risk management. IT risks refer to potential threats and vulnerabilities within the Company's information technology system and possibility that a particular threat will negatively impact on information system by exploiting a particular vulnerability. These risks can be in form of data breaches, weak firewalls, cyberattacks, hardware failures, software bugs and glitches, weak access controls and more.	The Company promotes a security-conscious culture and has implemented specific IT security policies and procedures which include IT threat and risk assessment and IT Access Control policies. The Company also regularly evaluates its IT systems and network for threats and vulnerabilities to protect its Information Technology assets and reduce the Company's risk. The Company has also adopted a highly available IT environment by implementing failover computing equipment for critical systems. The effectiveness of General IT Controls is tested during the yearly audit exercise.	• Incident management process that ensures major incidents are dealt with appropriately and in a timely manner has been implemented. • Security assessments, implementation of robust cybersecurity systems, employee security awareness and training are essential actions being undertaken. • Use of AI driven security system to reinforce the Cyber security protocols. • Data Protection Act 2017 framework is in place. • Cloud technologies are used, and the Company is partnering with Cloud Technologies service providers that are GDPR compliant and ISO 27001 certified.

PRINCIPLE SIX – REPORTING WITH INTEGRITY

Financial Reporting

The directors of ABC Motors affirm their responsibilities for preparing the Annual Report and Financial Statements of the Company which are available on the Company's website.

The Board also considers that the Annual Report and Financial Statements of the Company, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the Company's position, performance and outlook.

ABC Motors is committed to the highest standards of business integrity, transparency and professionalism and ensures that all its activities are managed responsibly and ethically whilst seeking to enhance business value for its shareholders.

Safety, health & well-being

The Group highly values the safety and health (SH) of its employees, by promoting and enhancing a strong safety culture throughout the organisation. Prioritising safety & health in the workplace is key to creating a healthy environment that is conducive to employee well-being and happiness at work.

To this end, compliance to prevailing and relevant Occupational Safety and Health (OSH) legislations are closely monitored. Officers are even actively encouraged to embrace a philosophy of going beyond what is required by law for the welfare, health and safety of its people and stakeholders.

Management takes responsibility to implement good SH guidelines and ensure that regular risk assessments and site audits are carried out by the dedicated OSH and Human Resource Officers. A comprehensive and proactive approach is adopted on SH aspects to identify any emerging risks and act promptly.

Similarly, regular OSH awareness programs are conducted through interactive Safety workshops. These initiatives have enhanced employee engagement, making them more conscious of work-related hazards and improving the organisation's preparedness to cope with unexpected SH related emergencies. Management makes sure that an adequate number of trained first aiders are available on all its sites. Other initiatives, such as the Accident-Free Days count and competition have also been implemented during the year.

The Group actively encourage its people to participate in wellness programs, sporting and recreational activities, with the objective of fostering a better work-life balance. These initiatives not only contribute to the physical and mental well-being of our employees but also foster a sense of community and engagement.

Likewise in past years, health awareness program is still an ongoing process with emphasis on medical check-up, nutrition, mental health and physical health. This year, in collaboration with City Clinic, some session pertaining to breast cancer awareness has also been carried out.

Our people & culture: driving excellence and engagement

As at 30 June 2024, the number of employees within the Company stood at 435.

The Group recognises that its people are its key asset and play a vital role in delivering its strategy.

Great importance is continuously placed on maintaining a healthy work environment in which employees feel valued and empowered.

CORPORATE GOVERNANCE REPORT (CONT'D)

A well-established mechanism is in place to continuously gear its efforts towards upholding a solid competency-based framework, knowledge-based and learning organisation. This is achieved through job clarity, career orientation guidance, career plan, training, meaningful job exposure and job rotations.

Significant investments are made in a series of development programmes in collaboration with ABC Academy and other recognised training institutions. These initiatives not only help to unlock people potential, but also foster a strong learning organisation where employees feel valued, knowledgeable and passionate about their jobs. Some of the programmes include the Supervisory Development (SDP), Talent Pool (TPP), Management Development (MDP) and Transformational Leadership (TLP). These development programmes are aligned to the group's strategic direction in fostering leadership and developing organisational capability at different layers of the enterprise in view of ensuring proper succession planning and a robust organisation.

In April 2024, the ABC Group Leadership Summit was held under the theme "SYNERGIZE". The 2024 Summit edition was directed at making the audience to understand the roots, developments phase, values and business philosophy of the group. It was also an opportunity for the leaders to discover the activities and products of their counterparts within the group. This event has also enabled the group to generate valuable innovative ideas which management are now working upon to set the appropriate mechanism to make these ideas come to reality soon.

In line with its strategy of promoting a better work-life balance of its employees, to the exception of the car showrooms, all the business units of the group are now closed on Saturday. This measure is effective since 1st July 2023.

The Group seeks to leverage both the work environment and employee experience. The aim is to ensure that each employee feels valued and takes pride in his/her respective contribution. Recognising that enthusiasm and dedication are vital elements, the Group acknowledges their significant role in driving its overall success.

Corporate Social Responsibility

Established in 2013 and named after the founder of ABC Group of Companies, the Sir Jean Etienne Moilin Ah-Chuen Foundation (referred to as "the Foundation") oversees the Group's Corporate Social Responsibility (CSR) programme, which focuses on four key areas: Community Empowerment, Education, Health & Sports and Environment. For the financial year 2023/2024, the Foundation allocated over Rs. 3.6 million in CSR funding, primarily supporting Non-Governmental Organisations (NGOs) and the community.

Community Empowerment

The Foundation remains deeply committed to combating poverty, collaborating closely with longstanding NGO partners to assist vulnerable groups and facilitate their social integration. Consequently, the Foundation has renewed its commitment to Lovebridge to support 400 families living below the poverty line, which represents approximately 1,500 individuals. Additionally, it supported Mouvement Pour le Progrès de Roche Bois in providing social and empowerment assistance to 20 out-of-school children and their parents, and to Caritas Ile Maurice for the School Feeding Project, which targets around 50 school children from vulnerable families. Moreover, school supplies were offered to 30 underprivileged children via Caritas Roche Bois following a call for donation organised across ABC Group.

Other associations that benefited from the Foundation's support include SAFIRE, SOS Children's Village, Couvent Mère Teresa, First Act is To Help (FAITH) and Mo'Zar for its Mo'Zar on the Road project.

Furthermore, during a Christmas event held in December 2023, approximately 150 underprivileged children received toys and school stationery packs. This initiative was made possible through the collaborative efforts of the Group's Staff Welfare Committees, employees, and partner NGOs, including Caritas Roche-Bois, Caritas Tranquebar, Mouvement Pour Le Progrès de Roche Bois and Kifer Pa Mwa.

Education

Education stands as a cornerstone for the future of our youth and our nation. In this regard, the Foundation has extended its assistance to financially challenged students, enabling them to pursue technical courses at Collège Technique St Gabriel by granting them scholarships. This institution, a longstanding partner of both the Foundation and ABC Group of Companies, also received support during the past year, namely for the construction of the upcoming Lycée Polytechnique.

Furthermore, the Foundation has granted numerous scholarships through the Sir Jean Etienne Moilin Ah-Chuen Foundation Scholarship Scheme. This initiative supports full-time students from disadvantaged backgrounds, allowing them to pursue tertiary education at public universities in Mauritius.

Additionally, the Foundation continued its collaboration with APEIM, an NGO supporting parents of children and young adults with intellectual disabilities and maintained its partnership with Terrain for Interactive Pedagogy Through Arts (TIPA), supporting their interactive pedagogy program in ZEP schools.

Health & Sports

Sports play a pivotal role in breaking down barriers and in fostering inclusion and social integration. In line with this belief, the Foundation has supported Mauritian athletes, enabling them to showcase their talents on the global stage over the years.

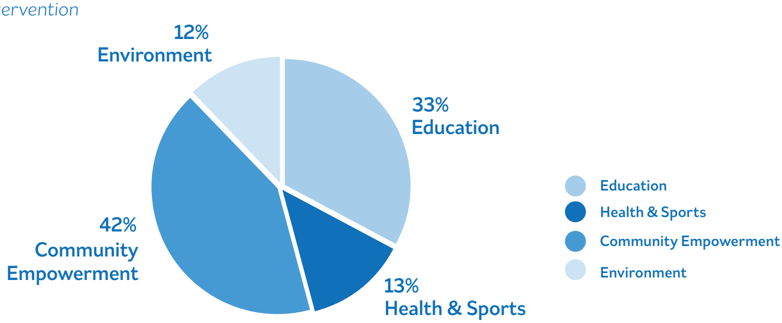
In this regard, the Foundation reaffirmed its commitment to para-athlete Noemi Alphonse, who made history by becoming the 2024 World Champion in the 100m T54 category and the World Vice-Champion in the 400m T54 category, by renewing support towards Magic Club Quatre Bornes.

Environment

Preserving the environment is a collective responsibility that requires unified action from all individuals. In this vein, the Foundation has renewed its dedication to the Rodrigues Conservation Project, an initiative overseen by the Mauritian Wildlife Foundation (MWF), that aims at protecting the distinctive flora and fauna native to Rodrigues Island.

Furthermore, the Foundation has supported We-Recycle, an NGO specialized in gathering and processing PET plastic bottle waste for recycling purposes.

Allocation per area of intervention



CORPORATE GOVERNANCE REPORT (CONT'D)

Charitable and Political Contributions Report

Donations made during the year by the Company and its Subsidiaries were as follows:

	The Company		The Subsidiaries	
	FY 2024 Rs.	FY 2023 Rs.	FY 2024 Rs.	FY 2023 Rs.
CSR contributions paid to Sir Jean Etienne Moilin Ah Chuen Foundation	-	100,000	773,958	417,508
Political Donations	-	-	-	-
	-	**100,000**	**773,958**	**417,508**

	The Company		The Subsidiaries	
The amount of CSR paid is split as follows:				
Stuttgart Motors Ltd	-	-	677,981	342,729
ABC Marketing Ltd	-	-	82,098	51,154
ABC Autotech Ltd	-	-	2,664	-
ABC Properties Ltd	-	100,000	11,215	23,625

PRINCIPLE SEVEN – AUDIT

Internal Audit Function

Internal Audit (IA) is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. Independent assurance is provided on the quality and effectiveness of internal control systems and processes, thus helping to protect the organisation and its reputation.

The primary purpose of internal auditing is to improve organisational efficiency and effectiveness through constructive scrutiny of internal processes, policies and procedures. Also, internal auditing ensures that weaknesses are detected and provides a basis for correcting deficiencies that have escaped the first line of defence before these deficiencies become uncontrollable or are exposed to the external auditors.

Internal auditing helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of risk management, control and governance processes. Internal audit helps the Board and management maintain and improve the process by which risks are identified and managed and helps the Board discharge its responsibilities for maintaining and strengthening the internal control framework.

The IA function is independent from operations and finance, and is responsible to:

- Highlight control weakness and inefficiencies to management for corrective measures
- Provide independent testing & verification of efficacy of corporate standard and business line compliance
- Provide assurance that the risk management process is functioning as designed

The internal audit department operates within the framework of the Charter of the Audit and Risk Committee. In line with its approved audit plan, the internal audit reports are submitted to the Audit and Risk Committee with notification to the Chief Manager and Head of Finance.

The risk assessment exercise as carried out by the IA function is performed at both the enterprise and activity levels and is made in coordination with management to identify perceived areas of risk and potential internal audit projects. The outcome of the assessment is then translated into an audit plan which addresses the critical risks.

Annual audit plans are presented in advance to the Audit and Risk Committee and the progress thereof is reviewed on a quarterly basis. The audit plan covers the areas of major risks that may arise in the business activities of the Company. The plan is essentially based on an assessment of risk areas carried out by the internal audit function, in consultation with the Chief Manager, Senior Accountant and Operations Managers as well as on its own independent appreciation of the key risks that the Company is exposed to.

The audit reports, that include the major risks and shortcomings identified by the internal auditor together with his recommendations to address them and management response thereto, are considered at meetings of the Audit and Risk Committee. Thereafter, management is required to act on the findings and is responsible for implementing corrective actions and mitigating risks measures in respect of the reported control shortcomings, weaknesses and new risks identified. The implementation and effectiveness of the recommended remedial actions are subsequently followed up by the internal auditor and same is duly reported back at the subsequent Audit and Risk Committee meeting.

The internal audit function is pivotal in enhancing organizational effectiveness by evaluating and improving key operational areas. This year's audit plan concentrated on specific risk areas to address critical concerns.

CORPORATE GOVERNANCE REPORT (CONT'D)

Key audit areas included:

Audit of Financial Controls and Reconciliation Processes

This audit was designed to evaluate critical financial controls and reconciliation processes, encompassing bank, VAT, and TDS reconciliations, as well as purchase order management and supplier billing verification. The objectives included ensuring accuracy, preventing fraud, and assessing the effectiveness of payment controls and debtor management. The scope included reviewing authorization workflows, verifying financial records, and ensuring adherence to accounting policies.

Fixed Asset Management Audit

The fixed asset audit focused on verifying the accuracy and completeness of the asset register, including valuation, physical existence, and ownership of assets. Conducted from January to September 2023, the audit reviewed asset management systems, procurement processes, and disposal procedures. The goal was to enhance asset management practices, identify and address risks, and ensure accurate tracking, reporting, and compliance with standards.

Warehouse Security and Stock Management Audit

This audit focused on assessing the effectiveness of warehouse security and stock management practices. It included evaluating access controls, CCTV surveillance, security policies and procedures, employee training, and incident management. Additionally, it covered stock management processes such as counting, receiving, inspection, storage, issuance, disposal, and recording. The aim was to ensure a secure environment, accurate inventory control, and protection against loss or damage, with strong procedures and effective monitoring in place.

Audit of Body & Paint Workshop Processes

This audit examined the entire workflow within the Body & Paint Workshop, from initiating Estimated Orders of Repair (EOR) to final insurance settlement. It covered the coordination among departments, including Service, Spare Parts, Administration, and Invoicing, and addressed invoicing, insurance claims, and parts management. The aim was to enhance process efficiency, ensure accurate repair estimates and documentation, streamline communication, and improve overall client satisfaction by facilitating timely repairs and clear invoicing.

Audit and Risk Committee

The role of the Audit and Risk Committee is defined under Principle Two.

External Audit

Since FYE 2020, BDO & Co. acts as the external auditors of the Company. In accordance with Section 200 of the Companies Act 2001, BDO was re-appointed as external auditor of the Company for the financial year ended 30 June 2024 at the last Annual Meeting of Shareholders of the Company held in December 2023.

During the year under review, no other services had been carried out by BDO & Co. for the Company.

The review of the tax computations had been carried out by BDO Financial Services Ltd.

The Audit and Risk Committee meets twice a year with the external auditors:

i. to discuss and agree on the audit plan; and
ii. to review the Company's financial statements, management and representation letter and to assess the effectiveness of the external audit process.

The Audit and Risk Committee also discussed critical policies, judgements and estimates with the external auditor.

The external auditor also has the opportunity to meet the members of the Audit and Risk Committee without management presence.

Furthermore, an assessment of the work and performance of external auditors is carried out yearly both by management and the Audit and Risk Committee. The criteria used for such assessment is as follows:

- Quality of Services provided
- Sufficiency of Audit Firm and Network Resources
- Independence, Objectivity and Professional skepticism

There were no significant issues identified by the Audit and Risk Committee in relation to the last financial statements of the Company.

PRINCIPLE EIGHT – RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

Shareholding Profile

ABC MOTORS COMPANY LIMITED is listed on the Development & Enterprise Market (DEM) of the Stock Exchange of Mauritius with an issued and fully paid-up share capital of 6,175,680 ordinary shares of Rs.10.00 each amounting to Rs.61,756,800.00.

Substantial Shareholders

As at 30 June 2024, the shareholders holding more than 5% of the issued share capital of the Company were:

Shareholders	Number of shares owned	% Holding
Mr. Vincent Ah-Chuen	491,757	7.96%
Professor Donald Ah-Chuen	352,557	5.71%
Dragon Electronics Ltd	479,800	7.77%
Mr. N.H.K. Ngan Chee Wang	459,200	7.44%
Speedfreight Ltd	524,000	8.48%
Team Investment Limited	448,200	7.26%
Union Shipping Limited	619,220	10.03%

Communication with Shareholders and Stakeholders

The Board of Directors places great importance on clear disclosures, open and transparent channel of communication with all its shareholders. It endeavours to keep them regularly informed on matters pertaining to and affecting the Company. Through the Company's website namely ***www.abcmotors.mu***, information is provided to all stakeholders on the activities of the Company, on the latest news and on new products which have been launched. Shareholders are strongly encouraged to attend the Company's Annual Meeting, which provides an opportunity for the latter to raise and discuss matters with the Board relating to the Company's performance and also to keep abreast of the overall strategy and goals.

Dividend Policy

Payment of dividends is subject to the Company's profitability, its cash flow and its funding requirements.

A Certificate of Solvency is signed by all the directors in accordance with the requirements of the Mauritius Companies Act 2001 whenever a dividend is declared by the Board.

On 14 November 2023, a dividend of Rs 1.60 per ordinary share was declared by the Board of Directors and paid on 20 December 2023.

Share Option Plans

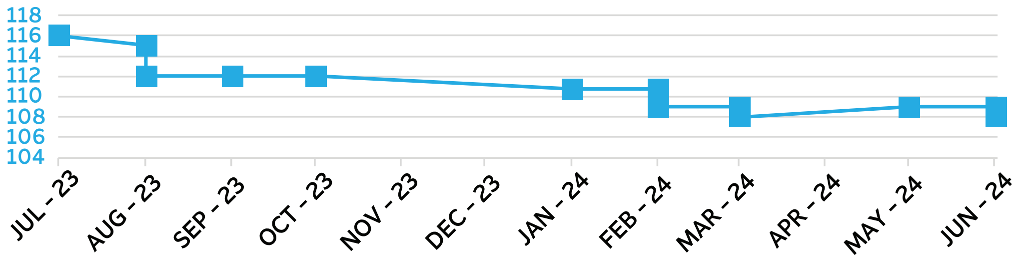
The Company has no share option plan.

Shareholders' Agreement

There is currently no shareholders' agreement affecting the governance of the Company.

Share Price Information

The Company's share price per DEM of the Stock Exchange is illustrated below:



Third Party Management Agreement

The Company has not entered into any management agreement with third parties.

Related Party Transactions

For related party transactions, please refer to pages 117 to 119 Note 30 of the Financial Statements.

Website

The website of the Company is updated with necessary disclosures as stipulated in the Code as and when.

Timetable of Important Events

Next Financial Year End	**June 2025**
Next Annual Report	**September 2025**
Next Annual Meeting of Shareholders	**December 2025**

Approved by the Board of Directors on 26 September 2024 and signed on its behalf by:

Yognandan Sharma Mahabirsingh	**ABC Professional & Secretarial Services Ltd**
Chairman of the	Company Secretary
Corporate Governance Committee	*Per* Cindy Larose, ACIS

DRIVING THE STANDARDS

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity (PIE): **ABC MOTORS COMPANY LIMITED**

Reporting Period: **30 June 2024**

We, the directors of ABC MOTORS COMPANY LIMITED, confirm that, to the best of our knowledge, the Company has applied all the principles of the National Code of Corporate Governance for Mauritius (2016) in all material respects.

26 September 2024

Vincent Ah-Chuen	**Dean Ah-Chuen**
Chairman of the Board	Managing Director

DRIVING THE TRANSPARENCY

OTHER STATUTORY DISCLOSURES

OTHER STATUTORY DISCLOSURES

(Pursuant to Section 221 of the Mauritius Companies Act 2001)

Principal Activity

The principal activities of the Company comprise of the sales and service of vehicles, trucks, buses and accessories of Nissan Motors Co. Ltd and UD Trucks Corporation.

Particulars of Entries in the Interest Register

No entry was made in the Interest Register of the Company and that of its Subsidiaries during the year under review.

Two executive directors have service contracts with the Company as follows:

- Mr. Vincent Ah-Chuen has a 3-year contract of service as Executive Chairman with the Company, expiring on 30 June 2026.
- Mr. Dean Ah-Chuen, as Managing Director, has an indefinite contract of service as Managing Director with the Company.

Donations

Donations made during the year were as follows:

	The Company		The Subsidiaries	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
CSR paid to Sir Jean Etienne Moilin Ah Chuen Foundation	-	100,000	773,958	417,508
Political Donations	-	-	-	-
	-	**100,000**	**773,958**	**417,508**

OTHER STATUTORY DISCLOSURES (CONT'D)

Directors

The directors of the Company and its Subsidiaries as at 30 June 2024 were as follows:

Key:

■ Director

△ Alternate Director

	The Company	ABC Properties Ltd	Stamford Third Ltd	ABC Autotech Ltd	ABC Marketing Ltd	Stuttgart Motors Ltd	GinMori Auto Ltd
Professor Donald Ah-Chuen	■	■	■	■	■	■	
Mr. Vincent Ah-Chuen	■	■	■	■	■	■	■
Mr. André Marc Ah-Chuen	■	■	■	■	■	■	■
Mr. Dean Ah-Chuen	■	■	■	■	■	■	■
Mr. David Brian Ah-Chuen	■	■		■	△	■	■
Mr. Yognandan Sharma Mahabirsingh	■						
Mr. Tchang Fa Wong Sun Thiong	■						
Mr. Voon Yue Choon Wan Min Kee	■						
Mrs. Valérie Ah-Chuen Juban	■	△	△	■	△	△	
Me Jennifer Konfortion	■						
Mr. Mark Cedric Ah Chuen *(alternate director)*	△	△	△	△	△	△	△
Mr. James Lim Teng Chong *(alternate director)*		△					
Mr. Joseph Anthony Tseung Sum Foi *(alternate director)*				△			
Mr. José Alain Ng Wing Yik *(alternate director)*				△			
Mr Raymond Ah-Chuen *(resigned as Director in September 2023)*	■						

OTHER STATUTORY DISCLOSURES (CONT'D)

Directors' Emoluments

During the financial year ended 30 June 2024, the executive and non-executive & independent directors were entitled to emoluments as follows:

Directors' Emoluments paid during Financial Year	From the Company		From the Subsidiaries	
	2023/2024	2022/2023 Rs.	2023/2024	2022/2023 Rs.
Executive Directors				
Mr. Vincent Ah-Chuen – Executive Chairman	5,749,000	5,061,500	1,240,000	445,000
Mr. Dean Ah-Chuen – Managing Director	10,694,000	9,386,000	3,000,000	2,100,000
Sub-total: Executive Directors	**16,443,000**	**14,447,500**	**4,240,000**	**2,545,000**
Non-Executive/Independent Directors				
Mr. Raymond Ah-Chuen	922,680	861,540	20,000	-
Professor Donald Ah-Chuen	2,366,000	2,772,000	12,000	18,000
Mr. André Marc Ah-Chuen	405,000	415,000	36,000	27,000
Mr. David Brian Ah-Chuen *(also Alternate Director to Mr. Raymond Ah-Chuen)*	1,270,000	1,240,000	-	18,000
Mrs. Valérie Ah-Chuen Juban *(also Alternate Director to Mr. Vincent Ah-Chuen)*	80,000	45,000	-	-
Mr. Voon Yue Choon Wan Min Kee	345,000	202,000	-	28,200
Mr. Yognandan Sharma Mahabirsingh	350,000	81,000	-	-
Mr. Tchang Fa Wong Sun Thiong	375,000	81,000	-	-
Me Jennifer Konfortion	-	-	-	-
Sub-total: Non-Executive/Independent Directors	**6,113,680**	**5,697,540**	**68,000**	**91,200**
Grand Total	**22,556,680**	**20,145,040**	**4,308,000**	**2,636,200**

OTHER STATUTORY DISCLOSURES (CONT'D)

External Auditor

The fees (excluding VAT) payable by the Company and its Subsidiaries to the External Auditors for audit and other services were:

	The Company		The Subsidiaries	
	FY 2024 Rs.	FY 2023 Rs.	FY 2024 Rs.	FY 2023 Rs.
Audit fees				
BDO & Co	2,400,000	2,900,000	316,250	275,000
Other firms:				
Stuttgart Motors Ltd	-	-	575,000	400,000
ABC Marketing Ltd	-	-	100,000	100,000
ABC Properties Ltd	-	-	150,000	150,000
	2,400,000	**2,900,000**	**1,141,250**	**925,000**
Other services				
Other firms:	-	-		
Stuttgart Motors Ltd	-	-	95,000	90,000
ABC Properties Ltd	-	-	25,000	25,000
	-	**-**	**120,000**	**115,000**

Approved by the Board of Directors on 26 September 2024 and signed on its behalf by:

Vincent Ah-Chuen
Chairman of the Board

Dean Ah-Chuen
Managing Director

Secretary's Certificate

(Pursuant to Section 166(d) of the Mauritius Companies Act 2001)

We certify that, to the best of our knowledge and belief, the Company has filed, for the financial year ended 30 June 2024, with the Registrar of Companies all such returns as are required under the Mauritius Companies Act 2001.

ABC Professional & Secretarial Services Ltd
Company Secretary
Per Cindy Larose, *ACIS*

26 September 2024

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The directors are responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the International Financial Reporting Standards (IFRS) and Mauritius Companies Act 2001.

Company law requires the directors to prepare financial statements for the year ended 30 June 2024 which give a true and fair view of the financial position of the Company and the financial performance and cash flows of the Company for that year. In preparing the annual financial statements, the directors have:

- prepared the financial statements on a going concern basis
- maintained adequate accounting records and an effective system of internal controls and risk management
- made judgements and estimates that are reasonable and prudent
- selected suitable accounting policies and applied them consistently
- stated whether applicable accounting standards have been followed, subject to any material departures explained in the financial statements
- safeguarded the assets of the Company by maintaining accounting and internal control systems that are designed to prevent and detect fraud and errors
- ensured that the National Code of Corporate Governance for Mauritius (2016) has been adhered to, or if not, to give reasons where there has been non-application

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

Approved by the Board of Directors on 26 September 2024 and signed on its behalf by:

Voon Yue Choon Wan Min Kee	Dean Ah-Chuen
Chairman of the Audit and Risk Committee	Managing Director

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ABC Motors Company Limited

Report on the Audit of the Consolidated And Separate Financial Statements

Opinion

We have audited the consolidated financial statements of ABC Motors Company Limited (the "Company") and its subsidiaries (the "Group"), and the Company's separate financial statements on pages 64 to 127 which comprise the consolidated and separate statements of financial position as at June 30, 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and of the Company as at June 30, 2024, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and comply with the Mauritian 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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">KEY AUDIT MATTER</th><th>AUDIT RESPONSE</th></tr>
<tr><td>1</td><td colspan="2">Expected credit losses on trade receivables</td></tr>
<tr><td></td><td>As at 30 June 2024, the Group and Company had trade receivables of Rs 243m and Rs 188m respectively. The trade receivables are measured at amortised cost less expected credit loss ('ECL') allowance in accordance with IFRS 9. The movement in ECL is recognised in profit or loss.

The ECL on trade receivables is measured using a provision matrix based on historical credit loss experience, adjusted for factors that are specific to the debtors and general economic conditions.

We consider this to be a Key Audit Matter because of the significant judgements and estimates involved in the ECL model.

Refer to note 14 (Trade and Other receivables), note 3(q) (accounting policies), note 4 (Significant accounting estimates and judgements) and note 31 (Financial risk management) of the accompanying financial statements.</td><td>Our audit procedures included amongst other:
• Understanding the methodology used in computing the ECL;
• Reviewing the reasonableness of the segmentation of the portfolio;
• Assessing the reasonableness of the assumptions used in the ECL computation
• and how forward looking information was included;
• Testing the accuracy and completeness of data used in the model;
• Testing the arithmetical accuracy of the

ECL computation;
• Ensuring the disclosures made by management in the financial statements are in accordance with the requirements of IFRS 7 Financial Instruments: Disclosures.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matters (Cont'd)

KEY AUDIT MATTER		AUDIT RESPONSE
2	**Valuation of Land and Buildings classified under Property, Plant and Equipment**	
	The Group and Company have property, plant and equipment which included land and buildings amounting to Rs.938m and Rs 647m respectively. Land and buildings are measured at fair value less accumulated depreciation on buildings and any impairment losses. Land and buildings are revalued every year by independent external valuers, unless there is evidence that the fair value differs materially from the carrying amount. Any revaluation surplus is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The revaluation surplus on land and buildings reported in other comprehensive income amounts to Rs 53m for the Group and Rs 38m for the Company. The valuation of land and buildings is of a subjective nature and involves the use of judgements, estimates and other assumptions in determining fair values and which materially affect the carrying amounts of the revalued assets. The significance of land and buildings on the consolidated and separate statements of financial position and the significant judgements and assumptions applied in arriving at the fair value resulted in them being identified as a key audit matter. Refer to note 5 (Property, plant and equipment), note 3(f) (accounting policies), and note 4 (Significant accounting estimates and judgements).	Our audit procedures included amongst other: • We obtained and assessed the reports from the external independent valuation specialists; • We tested the mathematical accuracy of the reports and evaluated the appropriateness of • the valuation methodology used by the external independent valuation specialists for determining the fair value of land and buildings. • We assessed the qualifications, competence, capabilities and objectivity of the external independent valuation specialists; • We discussed and challenged the key inputs and assumptions used by the external independent valuation specialists for the valuation model; • We evaluated whether disclosures made by management in the financial statements were in accordance with the requirements of IFRS Accounting Standards.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Consolidated And Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matters (Cont'd)

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

The Directors are responsible for overseeing the Group and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated And Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and 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 Group and/or 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated And Separate Financial Statements (continued)

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company and its subsidiaries, other than in our capacity as auditor 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.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the Annual Report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Annual Report, the Company has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

Other Matter

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & CO
Chartered Accountants

26 September 2024
Port Louis,
Mauritius.

Didier Dabydin, FCA
Licensed by FRC

FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

ABC MOTORS COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	THE GROUP 30 June 2024 Rs '000	THE GROUP 30 June 2023 Rs '000	THE COMPANY 30 June 2024 Rs '000	THE COMPANY 30 June 2023 Rs '000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**1,032,666**	1,076,922	**687,547**	651,402
Right-of-use assets	6(a)	**82,196**	80,961	**54,990**	64,103
Investment properties	7	**270,935**	30,000	**191,500**	184,900
Intangible assets	8	**746**	869	**708**	798
Investments in subsidiaries	9	**-**	-	**95,935**	95,935
Investments in associates	10	**346,812**	342,196	**109,286**	109,286
Financial assets at fair value through other comprehensive income	11	**220,506**	251,721	**199,776**	236,553
Other financial assets	27	**161**	161	**5,711**	5,711
Deferred tax assets	12	**2,128**	2,196	**-**	-
Total non-current assets		**1,956,150**	1,785,026	**1,345,453**	1,348,688
Current assets					
Inventories	13	**829,227**	712,808	**546,886**	474,408
Trade and other receivables	14	**485,647**	671,223	**368,610**	465,370
Other financial assets	27	**-**	33	**-**	33
Current tax assets	12	**123**	116	**-**	-
Cash and bank balances	20	**46,967**	125,376	**15,193**	76,442
Total current assets		**1,361,964**	1,509,556	**930,689**	1,016,253
Total assets		**3,318,114**	**3,294,582**	**2,276,142**	**2,364,941**
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	15	**61,904**	61,904	**61,904**	61,904
Other reserves	16	**509,444**	518,650	**335,033**	346,091
Retained earnings		**787,374**	762,081	**654,472**	637,340
Equity attributable to owners of the Company		**1,358,722**	1,342,635	**1,051,409**	1,045,335
Non-controlling interests	17	**155,362**	132,687	**-**	-
Total equity		**1,514,084**	1,475,322	**1,051,409**	1,045,335
Non-current liabilities					
Loans	18	**307,165**	281,327	**148,623**	171,857
Lease liabilities	6(b)	**67,597**	70,572	**51,679**	60,524
Deferred tax liabilities	12	**40,846**	39,138	**28,152**	28,482
Retirement benefit obligations	19	**99,128**	93,594	**86,144**	83,640
Total non-current liabilities		**514,736**	484,631	**314,598**	344,503
Current liabilities					
Bank overdrafts	20	**364,869**	407,291	**297,847**	354,215
Trade and other payables	21	**202,636**	323,429	**162,681**	244,161
Contract liabilities	34(b)	**91,697**	71,783	**20,010**	14,307
Loans	18	**604,099**	507,837	**412,649**	345,445
Lease liabilities	6(b)	**20,147**	15,450	**16,948**	16,975
Current tax liabilities	12	**5,846**	8,839	**-**	-
Total current liabilities		**1,289,294**	1,334,629	**910,135**	975,103
Total equity and liabilities		**3,318,114**	**3,294,582**	**2,276,142**	**2,364,941**

Approved by the Board of Directors and authorised for issue on 26 September 2024

Mr Vincent Ah Chuen
Executive Chairman

Mr Dean Ah Chuen
Managing Director

The notes on pages 70 to 127 form an integral part of these financial statements.
Independent auditor's report on pages 58 to 61.

ABC MOTORS COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

		THE GROUP		THE COMPANY	
	Notes	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Revenue	34	**2,746,218**	2,733,441	**1,654,643**	1,729,537
Profit from operations	22	**166,238**	182,192	**101,957**	114,307
Gain/(Loss) on revaluation of investment properties	7	**1,300**	789	**6,260**	14,469
Loss allowance on trade receivables	14	**(1,661)**	(17,840)	**-**	(10,187)
Finance costs	23	**(95,651)**	(66,061)	**(70,901)**	(53,262)
		70,226	99,080	**37,316**	65,327
Share of results of associates	10	**28,191**	44,545	**-**	-
Profit before taxation		**98,417**	143,625	**37,316**	65,327
Income tax	12	**(12,388)**	(16,766)	**1,924**	(5,373)
Profit for the year		**86,029**	126,859	**39,240**	59,954
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Fair value loss on investments in equity instruments designated as at FVTOCI	11	**(40,493)**	(65,344)	**(45,083)**	(65,789)
Share of fair value loss on investments in equity instruments designated as at FVTOCI of associates	10	**(10,830)**	(6,665)	**-**	-
Remeasurement of defined benefit obligations	19	**(16,403)**	7,243	**(14,734)**	6,107
Share of remeasurement of post employment benefit obligations of associates, net of income tax	10	**(1,386)**	(726)	**-**	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	12	**2,710**	(1,038)	**2,507**	(1,038)
Gains on revaluation of land and buildings	5	**52,909**	140,424	**38,126**	103,322
Release of income tax relating to gain on revaluation of buildings	12	**(6,139)**	(12,393)	**(4,101)**	(9,742)
Other comprehensive income, net of income tax		**(19,632)**	61,501	**(23,285)**	32,860
Total comprehensive income for the year		**66,397**	**188,360**	**15,955**	**92,814**
Profit for the year attributable to:					
Owners of the Company		**48,464**	90,906		
Non-controlling interests	17	**37,565**	35,953		
Profit for the year		**86,029**	**126,859**		
Total comprehensive income attributable to:					
Owners of the Company		**25,968**	151,109		
Non-controlling interests	17	**40,429**	37,251		
Total comprehensive income for the year		**66,397**	**188,360**		
Earnings per share	24	**7.85**	**14.72**		

The notes on pages 70 to 127 form an integral part of these financial statements.
Independent auditor's report on pages 58 to 61.

ABC MOTORS COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

a) THE GROUP

	Notes	Stated capital				Other Reserves						
		Share capital	Share premium	Total	Retained earnings	Regulatory reserve[1]	Investments revaluation reserve[2]	Properties revaluation reserve[3]	Total	Attributable to owners of the company	Non - controlling interests	Total equity
		Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance at 1 July 2022		**61,757**	**147**	**61,904**	**677,359**	**20,224**	**161,189**	**278,261**	**459,674**	**1,198,937**	**70,579**	**1,269,516**
Increase in capital for NCI		-	-	-	-	-	-	-	-	-	36,260	36,260
Profit for the year		-	-	-	90,906	-	-	-	-	90,906	35,953	126,859
Other comprehensive income, net of income tax		-	-	-	5,479	-	(73,307)	128,031	54,724	60,203	1,298	61,501
Total comprehensive income for the year		-	-	-	96,385	-	(73,307)	128,031	54,724	151,109	37,251	188,360
Transfer from retained earnings to regulatory reserve		-	-	-	(4,252)	4,252	-	-	4,252	-	-	-
Dividends		-	-	-	(7,411)	-	-	-	-	(7,411)	(11,403)	(18,814)
Balance at 30 June 2023		**61,757**	**147**	**61,904**	**762,081**	**24,476**	**87,882**	**406,292**	**518,650**	**1,342,635**	**132,687**	**1,475,322**
Balance at 1 July 2023		**61,757**	**147**	**61,904**	**762,081**	**24,476**	**87,882**	**406,292**	**518,650**	**1,342,635**	**132,687**	**1,475,322**
Profit for the year		-	-	-	48,464	-	-	-	-	48,464	37,565	86,029
Other comprehensive income, net of income tax		-	-	-	(13,290)	-	(55,495)	46,289	(9,206)	(22,496)	2,864	(19,632)
Total comprehensive income for the year		-	-	-	35,174	-	(55,495)	46,289	(9,206)	25,968	40,429	66,397
Dividends		-	-	-	(9,881)	-	-	-	-	(9,881)	(17,754)	(27,635)
Balance at 30 June 2024		**61,757**	**147**	**61,904**	**787,374**	**24,476**	**32,387**	**452,581**	**509,444**	**1,358,722**	**155,362**	**1,514,084**

The notes on pages 70 to 127 form an integral part of these financial statements.
Independent auditor's report on pages 58 to 61.

1. The regulatory reserve represents transfer from retained earnings by the associate in accordance with the Banking Act 2004.

2. The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of investments in equity instruments designated at FVTOCI, net of cumulative gains/losses reclassified to retained earnings upon disposal.

3. The properties revaluation reserve represents cumulative gains or losses arising from changes in the fair value of land and buildings, net of income tax.

ABC MOTORS COMPANY LIMITED AND ITS SUBSIDIARIES
SEPARATE STATEMENT OF CHANGES IN EQUITY (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2024

b) THE COMPANY

		Stated capital				Other Reserves			
	Notes	Share capital Rs '000	Share premium Rs '000	Total Rs '000	Retained earnings Rs '000	Investments revaluation reserve Rs '000	Properties revaluation reserve Rs '000	Total Rs '000	Total equity Rs '000
Balance at 1 July 2022		61,757	147	61,904	579,728	115,408	202,892	318,300	959,932
Profit for the year		-	-	-	59,954	-	-	-	59,954
Other comprehensive income, net of income tax		-	-	-	5,069	(65,789)	93,580	27,791	32,860
Total comprehensive income for the year		-	-	-	65,023	(65,789)	93,580	27,791	92,814
Dividend Paid		-	-	-	(7,411)	-	-	-	(7,411)
Balance at 30 June 2023		**61,757**	**147**	**61,904**	**637,340**	**49,619**	**296,472**	**346,091**	**1,045,335**
Balance at 1 July 2023		**61,757**	**147**	**61,904**	**637,340**	**49,619**	**296,472**	**346,091**	**1,045,335**
Profit for the year		-	-	-	39,240	-	-	-	39,240
Other comprehensive income, net of income tax		-	-	-	(12,227)	(45,083)	34,025	(11,058)	(23,285)
Total comprehensive income for the year		-	-	-	27,013	(45,083)	34,025	(11,058)	15,955
Dividend Paid		-	-	-	(9,881)	-	-	-	(9,881)
Balance at 30 June 2024		**61,757**	**147**	**61,904**	**654,472**	**4,536**	**330,497**	**335,033**	**1,051,409**

The notes on pages 70 to 127 form an integral part of these financial statements.
Independent auditor's report on pages 58 to 61.

ABC MOTORS COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	THE GROUP 30 June 2024 Rs '000	THE GROUP 30 June 2023 Rs '000	THE COMPANY 30 June 2024 Rs '000	THE COMPANY 30 June 2023 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		**98,417**	143,625	**37,316**	65,327
Adjustments for:					
Interest receivable	22	**(19,602)**	(5,126)	**(3,468)**	(4,628)
Profit on disposal of property, plant and equipment	22	**(1,992)**	(814)	**(1,742)**	(814)
Construction in progress written off	5	**35**	445	**-**	445
Realised loss on forward contracts		**33**	234	**33**	684
Unrealised gains on forward contracts	22		(33)	**-**	(33)
Gain on termination of leases	6 (b)	**(128)**	(11)	**(128)**	(11)
Amortisation of intangible assets	8, 22	**252**	196	**219**	132
Depreciation of property, plant and equipment and right-of-use assets	5, 6	**58,943**	61,278	**44,797**	43,351
(Gain) / Loss on fair value of investment properties	7	**(1,300)**	(789)	**(6,260)**	(14,469)
Dividend received	22	**(6,451)**	(6,167)	**(36,158)**	(25,668)
Interest expense	23	**95,651**	66,061	**70,901**	53,262
Retirement benefit obligations	19	**10,142**	10,954	**8,781**	9,985
Benefit paid for retirements	19	**(695)**	(365)	**(695)**	(365)
Contributions paid to plan assets	19	**(20,317)**	(10,554)	**(20,317)**	(10,554)
Movement in loss allowance on trade receivables	14	**1,661**	17,840	**-**	10,187
Share of results of associates	10	**(28,191)**	(44,545)	**-**	-
Operating profit before working capital changes		**186,458**	232,229	**93,279**	126,831
Increase in inventories		**(116,419)**	(160,260)	**(72,478)**	(93,704)
Decrease / (Increase) in trade and other receivables		**185,880**	(85,657)	**96,759**	19,090
Decrease in trade and other payables		**(100,879)**	(31,343)	**(75,775)**	(101,630)
Cash generated from operating activities		**155,040**	(45,031)	**41,785**	(49,413)
Income tax refund / (paid)	12	**(17,041)**	(5,194)	**-**	1,793
Net cash generated from operating activities		**137,999**	(50,225)	**41,785**	(47,620)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		**3,084**	1,786	**2,549**	1,786
Purchase of intangible assets	8	**(129)**	(800)	**(129)**	(800)
Purchase of property, plant and equipment	25	**(182,775)**	(136,630)	**(25,245)**	(19,890)
Purchase of investment property	7	**-**	-	**(340)**	(253)
Purchase of investment in subsidiaries	9	**-**	-	**-**	(42,530)
Purchase of financial assets at fair value through other comprehensive income	11	**(9,278)**	(3,875)	**(8,306)**	(290)
Dividend received		**17,810**	13,919	**36,158**	25,668
Interest received		**19,602**	5,126	**3,468**	4,628
Net cash (used in)/generated from investing activities		**(151,686)**	(120,474)	**8,155**	(31,681)
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans raised		**2,547,083**	1,981,395	**2,298,326**	1,576,981
Principal paid on lease liabilities		**(21,114)**	(24,420)	**(18,008)**	(17,716)
Interest paid on lease liabilities		**(6,509)**	(5,481)	**(4,852)**	(4,871)
Interest paid on loans and borrowings		**(89,142)**	(60,580)	**(66,049)**	(48,391)
Dividend paid		**(27,635)**	(18,814)	**(9,881)**	(7,411)
Repayment of loans		**(2,424,983)**	(1,947,761)	**(2,254,357)**	(1,669,858)
Issue of share capital to non-controlling interests		**-**	36,260	**-**	-
Net cash used in financing activities		**(22,300)**	(39,401)	**(54,821)**	(171,266)
Net increase/(decrease) in cash and cash equivalents		**(35,987)**	(210,100)	**(4,881)**	(250,567)
Cash and cash equivalents at beginning of year		**(281,915)**	(71,815)	**(277,773)**	(27,206)
Cash and cash equivalents at end of year	20	**(317,902)**	**(281,915)**	**(282,654)**	**(277,773)**

The notes on pages 70 to 127 form an integral part of these financial statements.
Independent auditor's report on pages 58 to 61.

1. INCORPORATION AND ACTIVITIES

ABC MOTORS COMPANY LIMITED (the "Company") is a public company incorporated in Mauritius with its registered office at ABC Centre, Military Road, Port Louis and is listed on the Development Enterprise Market. It is engaged in the importation and sale of motor vehicles and spare parts.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSS)

In the current year, the Group and the Company have applied all the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to their operations and effective for accounting periods beginning on 1 July 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2.1 New and amended IFRSs applied with no material effect on the financial statements

IFRS 17 Insurance contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS.

IAS 1 Presentation of Financial Statements

Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material. These amendments have no effect on the measurement or presentation of any items of the Company's financial statements but affect the disclosure of accounting policies of the Company. During the year, only material accounting policy information is disclosed in the Group's/Company's financial statements.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

International Tax Reform — Pillar Two Model Rules: The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

2.2 New and revised Standards in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

Effective date January 1, 2024

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

IAS 1 Presentation of Financial Statements

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

IFRS 16 Leases

Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

IAS 7 Statement of Cash Flows & IFRS 7 Financial Instruments: Disclosures

Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

Effective date January 1, 2025

IAS 21 The Effects of Changes in Foreign Exchange Rates

Lack of Exchangeability: The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Effective date January 1, 2026

IFRS 9 Financial Instruments & IFRS 7 Financial Instruments: Disclosures	Classification and Measurement of Financial Instruments: The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Also, additional disclosures have been introduced for financial instruments with contingent features and equity instruments designated at fair value through other comprehensive income.
IFRS 10 Consolidated Financial Statements:	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.
IAS 28 Investments in Associates and Joint Ventures:	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

Management anticipates that these IFRSs will be applied on their effective dates in future periods. Management has not yet assessed the potential impact of the application of these amendments.

3. ACCOUNTING POLICIES

The financial statements of ABC MOTORS COMPANY LIMITED comply with the Mauritius Companies Act 2001 and have been prepared in accordance with IFRS Accounting Standards and the principal accounting policies adopted by the Group and the Company are as follows:

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis except for (i) relevant financial assets that are measured at fair values at the end of each reporting period (ii) land and buildings are carried at revalued amounts (iii) investment properties are stated at their fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Comparative figures have been regrouped, where necessary, to conform to the current year's presentation.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

3. ACCOUNTING POLICIES (CONT'D)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in existing subsidiary

Changes in the Group's ownership interests in a subsidiary that do not result in the Group losing control over the subsidiary is accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their respective interest in their subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the asset (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate.

(c)Investment in subsidiaries

In the Company's separate financial statements, investment in subsidiaries is stated at cost, unless in the opinion of the directors, there has been a permanent diminution in value, in which event they are written down to recoverable amount. Impairment losses are recognised in profit or loss.

(d)Investment in associates

Associated companies are entities in which the Group or the Company has significant influence but which are neither a subsidiary nor a joint venture of the Group or the Company. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Company states its investments in associates at cost less impairment whereas the Group uses the equity method of accounting to account for its associates. Impairment losses are recognised in profit or loss.

Consolidated financial statements

The results, assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3. ACCOUNTING POLICIES (CONT'D)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by the associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

(e)Revenue recognition

Revenue is based on the consideration to which the Group and the Company expect to be entitled in a contract with a customer. The Group and the Company recognise revenue when they transfer control of a product or service to a customer. Control refers to the customer's ability to use vehicles or services in its operation and to obtain the associated cash flow.

Revenue is net of Value Added Tax, rebates, costs associated to customer loyalty programmes and discounts.

Sale of vehicles

Revenue from sale of vehicles is recognised when the control of the vehicle has been transferred to the customer, normally when the vehicle has been registered onto the name of the customer.

The sale of vehicles may include a contractual right, which entitles the customer to a free vehicle maintenance. Such contractual right is included under the customer loyalty program and revenue is recognised as the free vehicle maintenance is performed as a separate performance obligation.

Sale of vehicle combined with a buyback value commitment is recognised when the control of the vehicle has been transferred to the customer. Since the buyback of the vehicle is undertaken by a related party, the Group and the Company do not have any obligation.

Rendering of services

Services include the service and maintenance of vehicles, and sale of spare parts including other after sales products. Revenue is recognised when the control of the service has been transferred to the customer, which is when the Group and the Company incur the associated cost to deliver the service and the customer can benefit from the use of the delivered goods and services.

3. ACCOUNTING POLICIES (CONT'D)

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

Some goods sold by the Group and the Company include warranties which require the Group and the Company to either replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. In accordance with IFRS 15, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them. Instead, a provision is made for the costs of satisfying the warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. On some product lines, a customer is able to take out extended warranties. These are accounted for as separate performance obligations, with the revenue earned recognised on a straight-line basis over the term of the warranty.

Other revenues

Other revenues earned are recognised on the following basis:

- Interest income is calculated by applying the effective interest 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 a financial asset (after deduction of the loss allowance).
- Dividend income is recognised when the shareholder's right to receive payment is established.
- Recognition of lease income is described in note 3(m).
- Other income are recognised on an accrual basis.

(f) Property, plant and equipment

Land and buildings, used for showrooms, aftersales service and/or administrative purposes, are stated at revalued amounts, based on periodic valuation by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

All other plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. 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 Group and the cost of the item can be measured reliably.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholder's equity, unless the increase reverses revaluation decrease of the same asset previously recognised in profit or loss, in which case that increase is recognised in profit or loss to the extent of the previous decrease. Decreases that offset previous increases of the same asset are charged against the revaluation surplus directly in equity; all other decreases are charged to profit or loss.

Depreciation is calculated on a straight-line basis to write off the cost of assets less their estimated residual values over their estimated useful lives as follows:

Freehold building	2%
Building on leasehold land	2-5%
Improvement to building on leasehold land	5%, 10%
Furniture and fittings	10%
Motor vehicles	20%
Office equipment	10%
Workshop equipment and tools	10%, 33.33%
Electronic equipment	10% - 25%

No depreciation is provided on freehold land and construction in progress.

3. ACCOUNTING POLICIES (CONT'D)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

The asset's residual values, useful lives and depreciation method are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

Construction in progress are carried at cost, less any recognised impairment loss. Cost include professional fees and borrowing costs capitalised under qualifying assets. Depreciation of these assets commences when the asset is ready for their intended use.

(g) Investment properties

An investment property is recognised as an asset when:

An owned investment property is recognised as an asset when:

a. it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and

b. the cost of the investment property can bemeasured reliably.

Investment properties, held to earn rentals/or for capital appreciation or both and not occupied by the Group, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value at each reporting date, determined periodically by external independent valuers. Changes in fair values are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(h) Intangible assets

An intangible asset is recognised if:

a. it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group; and

b. the cost of the asset can be measured reliably.

Intangible assets comprise of computer software. Intangible assets acquired separately are measured on initial recognition at cost. They are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised on a straight line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at each financial year-end with the effect of any changes in estimate being accounted for on a prospective basis. The intangible assets are amortised over a period of 3 to 5 years.

An intangible asset is derecognised:

a. on disposal; or

b. when no future economic benefits are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss when the asset is derecognised (unless IFRS 16 requires otherwise on a sale and leaseback.) Gains are not be classified as revenue.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on an individual basis for motor vehicles and on a weighted average basis for spare parts. Cost comprises cost of purchase and all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Work in progress comprise all costs of purchase, costs of conversion and other costs, including a proportion of relevant overheads, incurred in bringing them to their present location and condition.

3. ACCOUNTING POLICIES (CONT'D)

(j) Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value. Bank overdraft is included as a component of cash and cash equivalents for the purpose of cash flows.

(k) Foreign currency translation

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Mauritian Rupee rounded to the nearest thousand, which is the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated into the entity's functional currency at the rates of exchange prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement and the retranslation of monetary items are recognised in profit or loss.

(l) Taxation

The income tax expense represents the current tax provision and the movement in deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The principal temporary differences arise mainly from accelerated capital allowances, retirement benefit obligations, loss allowances and provisions.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date 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.

Deferred income tax liabilities are recognised for all taxable temporary differences and deferred income tax assets are recognised for all deductible temporary differences, to the extent that it is probable that taxable profit will be available. Such assets and liabilities are not recorded if the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(m) Leases

Leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

3. ACCOUNTING POLICIES (CONT'D)

Identifying Leases

The Group and the Company account for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;

(b) The Group and the Company obtain substantially all the economic benefits from use of the asset; and

(c) The Group and the Company have the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does not have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group and the Company obtain substantially all the economic benefits from use of the asset, the Group and the Company consider only the economic benefits that arise from the use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group and the Company have the right to direct use of the asset, the Group and the Company consider whether they direct how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group and the Company consider whether they were involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group and the Company apply other applicable IFRSs rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group and the Company are contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

When the Group and the Company revise their estimate of the term of any lease (because, for example, they re-assess the probability of a lessee extension or termination option being exercised), they adjust the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group and the Company renegotiate the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.

3. ACCOUNTING POLICIES (CONT'D)

• in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

• if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the group by the lessor, the group has elected to account for the entire contract as a lease, i.e. it allocates any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

The Group as lessor

Lease income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(n) Retirement benefit obligations

Defined benefit plans

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The Group and the Company present the first two components of defined benefit costs in profit or loss in the line item administrative expenses as part of staff costs. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit liabilities recognised in the statement of financial position represents the actual deficit or surplus in the defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Retirement gratuity - The Workers' Rights Act 2019

For employees who are not covered, (or are insufficiently covered by the above plan), the present value of retirement gratuity, as provided under The Workers' Rights Act 2019, is calculated by a qualified actuary and is provided for and recognised in the statement of financial position as a non-current liability.

State plan

Contributions to the National Pension Scheme are expensed to profit or loss in the period in which they fall due.

3. ACCOUNTING POLICIES (CONT'D)

(o) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group and the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(p) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded securities or other available fair value indicators.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(q) Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Group and the Company become party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

3. ACCOUNTING POLICIES (CONT'D)

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (ii) below); and
- the Group and the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired where interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

Interest income is recognised in profit or loss and is included in the "Other Income".

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Group and the Company may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is a contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short term profit taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Other Income' line item in profit or loss.

The Group and the Company have designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Exchange differences are recognised in profit or loss for financial assets measured at amortised cost

3. ACCOUNTING POLICIES (CONT'D)

Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company apply the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the company operates as well as consideration of various sources of actual and forecast economic information that relate to the Group and the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instruments;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligation;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on the other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its obligations.

Irrespective of the outcome of the above assessment, the Group and the Company presume that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group and the Company have reasonable and supportable information that demonstrate otherwise.

Despite the foregoing, the Group and the Company assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business condition in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

3. ACCOUNTING POLICIES (CONT'D)

The Group and the Company consider a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.
The Group and the Company regularly monitor the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes part due.

(ii) Definition of default

The Group and the Company consider the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

When there is a breach of financial covenants by the debtor; or
Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors in full.

Irrespective of the above analysis, the Group and the Company consider that default has occurred when a financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a. Significant financial difficulty of the issuer or the borrower;
b. A breach of contract, such as a default or past due event;
c. The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d. It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e. The disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group and the Company write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group and the Company in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the original effective interest rate.

The Group and the Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when they transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise their retained interest in the asset and an associated liability for amounts they may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. ACCOUNTING POLICIES (CONT'D)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group and the Company have elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the asset of an entity after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.
Leases and borrowings are presented at the contractual undiscounted cashflows, that is, before deducting finance charges.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments
(including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.
The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and retranslated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group and the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Group and the Company enter into a variety of derivative financial instruments to manage their exposure to foreign exchange risks, including foreign exchange forward contracts.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

3. ACCOUNTING POLICIES (CONT'D)

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group and the Company have both legal right and intention to offset. A derivative is presented as non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group and the Company may designate certain derivatives as hedging instruments in respect of foreign currency risk in cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

The Group and the Company discontinue hedge accounting only when the hedging relationship ceases to meet the qualifying criteria. This includes instances when the hedging instrument expires, or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Forward foreign exchange contracts

The Group enters into derivative financial instruments to manage its exposure to foreign exchange risk, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to the fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which even the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

(r) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or is a member of the key management personnel of the reporting entity. An entity is related to a reporting entity if both of them are members of the same group or one of them is either an associate or joint venture of the other entity. Related party can also arise if the entity is a post-employment benefit plan for the employee of the reporting entity.

(s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. ACCOUNTING POLICIES (CONT'D)

(t) Expense recognition

All expenses are recognised in profit or loss on the accrual basis.

(u) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree, if any, over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree, if any, the excess is recognised immediately in profit or loss as a bargain purchase gain.

(v) Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to the unit and the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(w) Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's and Company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's and Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Increase in credit risk

IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group and the Company take into account qualitative and quantitative reasonable and supportable forward looking information.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Investment in subsidiary and associate

Management applies judgement in assessing whether the Company controls or exercise significant influence on investees (Refer to notes 9 & 10).

Deferred tax on investment properties

It has been determined that the carrying amounts of investment properties using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group/Company has not recognised deferred tax on changes in fair value as the capital gain on disposal of investment properties is not subject to capital gain tax.

Leases

Lease arrangements contain extension and termination options. Management has applied judgement to determine whether these options will be exercised and for how long. Management has also applied a degree of judgement to arrive at the discount rate, which is the incremental borrowing rate defined as the rate the Group would have to pay over a similar term and with similar security.

Key sources of estimation uncertainty

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

Calculation of loss allowance

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on the past due days of customers grouped into various customer segments that have similar loss patterns (i.e., by customer type). A specific assessment approach can also be undertaken for some trade receivables where considered necessary.

The provision matrix is initially based on the Group's and the Company's historical loss rates which represent credit sales not recovered after 1 year. The Group and the Company will calibrate the matrix to adjust the historical loss rate with forward-looking information if required. At every reporting date, the historical observed loss rates are updated and changes in the forward-looking estimates are analysed.

When measuring ECL, the Group and the Company use reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. (Refer to Note 14)

Retirement benefit obligations

Retirement benefit obligations are dependent on the actuarial assumptions as disclosed in note 19. The actuarial assumptions and calculations are made separately for each defined benefit and defined contribution plan. The actuarial assumptions are reviewed annually by the Directors and modified when deemed appropriate. The Group determines the appropriate discount rate which is used to determine the present value of estimated future cash outflows expected to be required to settle pension obligations. The Group considers the interest rates on government bonds that have terms approximating the terms of the related pension obligation.

Fair value of unquoted equity investments

The Group and the Company hold unquoted equity investments that are not quoted on active markets and which are required to be fair valued at each reporting date. The fair value of unquoted equity investments is based on the Net Assets Value of the investee based on their latest available management accounts as at reporting date. The fair value of the unquoted equity investments are therefore sensitive to changes in the Net Assets Value of the investee.

Inventory obsolescence

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product level for estimates excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological change and physical issues. Covid-19 has not had a significant impact on the inventory obsolescence.

ABC MOTORS COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2024

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Revaluation of property

In preparing these financial statements, the Directors have obtained from an independent professional valuer the estimated fair value of the Group's land and buildings which is disclosed in notes 5 and 7 to the financial statements.

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 Group's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

Asset lives and residual values

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

ABC MOTORS COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2024

5. PROPERTY, PLANT AND EQUIPMENT

a) THE GROUP

	Notes	Freehold land	Freehold building	Building on leasehold land	Improvement to building on leasehold land	Furniture and fittings	Motor vehicles	Office equipment	Workshop equipment and tools	Electronic equipment	Construction in progress	Total
		Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
COST OR VALUATION												
At 01 July 2022		**211,700**	**481,400**	**96,623**	**18,384**	**62,651**	**35,899**	**15,088**	**80,629**	**42,744**	**10,998**	**1,056,116**
Additions during the year	25	-	253	883	150	4,034	8,044	416	8,267	5,206	109,377	136,630
Disposals		-	-	-	-	-	(5,044)	(20)	-	(6)	-	(5,070)
Scrap		-	-	-	-	(3,118)	-	(4,456)	(20,936)	(26,213)	-	(54,723)
Revaluation increase		58,010	32,769	3,772	(9,620)	-	-	-	-	-	-	84,931
Written off to profit & loss		-	-	-	-	-	-	-	-	-	(445)	(445)
Transfer		4,390	878	-	-	-	-	-	-	-	(5,268)	-
At 30 June 2023		**274,100**	**515,300**	**101,278**	**8,914**	**63,567**	**38,899**	**11,028**	**67,960**	**21,731**	**114,662**	**1,217,439**
Additions during the year	25	-	4,742	5,585	1,031	4,810	12,051	668	4,701	5,762	143,425	182,775
Disposals		-	-	-	-	(85)	(4,575)	-	-	(36)	-	(4,696)
Revaluation increase		16,800	16,396	1,814	-	-	-	-	-	-	-	35,010
Written off to profit & loss		-	-	-	-	-	-	-	-	-	(35)	(35)
Transfer		-	(183,438)	190,270	(8,724)	-	-	-	-	-	(239,715)	(241,607)
At 30 June 2024		**290,900**	**353,000**	**298,947**	**1,221**	**68,292**	**46,375**	**11,696**	**72,661**	**27,457**	**18,337**	**1,188,886**
ACCUMULATED DEPRECIATION												
At 1 July 2022		**-**	**21,390**	**14,079**	**9,284**	**47,176**	**24,258**	**10,632**	**54,033**	**36,593**	**-**	**217,445**
Charge for the year		-	10,838	4,913	511	5,119	4,657	1,118	6,604	3,627	-	37,387
Disposals		-	-	-	-	-	(4,078)	(18)	-	(3)	-	(4,099)
Scrap		-	-	-	-	(3,118)	-	(4,456)	(20,936)	(26,213)	-	(54,723)
Revaluation adjustment		-	(32,228)	(13,645)	(9,620)	-	-	-	-	-	-	(55,493)
At 30 June 2023		**-**	**-**	**5,347**	**175**	**49,177**	**24,837**	**7,276**	**39,701**	**14,004**	**-**	**140,517**
Charge for the year		-	11,759	6,140	21	3,939	4,680	832	6,005	3,830	-	37,206
Disposals		-	-	-	-	-	(3,568)	-	-	(36)	-	(3,604)
Revaluation adjustment		-	(11,759)	(6,140)	-	-	-	-	-	-	-	(17,899)
At 30 June 2024		**-**	**-**	**5,347**	**196**	**53,116**	**25,949**	**8,108**	**45,706**	**17,798**	**-**	**156,220**
NET BOOK VALUE												
At 30 June 2024		**290,900**	**353,000**	**293,600**	**1,025**	**15,176**	**20,426**	**3,588**	**26,955**	**9,659**	**18,337**	**1,032,666**
At 30 June 2023		**274,100**	**515,300**	**95,931**	**8,739**	**14,390**	**14,062**	**3,752**	**28,259**	**7,727**	**114,662**	**1,076,922**

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

b) THE COMPANY

	Notes	Freehold land	Freehold building	Building on leasehold land	Improvement to building on leasehold land	Furniture and fittings	Motor vehicles	Office equipment	Workshop equipment and tools	Electronic equipment	Construction in progress	Total
		Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
COST OR VALUATION												
At 01 July 2022		**148,000**	**291,229**	**90,673**	**18,195**	**36,196**	**26,889**	**15,088**	**38,879**	**33,712**	**3,747**	**702,608**
Additions during the year	25	-	-	432	150	1,343	7,262	416	4,525	4,674	1,088	19,890
Disposals		-	-	-	-	-	(5,044)	(20)	-	(6)	-	(5,070)
Scrap		-	-	-	-	(3,118)	-	(4,456)	(20,936)	(26,213)	-	(54,723)
Revaluation increase		46,010	19,771	3,772	(9,621)	-	-	-	-	-	-	59,932
Written off to profit & loss		-	-	-	-	-	-	-	-	-	(445)	(445)
Transfer		4,390	-	-	-	-	-	-	-	-	(4,390)	-
At 30 June 2023		**198,400**	**311,000**	**94,877**	**8,724**	**34,421**	**29,107**	**11,028**	**22,468**	**12,167**	**-**	**722,192**
Additions during the year	25	-	4,220	5,585	-	2,134	4,504	506	3,655	4,641	-	25,245
Disposals		-	-	-	-	-	(4,000)	-	-	-	-	(4,000)
Revaluation increase		14,000	8,480	1,814	-	-	-	-	-	-	-	24,294
Transfer		-	-	8,724	(8,724)	-	-	-	-	-	-	-
At 30 June 2024		**212,400**	**323,700**	**111,000**	**-**	**36,555**	**29,611**	**11,534**	**26,123**	**16,808**	**-**	**767,731**
ACCUMULATED DEPRECIATION												
At 01 July 2022		**-**	**13,415**	**9,068**	**9,121**	**26,441**	**19,059**	**10,632**	**30,424**	**29,302**	**-**	**147,462**
Charge for the year		-	6,708	4,578	500	3,530	3,085	1,118	3,234	2,787	-	25,540
Disposals		-	-	-	-	-	(4,078)	(18)	-	(3)	-	(4,099)
Scrap		-	-	-	-	(3,118)	-	(4,456)	(20,936)	(26,213)	-	(54,723)
Revaluation adjustment		-	(20,123)	(13,646)	(9,621)	-	-	-	-	-	-	(43,390)
At 30 June 2023		**-**	**-**	**-**	**-**	**26,853**	**18,066**	**7,276**	**12,722**	**5,873**	**-**	**70,790**
Charge for the year		-	7,692	6,140	-	2,576	3,301	824	2,814	3,073	-	26,420
Disposals		-	-	-	-	-	(3,194)	-	-	-	-	(3,194)
Revaluation adjustment		-	(7,692)	(6,140)	-	-	-	-	-	-	-	(13,832)
At 30 June 2024		**-**	**-**	**-**	**-**	**29,429**	**18,173**	**8,100**	**15,536**	**8,946**	**-**	**80,184**
NET BOOK VALUE												
At 30 June 2024		**212,400**	**323,700**	**111,000**	**-**	**7,126**	**11,438**	**3,434**	**10,587**	**7,862**	**-**	**687,547**
At 30 June 2023		**198,400**	**311,000**	**94,877**	**8,724**	**7,568**	**11,041**	**3,752**	**9,746**	**6,294**	**-**	**651,402**

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2024

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

THE GROUP AND THE COMPANY

The fair value measurements of the Group's freehold land and buildings as at 30 June 2024 were performed by Elevante Property Services Ltd, an independent property valuer not related to the Group. Elevante Property Services Ltd has appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards. The Group's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation. The revaluation surplus net of deferrred income taxes was credited to revaluation surplus in shareholders' equity.

The fair value of the freehold land and buildings was determined based on the sales comparison approach and depreciated replacement cost respectively. The sales comparison approach involves comparing sales prices of land in closed proximity adjusted for differences in key attributes such as size, location and access. The cost approach for buildings reflects the cost to a market participant to construct assets of comparable utility and age and is adjusted for obsolescence and physical deterioration.

The Group's freehold land and buildings measured at fair value and information about the fair value hierarchy as at 30 June 2024 are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs '000	Rs '000	Rs '000	Rs '000
Freehold land - Level 2	**290,900**	274,100	**212,400**	198,400
Buildings - Level 3	**647,625**	618,900	**434,700**	414,600
	938,525	**893,000**	**647,100**	**613,000**

The most significant input into the valuation approach for land and buildings was the price per square metre.

	THE GROUP	THE COMPANY
Price per square metre	Range (Rs)	Range (Rs)
Land	7,635-9,880	7,635-9,880
Buildings	16,252-57,063	16,252-50,334

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

If land and buildings were stated on the historical cost basis, the amounts would be as follows:

	THE GROUP		THE GROUP	
	30 June 2024		30 June 2023	
	Freehold land Rs '000	Buildings Rs '000	Freehold land Rs '000	Buildings Rs '000
Cost	**119,622**	**432,296**	119,622	420,938
Accumulated depreciation	**-**	**(141,656)**	-	(133,010)
Net book value	**119,622**	**290,640**	**119,622**	**287,928**

	THE COMPANY		THE COMPANY	
	30 June 2024		30 June 2023	
	Freehold land Rs '000	Buildings Rs '000	Freehold land Rs '000	Buildings Rs '000
Cost	**113,553**	**278,914**	113,553	269,109
Accumulated depreciation	**-**	**(117,713)**	-	(112,135)
Net book value	**113,553**	**161,201**	**113,553**	**156,974**

The Group and the Company have pledged their movable and immovable properties to secure banking facilities.

Depreciation charge of Rs '000 3,380 (2023: Rs '000 3,843) has been charged to cost of sales and Rs '000 31,204 (2023: Rs '000 32,761) has been charged to administrative expenses for the Group and Rs '000 2,814 (2023: Rs '000 3,234) has been charged to cost of sales and Rs '000 23,605 (2023: Rs '000 22,306) has been charged to administrative expenses, for the Company.

6(a). RIGHT-OF-USE-ASSETS

THE GROUP

	Land and buildings Rs '000	Motor Vehicles Rs '000	Total Rs '000
At 1 July 2022	54,966	19,952	74,918
Additions	691	29,696	30,387
Disposals	-	(453)	(453)
Depreciation	(12,437)	(11,454)	(23,891)
At 30 June 2023	**43,220**	**37,741**	**80,961**
At 1 July 2023	43,220	37,741	80,961
Variable lease payment adjustment	1,620	-	1,620
Additions	11,666	12,524	24,190
Disposals	-	(2,838)	(2,838)
Depreciation	(10,517)	(11,220)	(21,737)
At 30 June 2024	**45,989**	**36,207**	**82,196**

THE COMPANY

	Land and buildings Rs '000	Motor Vehicles Rs '000	Total Rs '000
At 1 July 2022	29,612	16,414	46,026
Additions	10,290	26,051	36,341
Disposals	-	(453)	(453)
Depreciation	(8,049)	(9,762)	(17,811)
At 30 June 2023	**31,853**	**32,250**	**64,103**
At 1 July 2023	31,853	32,250	64,103
Variable lease payment adjustment	1,413	-	1,413
Additions	-	10,689	10,689
Disposals	-	(2,838)	(2,838)
Depreciation	(8,818)	(9,559)	(18,377)
At 30 June 2024	**24,448**	**30,542**	**54,990**

6(b). LEASE LIABILITIES

THE GROUP

	Land and buildings Rs '000	Motor Vehicles Rs '000	Total Rs '000
At 1 July 2022	58,308	22,277	80,585
Additions	625	29,696	30,321
Disposals	-	(464)	(464)
Interest expense	3,421	2,060	5,481
Lease payments	(16,278)	(13,623)	(29,901)
At 30 June 2023	**46,076**	**39,946**	**86,022**
At 1 July 2023	46,076	39,946	86,022
Variable lease payment adjustment	1,612	-	1,612
Additions	11,666	12,524	24,190
Disposals	-	(2,966)	(2,966)
Interest expense	4,144	2,365	6,509
Lease payments	(14,410)	(13,213)	(27,623)
At 30 June 2024	**49,088**	**38,656**	**87,744**

	30 June 2024 Rs '000	30 June 2023 Rs '000
Current	20,147	15,450
Non-current	67,597	70,572
	87,744	**86,022**

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6(b). LEASE LIABILITIES (CONT'D)

	THE COMPANY		
	Land and buildings Rs'000	Motor Vehicles Rs'000	Total Rs'000
At 1 July 2022	41,003	18,335	59,338
Additions	10,290	26,051	36,341
Disposals	-	(464)	(464)
Interest expense	3,174	1,697	4,871
Lease payments	(10,557)	(12,030)	(22,587)
At 30 June 2023	**43,910**	**33,589**	**77,499**
At 1 July 2023	43,910	33,589	77,499
Variable lease payment adjustment	1,413	-	1,413
Additions	-	10,689	10,689
Disposals	-	(2,966)	(2,966)
Interest expense	2,851	2,001	4,852
Lease payments	(11,521)	(11,339)	(22,860)
At 30 June 2024	**36,653**	**31,974**	**68,627**

	30 June 2024 Rs '000	30 June 2023 Rs '000
Current	**16,948**	16,975
Non-current	**51,679**	60,524
	68,627	**77,499**

(i) Nature of leasing activities (in the capacity as lessee)
The Group and the Company lease a number of properties in Mauritius from which they operate. Most contracts provide for payments to increase periodically by the consumer price index. The Group and Company also lease motor vehicles which comprise of only fixed payments over the lease terms.

(ii) Variable lease payments
The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% on the balance sheet date to lease payments that are variable.

THE GROUP

30 June 2024	Lease Contracts Number	Fixed payments %	Variable payments %	Sensitivity Rs '000
Property leases with payments linked to inflation	13	-	56%	2,454
Vehicle leases	75	44%	-	-
	88	**44%**	**56%**	**2,454**

30 June 2023	Lease Contracts Number	Fixed payments %	Variable payments %	Sensitivity Rs '000
Property leases with payments linked to inflation	13	-	54%	2,304
Vehicle leases	60	46%	-	-
	73	**46%**	**54%**	**2,304**

THE COMPANY

30 June 2024	Lease Contracts Number	Fixed payments %	Variable payments %	Sensitivity Rs '000
Property leases with payments linked to inflation	7		53%	1,833
Vehicle leases	62	47%		-
	69	**47%**	**53%**	**1,833**

30 June 2023	Lease Contracts Number	Fixed payments %	Variable payments %	Sensitivity Rs '000
Property leases with payments linked to inflation	6	-	57%	2,196
Vehicle leases	57	43%	-	-
	63	**43%**	**57%**	**2,196**

6(b). LEASE LIABILITIES (CONT'D)

(iii) Extension and termination options
Extension and termination options are included in land and buildings leases entered into by the Group and the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Group/Company's operations. The extension and termination options held are exercisable by mutual consent.

At the expiry of the lease of land and buildings, the lease may be renewed for such period/s on the terms and conditions to be agreed upon by both parties.

(iv) Lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of workshops/showrooms/offices, the following factors are normally most relevant:

- If there are significant penalties to terminate (or not extend), the Group/ the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group/ the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group/ the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is revised if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, there has been no revision of lease terms.

For leases of vehicles, the Group and the Company agreed the lease term at the inception of the leases and are not modified. The lease periods are usually two to five years.

(v) Residual value guarantees
The lease contracts of leasehold land, workshops, showrooms and motor vehicles do not provide for any residual value guarantee.

(vi) Amounts recognised in profit and loss

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Interest expense (included in finance cost)	**6,509**	5,481	**4,852**	4,871

The total cash outflow for leases for the Group was Rs '000 27,623 (2023: Rs '000 29,901) and for the Company was Rs '000 22,860 (2023: Rs '000 22,587).

7. INVESTMENT PROPERTIES

	THE GROUP Rs '000	THE COMPANY Rs '000
VALUATION		
At 1 July 2022	29,211	170,178
Additions during the year	-	253
Increase in fair value during the year	789	14,469
At 30 June 2023	**30,000**	**184,900**
At 1 July 2023	30,000	184,900
Additions during the year	-	340
Transfer from construction in progress	239,635	-
Increase in fair value during the year	1,300	6,260
At 30 June 2024	**270,935**	**191,500**

7. INVESTMENT PROPERTIES (CONT'D)

The investment property at company level has been valued based on a valuation carried out by Elevante Property Services Ltd on 30 June 2024, an independent professionally qualified valuer. The fair value was determined on depreciated replacement cost which reflects the cost to construct assets of comparable utility and age and is adjusted for obsolescence and physical deterioration. The building is used as a showroom at Group level. The most significant inputs into this valuation approach is price per square metre which at an average of Rs 57,000.

The investment properties at group level have been valued based on a valuation carried out by Elevante Property Services Ltd on 30 June 2024, an independent professionally qualified valuer. In estimating the fair value of the investment properties, the highest and best use of the investment properties are their current use. Income approach was utilised for properties leased out to tenants. A yield rate of 7.5% - 8% was used and a discount rate of 11.00%, taking into account the capitalisation of rental income potential, nature of property and prevailing market conditions. The yield rate and the discount rate represent significant inputs to the computation. A significant change in these two assumptions will result in a significant change in value. A 0.5% change in the yield rate and the discount rate will change the fair value by Rs 1.1M and Rs 500,000 respectively.

There has been no change to the valuation technique during the year.

Details of the investment properties and information about the fair value hierarchy is as follows:

	THE GROUP	THE COMPANY
30 June 2024	**Level 3 Rs '000**	**Level 3 Rs '000**
Buildings	270,935	191,500
	THE GROUP	**THE COMPANY**
30 June 2023	**Level 3 Rs '000**	**Level 3 Rs '000**
Buildings	30,000	184,900

The Group and the Company have pledged their movable and immovable properties, including investment properties, to secure banking facilities.

AMOUNTS RECOGNISED IN PROFIT OR LOSS IN RESPECT OF INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	**30 June 2023 Rs '000**	**30 June 2024 Rs '000**	**30 June 2023 Rs '000**
Rental Income	**2,190**	2,132	**5,035**	3,650
Direct operating expenses arising from investment properties that generated rental income	**(150)**	(325)	**(885)**	(885)

Leasing arrangements - Lessor

The lease term for the investment properties has expired at year end and is in the process for being renewed. The annual rental for the Group is Rs 2.2m (2023: Rs 2.1m) and for the Company is Rs 5.0m (2023: Rs 3.7m).

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8. INTANGIBLE ASSETS

	THE GROUP Computer Software Rs '000	THE COMPANY Computer Software Rs '000
COST		
At 1 July 2022	3,981	3,252
Additions	800	800
Scrap	(2,803)	(2,803)
At 30 June 2023	1,978	1,249
At 1 July 2023	1,978	1,249
Additions	129	129
At 30 June 2024	**2,107**	**1,378**
ACCUMULATED AMORTISATION		
At 1 July 2022	3,716	3,122
Charge for the year	196	132
Scrap	(2,803)	(2,803)
At 30 June 2023	1,109	451
At 1 July 2023	1,109	451
Charge for the year	252	219
At 30 June 2024	**1,361**	**670**
CARRYING AMOUNT		
At 30 June 2024	**746**	**708**
At 30 June 2023	869	798

The directors are of opinion that no impairment is required for computer software at the reporting date.

9. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY 30 June 2024 Rs '000	THE COMPANY 30 June 2023 Rs '000
At 1 July	95,935	53,405
Additions	-	42,530
At 30 June	**95,935**	**95,935**

The Group's subsidiaries in which the Company holds ordinary shares are as follows:

Details of subsidiaries	Activity	Year end	Stated Capital Rs '000	Direct Holding % 30 June 2024	Direct Holding % 30 June 2023	Country of incorporation
ABC Properties Ltd	Property rental	30 June	25,100	63.02%	63.02%	Mauritius
ABC Autotech Ltd	Car dealers	30 June	42,000	47.51%	47.51%	Mauritius
ABC Marketing Ltd	Sale of tyres, car care products	30 June	10,000	49.14%	49.14%	Mauritius
Stuttgart Motors Ltd	Car dealers	30 June	24,000	43.68%	43.68%	Mauritius
GinMori Auto Ltd	Car dealers	30 June	1,000	49.00%	49.00%	Mauritius
Stamford Third Ltd	Property rental	30 June	10	69.97%	69.97%	Mauritius

The Company owns directly 47.51%, 49.14%, 43.68% and 49.00% of ABC Autotech Ltd, ABC Marketing Ltd, Stuttgart Motors Ltd and GinMori Auto Ltd respectively. The Company is represented by a majority on the subsidiaries' board of directors and has common key management personnel. The relevant activities of the subsidiaries are determined by their boards of directors based on a majority of votes. Therefore, the directors conclude that it has control over the investees even though the Company has less than 50% of the voting rights and the investees are consolidated in these financial statements.

In addition to the direct holding, the Company holds indirectly 8.08% in Stuttgart Motors Ltd, the effective holding being 51.76%.

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The investments in subsidiaries are unquoted and are stated at cost in the separate financial statements. At the reporting date, the directors reviewed the carrying amount of the investments in subsidiaries. In their opinion, there is no objective evidence that the investments in subsidiaries are impaired. Gin Mori Ltd does not have significant operations.

(a) Summarised financial information of significant subsidiaries

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income:

	Current assets Rs '000	Non-current assets Rs '000	Current liabilities Rs '000	Non-current liabilities Rs '000	Revenue Rs '000	Profit for the year Rs '000	Other comprehensive income for the year Rs '000	Total comprehensive income for the year Rs '000	Dividend paid to non-controlling interests Rs '000
30 June 2024									
ABC Properties Ltd	7,289	394,502	64,778	145,784	9,417	(2,893)	1,448	(1,445)	-
ABC Autotech Ltd	165,129	48,204	139,905	15,597	312,941	16,577	4,789	21,365	-
ABC Marketing Ltd	93,060	15,849	80,003	3,083	160,654	5,564	6	5,570	1,526
Stuttgart Motors Ltd	309,441	25,357	247,310	7,063	699,450	57,450	(989)	56,460	16,228
Stamford Third Ltd	636	29,000	1,223	16,020	3,205	1,345	-	1,345	-
30 June 2023									
ABC Properties Ltd	44,637	236,216	3,225	85,552	6,135	12,874	-	12,874	-
ABC Autotech Ltd	169,873	40,783	156,671	17,365	310,994	8,009	5,187	13,196	-
ABC Marketing Ltd	90,834	18,689	80,069	6,200	158,043	5,903	215	6,118	1,475
Stuttgart Motors Ltd	311,308	25,224	266,611	5,157	569,292	47,703	610	48,313	9,928
Stamford Third Ltd	365	27,800	1,098	16,020	1,947	874	-	874	-

(ii) Summarised cash flow information:

	Operating activities Rs '000	Investing activities Rs '000	Financing activities Rs '000	Net increase/ (decrease) in cash and cash equivalents Rs '000
30 June 2024				
ABC Properties Ltd	45,826	(129,605)	57,301	(26,478)
ABC Autotech Ltd	6,075	4,097	(11,669)	(1,497)
ABC Marketing Ltd	10,961	(1,930)	(9,635)	(603)
Stuttgart Motors Ltd	82,519	(29,300)	(56,122)	(2,903)
Stamford Third Ltd	-	-	-	-
30 June 2023				
ABC Properties Ltd	148	(123,799)	152,097	28,446
ABC Autotech Ltd	(5,992)	840	(6,732)	(11,883)
ABC Marketing Ltd	9,022	(1,882)	(1,121)	6,019
Stuttgart Motors Ltd	(9,740)	(5,819)	31,918	16,358
Stamford Third Ltd	-	-	-	-

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9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Subsidiaries with material non-controlling interests

Details for subsidiaries that have non-controlling interests that are material to the entity:

	Profit/(loss) allocated to non-controlling interests during the year		Accumulated non-controlling interests	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
ABC Properties Ltd	**(1,536)**	4,761	**69,943**	71,219
ABC Autotech Ltd	**8,606**	4,204	**28,028**	16,884
ABC Marketing Ltd	**2,652**	3,138	**12,962**	11,806
Stuttgart Motors Ltd	**27,324**	23,513	**42,957**	31,825
GinMori Auto Ltd	**22**	14	**545**	523
Stamford Third Ltd	**497**	323	**927**	430
	37,565	**35,953**	**155,362**	**132,687**

In 2023, there was a new issue of shares in ABC Properties Ltd for a total amount of Rs 78.7M and the Company contributed Rs 42.5M. The carrying amount of ABC Properties Ltd net assets was Rs' 000 103,166 on the date of acquisition. The effect of changes in the ownership was not significant.

10. INVESTMENTS IN ASSOCIATES

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
At 1 July	**342,196**	312,794	**109,286**	109,286
Dividend received from associates, eliminated on consolidation	**(11,359)**	(7,752)	-	-
Share of profit of associates (net)	**28,191**	44,545	-	-
Items that will not be reclassified subsequently to profit or loss :				
Share of fair value (loss) / gain on investments in equity instruments designated as at FVTOCI	**(10,830)**	(6,665)	-	-
Share of remeasurement of defined benefit obligations, net of income tax	**(1,386)**	(726)	-	-
At 30 June	**346,812**	**342,196**	**109,286**	**109,286**

The associates in which the Group and the Company have direct interest are:

	Activity	Year end	Class of Share	Direct Holding % 30 June 2024	Direct Holding % 30 June 2023	Country of incorporation
ABC Banking Corporation Ltd	Banking	30 June	Ordinary	9.507%	9.507%	Mauritius
ABC Car Rental Limited	Car rental	30 June	Ordinary	26.56%	26.56%	Mauritius
Globe Freight Ltd	Freight and forwarding	30 June	Ordinary	47.38%	47.38%	Mauritius
Expert Leasing Ltd	Leasing	30 June	Ordinary	33.84%	33.84%	Mauritius

Although the Group holds less than 20% of the voting power at shareholders' meetings of ABC Banking Corporation Ltd, the Group still exercises significant influence by virtue of its contractual rights as three out of ten directors of ABC Banking Corporation Ltd reside on the board of directors of the Company.

In addition to the direct holding, the Company holds indirectly 3.96% in Expert Leasing Ltd, the effective holding being 37.8%.

The fair value of quoted associate based on the market price ruling on Development Entreprise Market (DEM) was Rs 137,769,817 (2023: Rs 145,020,860). Had the fair value model been applied, the investments would have been categorised under Level 1.

The directors have recognised the unquoted investments in associates at cost less impairment in the separate financial statements. In their opinion, there is no objective evidence that the investments in associates are impaired.

All of the above associates are accounted for using the equity method in these consolidated financial statements, using the latest available financial statements as at the reporting date of those associates.

10. INVESTMENTS IN ASSOCIATES (CONT'D)

Summarised financial information of the material associate:

The summarised financial information below represents amounts in the associate's financial statements prepared in accordance with IFRSs.

ABC Banking Corporation Ltd:	30 June 2024 Rs '000	30 June 2023 Rs '000
Total assets	**26,392,718**	23,638,703
Total liabilities	**(23,916,549)**	(21,341,116)
Revenue	**1,394,639**	1,058,913
Profit for the year	**257,673**	298,159
Other comprehensive loss for the year	**(10,446)**	(34,871)
Total comprehensive income for the year	**247,227**	263,288
Dividend received from the associate during the year	**6,526**	4,423

Reconciliation of the above summarised financial information to the carrying amount of the interest in ABC Banking Corporation Ltd recognised in the consolidated financial statements:

	30 June 2024 Rs '000	30 June 2023 Rs '000
Net assets of the associate	**2,476,169**	2,297,587
Proportion of the Group's ownership	**9.507%**	9.507%
Carrying amount of the Group's interest	**235,404**	218,427

Aggregate information of associates that are not individually material:

	30 June 2024 Rs '000	30 June 2023 Rs '000
The Group's share of profit	**3,532**	16,199
The Group's share of other comprehensive income/(loss)	**(11,216)**	(4,076)
The Group's share of total comprehensive income/(loss)	**(7,684)**	12,123
Aggregate carrying amount of the Group's interests in these associates	**111,407**	123,769

In 2019, in consideration of banking facilities and financial accommodation of Rs 60,000,000 required by Expert Leasing Ltd, the Company has provided a Corporate Guarantee in favour of the bank for the associate.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Investments in equity instruments designated at FVTOCI				
Quoted shares	**70,695**	82,156	**70,695**	82,156
Unquoted shares	**149,811**	169,565	**129,081**	154,397
At 30 June	**220,506**	**251,721**	**199,776**	**236,553**

	THE GROUP		
	Quoted shares Rs '000	Unquoted shares Rs '000	Total Rs '000
At 1 July 2022	113,407	199,783	313,190
Additions	-	3,875	3,875
Change in fair value recognised in OCI	(31,251)	(34,093)	(65,344)
At 30 June 2023	**82,156**	**169,565**	**251,721**
At 1 July 2023	82,156	169,565	251,721
Additions	-	9,278	9,278
Change in fair value recognised in OCI	(11,461)	(29,032)	(40,493)
At 30 June 2024	**70,695**	**149,811**	**220,506**

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11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

	THE COMPANY		
	Quoted shares Rs '000	Unquoted shares Rs '000	Total Rs '000
At 1 July 2022	113,407	188,645	302,052
Additions	-	290	290
Change in fair value recognised in OCI	(31,251)	(34,538)	(65,789)
At 30 June 2023	**82,156**	**154,397**	**236,553**
At 1 July 2023	82,156	154,397	236,553
Additions	-	8,306	8,306
Change in fair value recognised in OCI	(11,461)	(33,622)	(45,083)
At 30 June 2024	**70,695**	**129,081**	**199,776**

Financial assets at fair value through other comprehensive income include the following:

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Quoted:				
P.O.L.I.C.Y. Limited	**52,048**	51,222	**52,048**	51,222
MUA Ltd	**18,308**	30,618	**18,308**	30,618
Others	**339**	316	**339**	316
	70,695	**82,156**	**70,695**	**82,156**
Unquoted:				
The Stock Exchange of Mauritius Ltd	**24,713**	23,600	**24,713**	23,600
Devlin Investments Ltd	**43,911**	79,769	**43,911**	79,769
Jemlac Investments Ltd	**3,162**	2,740	**3,162**	2,740
ABC Coach Works Limited	**26,995**	27,970	**26,995**	27,970
Others	**51,030**	35,486	**30,300**	20,318
	149,811	**169,565**	**129,081**	**154,397**

The fair value of quoted shares is based on the market prices ruling on the Stock Exchange of Mauritius at the reporting date. The shares held in P.O.L.I.C.Y. Limited have been pledged in respect of the bank facilities granted to the Group and the Company.

The fair value of unquoted shares is based on the Net Assets Value of the investees based on their latest available management or audited accounts as at reporting date. In the directors' opinion, these approximate the fair value of the unquoted shares.

These investments in equity instruments are not held for trading. Instead, they are held for long-term strategic purposes. Accordingly, the directors of the Group and the Company have elected to designate these investments in equity instruments at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's and the Company's strategy of holding these investments for long-term purposes and realising their performance potential in the long run. Additional disclosures are made in note 31.

12. TAXATION

Income Tax

Income tax is calculated at 15% (2023: 15%) on its profits for the year, as adjusted for income tax purposes.

Corporate Social Responsibility ("CSR")

CSR charge is calculated at the rate of 2% (2023: 2%) of the chargeable income of the preceding year. In line with the current CSR Framework of ABC Group, the Group remit, on an annual basis, 25% (2023: 25%) of their CSR charge to Sir Jean Etienne Moilin Ah Chuen Foundation, a company incorporated for CSR funding activities, after obtaining approval from the National Social Inclusion Foundation.

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Income tax				
Current tax provision	**14,041**	11,520	**-**	-
Deferred tax movement	**(1,653)**	5,246	**1,924**	(5,373)
	12,388	**16,766**	**1,924**	**(5,373)**

12. TAXATION (CONT'D)

Current tax liabilities/(assets)

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
At 1 July	**8,723**	2,397	**-**	(1,793)
Current tax provision	**14,041**	11,520	**-**	-
Paid during the year	**(17,041)**	(5,194)	**-**	1,793
At 30 June	**5,723**	**8,723**	**-**	**-**
Disclosed as:				
Current tax assets	**(123)**	(116)	**-**	-
Current tax liabilities	**5,846**	8,839	**-**	-
	5,723	**8,723**	**-**	**-**

Deferred tax assets/(liabilities)

Deferred tax assets and liabilities are offset when they relate to the same fiscal authority. The following balances are shown in the statement of financial position.

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30-Jun-23 Rs '000	30 June 2024 Rs '000	30-Jun-23 Rs '000
At 1 July	**(36,942)**	(18,265)	**(28,482)**	(12,328)
Movement recognised in profit or loss	**1,653**	(5,246)	**1,924**	(5,373)
Movement recognised in other comprehensive income	**(3,429)**	(13,431)	**(1,594)**	(10,781)
At 30 June	**(38,718)**	**(36,942)**	**(28,152)**	**(28,482)**
Disclosed as:				
Deferred tax assets	**2,128**	2,196	**-**	-
Deferred tax liabilities	**(40,846)**	(39,138)	**(28,152)**	(28,482)
	(38,718)	**(36,942)**	**(28,152)**	**(28,482)**

The movement in deferred tax assets and liabilities during the year is as follows:

Movement in deferred tax liabilities

THE GROUP	Accelerated capital allowances Rs '000	Revaluation of assets Rs '000	Right-of-use assets Rs '000	Total Rs '000
At 1 July 2022	(13,389)	(38,617)	(9,805)	(61,811)
(Charged)/credited to profit or loss	(1,644)	-	(3,070)	(4,714)
Charged to other comprehensive income	-	(12,393)	-	(12,393)
At 30 June 2023	(15,033)	(51,010)	(12,875)	(78,918)
At 1 July 2023	(15,033)	(51,010)	(12,875)	(78,918)
(Charged)/credited to profit or loss	(1,536)	-	3,062	1,526
Charged to other comprehensive income	-	(6,139)	-	(6,139)
At 30 June 2024	**(16,569)**	**(57,149)**	**(9,813)**	**(83,531)**

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12. TAXATION (CONT'D)

Deferred tax assets/(liabilities) (Cont'd)

Movement in deferred tax assets

THE GROUP	Retirement benefit obligations Rs '000	Loss allowance and other provisions Rs '000	Leases Rs '000	Unutilised tax losses Rs '000	Total Rs '000
At 1 July 2022	16,861	13,110	10,602	2,973	43,546
Credited/(charged) to profit or loss	(32)	(1,779)	3,104	(1,825)	(532)
Credited to other comprehensive income	(1,038)	-	-	-	(1,038)
At 30 June 2023	**15,791**	**11,331**	**13,706**	**1,148**	**41,976**
At 1 July 2023	15,791	11,331	13,706	1,148	41,976
Credited/(charged) to profit or loss	(2,079)	(1,004)	(1,508)	4,718	127
Credited to other comprehensive income	2,710	-	-	-	2,710
At 30 June 2024	**16,422**	**10,327**	**12,198**	**5,866**	**44,813**

Movement in deferred tax liabilities

THE COMPANY	Accelerated capital allowances Rs '000	Revaluation of assets Rs '000	Right-of-use assets Rs '000	Total Rs '000
At 1 July 2022	(12,189)	(31,378)	(9,338)	(52,905)
(Charged)/credited to profit or loss	(1,644)	-	(3,070)	(4,714)
Charged to other comprehensive income	-	(9,742)	-	(9,742)
At 30 June 2023	(13,833)	(41,120)	(12,408)	(67,361)
At 1 July 2023	(13,833)	(41,120)	(12,408)	(67,361)
(Charged)/credited to profit or loss	(1,536)	-	3,062	1,526
Charged to other comprehensive income	-	(4,101)	-	(4,101)
At 30 June 2024	**(15,369)**	**(45,221)**	**(9,346)**	**(69,936)**

Movement in deferred tax assets

THE COMPANY	Retirement benefit obligations Rs '000	Loss allowance and other provisions Rs '000	Leases liabilities Rs '000	Unutilised tax losses Rs '000	Total Rs '000
At 1 July 2022	15,415	12,169	10,021	2,971	40,576
(Charged)/credited to profit or loss	(159)	(1,779)	3,104	(1,825)	(659)
Credited to other comprehensive income	(1,038)	-	-	-	(1,038)
At 30 June 2023	14,218	10,390	13,125	1,146	38,879
At 1 July 2023	14,218	10,390	13,125	1,146	38,879
(Charged)/credited to profit or loss	(2,079)	(733)	(1,508)	4,718	398
Credited to other comprehensive income	2,507	-	-	-	2,507
At 30 June 2024	**14,646**	**9,657**	**11,617**	**5,864**	**41,784**

12. TAXATION (CONT'D)

Tax reconciliation

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Profit before tax	**98,417**	143,625	**37,316**	65,327
Tax at 15% (2023:15%)	**14,763**	21,544	**5,597**	9,799
Tax effect of:				
- Non taxable income	**(8,329)**	(5,523)	**(8,322)**	(9,226)
- Non deductible expenses	**10,183**	7,395	**801**	4,897
- Tax losses utilised	**-**	(1,300)	**-**	(1,300)
- Effect of tax rate differential	**-**	1,156	**-**	1,203
- Corporate Social Responsibility	**-**	176	**-**	-
- Share of results of associates	**(4,229)**	(6,682)	**-**	-
	12,388	**16,766**	**(1,924)**	**5,373**

13. INVENTORIES

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Motor vehicles	**598,595**	432,495	**442,264**	313,394
Spare parts	**107,920**	150,764	**84,310**	84,926
Work in progress	**3,440**	8,311	**612**	1,418
	709,955	591,570	**527,186**	399,738
Goods in transit	**119,272**	121,238	**19,700**	74,670
	829,227	**712,808**	**546,886**	**474,408**

Included in the above are inventories of motor vehicles, spare parts and work in progress amounting to Rs 25,257,189 (2023: Rs 26,043,200) for the Group and Rs 19,053,235 (2023: Rs 15,741,662) for the Company stated at net realisable value.

No write down of the inventory was made during the year for the Group and the Company respectively (2023: Rs Nil).

Inventories are pledged in respect of the bank facilities granted to the Group and the Company.

14. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Trade receivables (i)	**294,028**	378,101	**229,701**	255,680
Loss allowance (ii)	**(51,055)**	(50,807)	**(42,073)**	(43,363)
	242,973	327,294	**187,628**	212,317
Advances to related parties (iii)	**28,850**	28,405	**21,519**	34,800
Other receivables from related parties (iii)	**124,466**	108,667	**100,716**	92,232
Other receivables and prepayments	**89,358**	206,857	**58,747**	126,021
	485,647	**671,223**	**368,610**	**465,370**

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

(i) Trade Receivables

The average credit period on sales of goods and services ranges between 1 to 3 months. No interest is charged on outstanding trade receivables.

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14. TRADE AND OTHER RECEIVABLES (CONT'D)

(ii) Loss allowance on trade receivables

The Group and the Company measure the loss allowance on trade receivables at an amount equal to lifetime ECL. The expected credit losses and trade receivables are estimated using a provision matrix by reference to past default experiences of the debtors adjusted by the general economic conditions of the industry in which the debtors operate at the reporting date. The Group and the Company have recognised a loss allowance of 100% against debtors who are in significant financial difficulty or bankruptcy position as historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group and the Company write off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
At 1 July	**50,807**	39,215	**43,363**	38,455
Movement in loss allowance	**1,661**	17,840	**-**	10,187
Written off	**(1,413)**	(6,248)	**(1,290)**	(5,279)
At 30 June	**51,055**	**50,807**	**42,073**	**43,363**

The Group and the Company do not hold any collateral over the impairment losses recognised on trade receivables.

The following table details the risk profile of trade receivables and receivable from related parties based on the Group's and the Company's provision matrix. As the Group's and the Company's historical credit loss experience does not show significantly different loss patterns for different local customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer bases.

THE GROUP

	Local trade receivables - past due				
30 June 2024	Not past due	31-60	61-90	>90 days	Total
Motor vehicles					
Expected credit loss rate	0.05%	2.62%	4.01%	34.38%	3.68%
Estimated total gross carrying amount at default (Rs'000)	138,792	9,613	5,016	16,723	170,144
Lifetime ECL (Rs'000)	66	252	201	5,749	6,268
Aftersales					
Expected credit loss rate	2.61%	3.24%	6.76%	42.73%	18.03%
Estimated total gross carrying amount at default (Rs'000)	84,194	53,447	17,944	92,765	248,350
Lifetime ECL (Rs'000)	2,201	1,730	1,213	39,643	44,787

THE COMPANY

	Local trade receivables - past due				
30 June 2024	Not past due	31-60	61-90	>90 days	Total
Motor vehicles					
Expected credit loss rate	0.05%	4.04%	10.48%	85.90%	4.61%
Estimated total gross carrying amount at default (Rs'000)	121,055	6,228	1,919	6,693	135,895
Lifetime ECL (Rs'000)	66	252	201	5,749	6,268
Aftersales					
Expected credit loss rate	4.02%	5.93%	6.47%	32.63%	18.41%
Estimated total gross carrying amount at default (Rs'000)	54,755	29,122	16,147	94,499	194,522
Lifetime ECL (Rs'000)	2,201	1,728	1,044	30,832	35,805

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(ii) Loss allowance on trade receivables (Cont'd)

	THE GROUP				
	Local trade receivables - past due				
30 June 2023	Not past due	31-60	61-90	>90 days	Total
Motor vehicles					
Expected credit loss rate	0.12%	2.47%	2.23%	34.94%	6.20%
Estimated total gross carrying amount at default (Rs'000)	84,544	17,016	39,610	25,582	166,752
Lifetime ECL (Rs'000)	103	420	882	8,938	10,343
Aftersales					
Expected credit loss rate	1.51%	2.65%	3.85%	36.56%	16.73%
Estimated total gross carrying amount at default (Rs'000)	95,019	23,829	20,127	102,908	241,883
Lifetime ECL (Rs'000)	1,438	632	775	37,619	40,464

	THE COMPANY				
	Local trade receivables - past due				
30 June 2023	Not past due	31-60	61-90	>90 days	Total
Motor vehicles					
Expected credit loss rate	0.16%	3.23%	2.85%	38.74%	7.79%
Estimated total gross carrying amount at default (Rs'000)	65,834	12,996	30,888	23,071	132,789
Lifetime ECL (Rs'000)	103	420	882	8,938	10,343
Aftersales					
Expected credit loss rate	2.32%	2.93%	4.53%	31.39%	17.17%
Estimated total gross carrying amount at default (Rs'000)	60,650	19,875	15,106	96,680	192,311
Lifetime ECL (Rs'000)	1,407	582	684	30,347	33,020

(iii) Other related party receivables

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Advances to related parties	**46,531**	46,086	**39,200**	52,481
Other receivables from related parties	**124,466**	108,667	**100,716**	92,232
Loss allowance on advances	**(17,681)**	(17,681)	**(17,681)**	(17,681)
	153,316	137,072	**122,235**	127,032

Trade and other receivable balances with related parties, including terms and conditions, are disclosed under Note 30: Related party transactions. Advances to related parties include Rs 17,681,050 which are considered to be in stage 3 and on which full impairment has been made. The remaining balance are not considered to be impaired and are in stage 1.

The Group and the Company apply IFRS 9 to measure loss allowances for expected credit losses on other related party receivables by reference to the related party's financial position and performance and general economic cash flows in which it operates. No loss allowance has been recognised during the year against those related parties receivable balances.

15. STATED CAPITAL

	THE GROUP AND THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000
6,175,680 ordinary shares of Rs 10 each	**61,757**	61,757
Share premium	**147**	147
	61,904	61,904

The fully paid ordinary shares carry one vote per share, right to dividends and entitlement to surplus assets on winding up.

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16. OTHER RESERVES

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Regulatory reserve	**24,476**	24,476	**-**	-
Investments revaluation reserve	**32,387**	87,882	**4,536**	49,619
Properties revaluation reserve	**452,581**	406,292	**330,497**	296,472
	509,444	**518,650**	**335,033**	**346,091**

(a) Regulatory reserve

The regulatory reserve represents transfer from retained earnings by the associate in accordance with the Banking Act 2004.

(b) Investments revaluation reserve

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of investments in equity instruments designated as at FVTOCI, net of cumulative gain/loss transferred to retained earnings upon disposal.

(c) Properties revaluation reserve

The properties revaluation reserve arises on the revaluation of land and buildings, net of deferred tax.

17. NON-CONTROLLING INTERESTS

	THE GROUP	
	30 June 2024 Rs '000	30 June 2023 Rs '000
At 1 July	**132,687**	70,579
Share of profit for the year	**37,565**	35,953
Share of other comprehensive income for the year	**2,864**	1,298
Issue of new shares	**-**	36,260
Dividend paid	**(17,754)**	(11,403)
At 30 June	**155,362**	**132,687**

18. LOANS

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Non-current				
Bank and other borrowings (Note a)	**307,165**	281,327	**148,623**	171,857
Current				
Bank and other borrowings (Note a)	**604,099**	507,837	**412,649**	345,445
Total	**911,264**	**789,164**	**561,272**	**517,302**

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Repayable within one year Loans repayable with interest ranging between 5.00% - 7.79% p.a (2023: 2.30% - 13.00%)	**604,099**	507,837	**412,649**	345,445
Repayable between two to five years Loans repayable with interest ranging between 6.75 % - 7.25% p.a (2023: 4.50 % - 7.5%)	**129,641**	144,839	**96,245**	109,479
Repayable after five years Loans repayable with interest ranging between 6.75 % - 6.75% p.a (2023: 4.50 % - 7.50%)	**177,524**	136,488	**52,378**	62,378
	307,165	281,327	**148,623**	171,857
	911,264	**789,164**	**561,272**	**517,302**

a) The bank and other borrowings are secured by fixed and floating charges on movable and immovable properties (including land and buildings and shares in quoted investments) of the Group and the Company's assets and are repayable by monthly, half yearly and yearly instalments.

b) The carrying amounts of borrowings are not materially different from their fair values.

19. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Amount recognised in Statements of financial position				
Defined benefit plan (Note a)	**46,963**	50,089	**46,963**	50,089
Other Retirement benefits (Note b)	**52,165**	43,505	**39,181**	33,551
	99,128	**93,594**	**86,144**	**83,640**
Amount recognised in Statements of profit or loss and other comprehensive income				
Amount recognised in profit or loss	**10,142**	**10,954**	**8,781**	**9,985**
Amount recognised in other comprehensive income	**16,403**	**(7,243)**	**14,734**	**(6,107)**

(a) Defined benefit plan

The pension plan is a final salary defined benefit plan for employees and is wholly funded. The assets of the plan are held and administered by Swan Life Ltd. The plan provides for a pension at retirement and a benefit in death or disablement in service before retirement.

The retirement benefit obligations reporting figures have been based on the latest actuarial report as at 30 June 2024 issued by Swan Life Ltd.

The amount included in the statements of financial position arising from the entity's obligations in respect of its defined benefit plans are as follows:

	THE GROUP AND THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000
Present value of funded defined benefit obligations	**138,216**	117,304
Fair value of plan assets	**(91,253)**	(67,215)
	46,963	**50,089**

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(a) Defined benefit plan (Cont'd)

Amount recognised in Statements of profit or loss and other comprehensive income

	THE GROUP AND THE COMPANY	
Pension expense components	30 June 2024 Rs '000	30 June 2023 Rs '000
Current service cost	3,015	4,923
Cost of insuring risk benefits	-	289
Scheme expenses	-	411
Net interest cost	1,922	1,923
Net periodic pension cost per IAS 19	**4,937**	**7,546**

Movement in liability recognised in the Statements of financial position were as follows:

	THE GROUP AND THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000
At 1 July	50,089	63,168
Total expenses as per above	4,937	7,546
Actuarial (gains) / losses recognised in other comprehensive income	12,254	(10,071)
Employer's contributions	(20,317)	(10,554)
	(3,126)	(13,079)
At 30 June	**46,963**	**50,089**

Movement in the present value of the defined benefit obligations were as follows:

	THE GROUP AND THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000
At 1 July	117,305	118,408
Current service cost	3,015	4,923
Interest cost	5,630	3,874
Net actuarial (gains) / losses	12,267	(7,871)
Benefits paid	-	(2,029)
At 30 June	**138,217**	**117,305**

Movement in the present value of the plan assets were as follows:

	THE GROUP AND THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000
At 1 July	67,216	55,240
Interest income	3,708	1,951
Employer's contribution	20,317	10,555
Scheme expenses	-	(411)
Cost of insuring risk benefits	-	(289)
Actuarial gains	13	2,199
Benefits paid	-	(2,029)
At 30 June	**91,254**	**67,216**

Analysis of amount recognised in Other comprehensive income

	THE GROUP AND THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000
Gains on pension scheme assets	(13)	(2,199)
Experience losses on the liabilities	10,986	2,029
Changes in assumptions underlying the present value of the scheme	1,281	(9,901)
Actual (gains) / losses recognised in Other comprehensive income	**12,254**	**(10,071)**

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined benefit plan (Cont'd)

Cumulative actuarial losses recognised

	THE GROUP AND THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000
Cumulative actuarial losses at start of year	55,815	65,886
Actuarial (gains) / losses recognised this year	12,254	(10,071)
Cumulative actuarial losses at end of year	**68,069**	**55,815**

	THE GROUP AND THE COMPANY	
Amounts for the current and previous periods	30 June 2024 Rs '000	30 June 2023 Rs '000
Defined benefit obligation	(138,216)	(117,304)
Plan assets	91,253	67,215
Deficit	(46,963)	(50,089)
Experience losses / (gains) on plan liabilities	12,267	(7,871)
Experience gains on plan assets	**(13)**	**(2,199)**

General description of the plan

The funded plan is a defined benefit arrangement, with benefits based on final salary. It provides for a pension at retirement and a benefit on death or disablement in service before retirement. The unfunded liabilities are in respect of employees who are entitled to the statutory benefits under The Workers' Rights Act 2019. For those who are members of the pension plan, half of any lump sum and five years of pension (relating to Employer's share of contribution only) payable from the pension plan have been offset from the retirement gratuities.

Description of assets

The assets of the plan are invested in the Deposit Administration Policy underwritten by Swan Life Ltd. The Deposit Administration Policy is a pooled insurance product for Group Pension Schemes. It is a long-term investment policy which aims to provide a smooth progression of returns from one year to the next without regular fluctuations associated with asset-linked investments such as Equity Funds. Moreover, the Deposit Administration Policy offers a minimum guaranteed return of 4% per annum.

Risks associated with the Plan

The Defined Benefit Plan exposes the Group and the Company to actuarial risks such as longevity risk, interest rate risk, market (investment) risk and salary risk.

Longevity risk:- The liabilities disclosed are based on the Swan buyout rate. Should there be an improvement in mortality, the buyout rate will be reviewed and hence the liabilities will increase.

Interest rate risk :- If the yields on Government Bonds and Treasury Bills decrease, the liabilities would be calculated using a lower discount rate and would therefore increase.

Investment risk :- The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.

Salary risk :- If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

Sensitivity analysis

The sensitivity analyses have been determined based on sensibly possible changes of the discount rate or salary increase rate occuring at the end of the reporting period if all other assumptions remained unchanged.

	THE GROUP AND THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000
Increase in defined benefit obligations due to 1% decrease in discount rate	3,774	4,512
Decrease in defined benefit obligations due to 1% increase in discount rate	3,684	3,962
Increase in defined benefit obligations due to 1% increase in future long-term salary assumption	3,799	4,524
Decrease in defined benefit obligations due to 1% decrease in future long-term salary assumption	**3,773**	**4,020**

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

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FOR THE YEAR ENDED 30 JUNE 2024

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined benefit plan (Cont'd)

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.
The weighted duration of the liabilities as at 30 June 2024 is 3 years.

	THE GROUP AND THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000
Expected employer contributions for next financial year	**12,600**	**10,800**

The principal accounting assumption used for accounting purposes were:

	THE GROUP AND THE COMPANY	
	30 June 2024 %	30 June 2023 %
Discount rate	**4.20**	4.80
Future long-term salary increase	**1.75**	2.00
Post retirement mortality tables increases	**Swan Annuity rates 2024**	Swan Annuity rates 2023

Actual return on plan assets:

The notional return on plan assets was Rs 3,721,521 for the year ended 30 June 2024 (2023: Rs 4,150,262).

(b) Other retirement benefits

Other retirement benefits relate to unfunded obligations in respect to The Workers' Rights Act 2019. The unfunded retirement obligations provide for lump sum based on company service and final salary to be paid at retirement.

The retirement benefit obligations reporting figures have been based on the latest actuarial report as at 30 June 2024 issued by MUA Pension Ltd.

Amount recognised in Statements of financial position:

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Present value of obligations	52,167	43,507	39,183	33,553
Fair value of planned assets	(2)	(2)	(2)	(2)
	52,165	**43,505**	**39,181**	**33,551**

Amount recognised in Statements of profit or loss and other comprehensive income:

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Current service cost	**2,791**	2,405	**1,995**	1,778
Net interest cost	**2,414**	1,783	**1,850**	1,276
Past service cost	**-**	-	**-**	-
Curtailment / settlement (gain)	**-**	(780)	**-**	(615)
Net cost for the year recognised in profit or loss	**5,205**	3,408	**3,845**	2,439
Remeasurement recognised in Other Comprehensive Income	**4,150**	2,828	**2,480**	3,964
Net cost for the year	**9,355**	**6,236**	**6,325**	**6,403**

Net interest cost for the year:

Interest on obligations	**2,414**	**1,783**	**1,850**	**1,276**

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other retirement benefits (Cont'd)

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Remeasurement recognised in Other Comprehensive Income for the year:				
Actuarial losses / (gains) on the obligations	**4,150**	2,828	**2,480**	3,964
Changes in the present value of the obligation				
At 1 July	**43,505**	37,634	**33,551**	27,513
Interest cost	**2,414**	1,783	**1,850**	1,276
Current service cost	**2,791**	2,405	**1,995**	1,778
Benefits paid	**(695)**	(365)	**(695)**	(365)
Curtailment / settlement (gains)	**-**	(780)	**-**	(615)
Expected obligation at end of the year	**48,015**	40,677	**36,701**	29,587
Remeasurement losses / (gains) recognised in Other Comprehensive Income at end of the year	**4,150**	2,828	**2,480**	3,964
Present value of obligation at end of the year	**52,165**	**43,505**	**39,181**	**33,551**

Principal actuarial assumptions at end of the year:

	THE GROUP		THE COMPANY	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Normal retirement age	**65**	65	**65**	65
Discount rate	**4.69%-5.56%**	5.14%-5.70%	**4.69%-5.56%**	5.14%-5.70%
Future salary increases	**3.00%**	3.00%	**3.00%**	3.00%
Annual proportion of employees leaving service	**5% up to age 40, decreasing to 0% at age 45 & nil thereafter**	5% up to age 40, decreasing to 0% at age 45 & nil thereafter	**5% up to age 40, decreasing to 0% at age 45 & nil thereafter**	5% up to age 40, decreasing to 0% at age 45 & nil thereafter
Actuarial table for employee mortality	**PMA92_PFA92**	PMA92_PFA92	**PMA92_PFA92**	PMA92_PFA92

Sensitivity

Significant actuarial assumptions for the determination of defined obligation are discount rate, future long term salary and longevity assumptions. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	THE GROUP		THE COMPANY	
Effect on present value of obligations:	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
1% increase in discount rate	**(18,784)**	(10,682)	**(9,019)**	(8,067)
1% decrease in discount rate	**21,918**	13,824	**4,767**	10,396
1% increase in salaries	**25,982**	11,686	**9,446**	8,711
1% decrease in salaries	**(17,625)**	(9,139)	**(7,433)**	(6,835)
Effect of changing longevity - rate up	**(13,510)**	(820)	**(747)**	(646)
Effect of changing longevity - rate down	**13,966**	784	**741**	618

The sensitivity analysis presented above may not be representative of the actual change in the other retirement benefit obligations as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

	THE GROUP		THE COMPANY	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Average duration of the retirement benefits (years)	13 - 35	14 - 35	13.00	15.00

	THE GROUP		THE COMPANY	
Experience adjustments on:	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Plan liabilities	(2,180)	(8,430)	(919)	(6,000)

(c) State pension plan

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
National pension scheme contribution charges	15,594	12,797	12,546	10,768

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20. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Cash at banks and in hand	**46,967**	125,376	**15,193**	76,442
Bank overdrafts	**(364,869)**	(407,291)	**(297,847)**	(354,215)
	(317,902)	**(281,915)**	**(282,654)**	**(277,773)**

The bank overdrafts are secured by floating charges on assets of the Group and the Company. The interest rate profile is disclosed in note 31.

While cash and cash equivalents are also subject to impairment requirements of IFRS 9, there is no evidence of impairment loss.

21. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Trade payables	**108,546**	261,164	**91,339**	175,778
Other payables and accruals	**94,090**	62,265	**71,342**	68,383
	202,636	**323,429**	**162,681**	**244,161**

The average credit period of trade payables is 1 to 3 months. No interest is charged on trade payables. The Group and the Company have financial risk management policies in place to ensure that all payables are paid within the credit timeframe

.

Trade and other payable balances to related parties, including terms and conditions, are disclosed under Note 30: Related party transactions.

The directors consider that the carrying amount of trade payables approximates to their fair value.

22. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging / (crediting) the following items:

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Cost of operations	**2,195,567**	2,161,716	**1,357,490**	1,380,800
Depreciation of property, plant and equipment	**37,206**	37,387	**26,420**	25,540
Depreciation of leased assets	**21,737**	23,891	**18,377**	17,811
Amortisation of intangible assets	**252**	196	**219**	132
Other Selling and marketing costs	**91,581**	99,604	**52,628**	63,643
Other Administrative costs	**44,242**	34,929	**34,307**	30,830
Other operating costs	**47,043**	59,183	**33,527**	41,189
Loss on forward contracts	**-**	(33)	**-**	(33)
Net exchange gain	**(33,562)**	(31,954)	**(29,528)**	(24,943)
Other income	**(47,340)**	(30,412)	**(84,155)**	(63,013)
Included in cost of operations:				
Cost of inventories expensed	**2,001,711**	**1,996,282**	**1,211,713**	**1,256,080**
Other income				
Interest receivable	**(19,602)**	(5,126)	**(3,468)**	(4,628)
Rental income	**(14,386)**	(9,195)	**(16,813)**	(13,048)
Sundry income	**(4,909)**	(9,110)	**(25,974)**	(18,855)
Profit on disposal of property, plant and equipment	**(1,992)**	(814)	**(1,742)**	(814)
Dividend received - others	**(6,451)**	(6,167)	**(5,503)**	(5,957)
Dividend received - subsidiaries	**-**	-	**(19,295)**	(11,959)
Dividend received - associates	**-**	-	**(11,360)**	(7,752)
	(47,340)	**(30,412)**	**(84,155)**	**(63,013)**

22. PROFIT FROM OPERATIONS (CONT'D)

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Staff costs				
Wages and salaries, including gratuity	**318,837**	301,056	**210,698**	215,039
Social security costs	**15,056**	12,797	**12,546**	10,768
Pension and other post retirement benefits	**31,415**	29,393	**26,489**	25,424
	365,308	**343,246**	**249,733**	**251,231**
Allocated as follows:				
Direct overheads	**140,393**	128,663	**106,332**	97,770
Administrative expenses	**224,915**	214,583	**143,401**	153,461
	365,308	**343,246**	**249,733**	**251,231**

23. FINANCE COSTS

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Interest on:				
- Bank and other borrowings	**33,146**	26,937	**25,507**	21,219
- Bills payable	**25,365**	17,642	**14,627**	14,162
- Lease obligations	**6,787**	5,481	**4,851**	4,871
- Bank overdrafts	**30,353**	16,001	**25,916**	13,010
	95,651	**66,061**	**70,901**	**53,262**

24. EARNINGS PER SHARE

The earnings and number of ordinary shares used in the calculation of basic earnings per share are as follows:-

	THE GROUP	
	30 June 2024	30 June 2023
Profit for the year attributable to owners of the Company (Rs '000)	**48,464**	90,906
Number of ordinary shares	**6,175,680**	6,175,680
Earnings per share (Rs)	**7.85**	14.72

25. NOTES TO THE STATEMENTS OF CASH FLOWS

Purchase of property and equipment	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Additions to property, plant and equipment (note 5)	**182,775**	136,630	**25,245**	19,890
Financed as follows:				
Cash	**182,775**	136,630	**25,245**	19,890
Cash disbursed	**182,775**	**136,630**	**25,245**	**19,890**

26. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's and the Company's liabilities arising from financing activities. Liabilities from financing activities are those for which cash flows were, or future cash flows will be, classified in the statements of cash flows from financing activities.

THE GROUP

30 June 2024	Opening balance Rs '000	Financing Cash flows Rs '000	Non-cash movements Rs '000	Closing balance Rs '000
Loans	789,164	122,100		911,264
Lease liabilities	86,022	(27,623)	29,345	87,744
	875,186	**94,477**	**29,345**	**999,008**

THE COMPANY

30 June 2024	Opening balance Rs '000	Financing Cash flows Rs '000	Non-cash movements Rs '000	Closing balance Rs '000
Loans	517,302	43,969	-	561,271
Lease liabilities	77,499	(22,860)	13,988	68,627
	594,801	**21,109**	**13,988**	**629,898**

THE GROUP

30 June 2023	Opening balance Rs '000	Financing Cash flows Rs '000	Non-cash movements Rs '000	Closing balance Rs '000
Loans	755,530	33,634	-	789,164
Lease liabilities	80,585	(29,901)	35,338	86,022
	836,115	**3,733**	**35,338**	**875,186**

THE COMPANY

30 June 2023	Opening balance Rs '000	Financing Cash flows Rs '000	Non-cash movements Rs '000	Closing balance Rs '000
Loans	610,179	(92,877)	-	517,302
Lease liabilities	59,338	(22,587)	40,748	77,499
	669,517	**(115,464)**	**40,748**	**594,801**

The cash flows from loans and leases represent the net amount of proceeds and repayments in the statements of cash flows. The non cash changes relate to addition to leases and the interest expense.

27. OTHER FINANCIAL ASSETS/(LIABILITIES)

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Financial assets measured at amortised cost (note (a))	**161**	161	**5,711**	5,711
Other financial assets/(liabilities) (note (b))	**-**	33	**-**	33
At 30 June	**161**	**194**	**5,711**	**5,744**

(a) Financial assets measured at amortised cost

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
At 1 July	**161**	161	**5,711**	5,711
	161	**161**	**5,711**	**5,711**

The financial assets carry interest at 6% p.a. payable on an annual basis. There is no exposure to price risk as the financial assets will be held to maturity.

27. OTHER FINANCIAL ASSETS/(LIABILITIES) (CONT'D)

(b) Other financial assets/(liabilities)

Foreign currency forward contracts

It is the policy of the Group and the Company to enter into foreign currency forward contracts to manage the foreign currency risk associated with anticipated purchases (imports) transactions denominated in foreign currencies.

As at June 2024, The Group and The Company did not enter into forward foreign currency contracts. The following table details the forward foreign currency contracts outstanding at 30 June 2023.

30 June 2023		Forward exchange rate	Foreign currency '000	Currency notional value '000	Fair value assets/ (liabilities) Rs '000
Forward exchange contract - buy	ZAR:MUR	2.44	ZAR 12,000	MUR 29,293	3
Forward exchange contract - buy	USD:MUR	46.03	USD 800	MUR 36,820	30
					33

The above forward exchange contracts are classified under Level 2 of the fair value hierarchy.
The foreign currency risk management is disclosed in note 31.

28. DIVIDENDS

	THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000
Final dividend paid of Rs 1.60 per share (2023: Rs 1.20)	**9,881**	7,411

On 26th of September 2024, the directors declared a dividend in respect of the financial year ended 30 June 2024 of Rs 1.60 per share amounting to Rs' 000 9,881. This dividend has not been recognised as a liability at 30 June 2024 in accordance with IAS10.

29. CONTINGENT LIABILITIES

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Contingent liabilities	151,394	159,324	**123,894**	131,824
Group's share of associates' contingent liabilities	**211,394**	219,324	**-**	-

The contingent liabilities represent guarantees provided to bankers and third parties which have not been provided for in these financial statements as the directors consider that the probability for default in respect of those guarantees is remote.

Included in contingent liabilities above is a corporate guarantee by the Company in favour of the bank for Expert Leasing Ltd in consideration of banking facilities and financial accomodation of Rs 60,000,000.

The Group's share of associates' contingent liabilities represents financial guarantees, undrawn credit facilities and letters of credit and other obligations on account of customers.

30. RELATED PARTY TRANSACTIONS

The subsidiaries and associates are disclosed in notes 9 and 10.
During the year, the following significant transactions were carried out with related parties :-

	THE GROUP		THE COMPANY	
<u>Transactions during the year</u>	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Subsidiaries				
Rendering of services	-	-	**66,063**	46,258
Receipts of goods and services	-	-	**49,839**	29,874
Interest expense on advances	-	-	**305**	-
Interest received	-	-	**540**	782

30. RELATED PARTY TRANSACTIONS (CONT'D)

	THE GROUP		THE COMPANY	
Transactions during the year (Cont'd)	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Subsidiaries (Cont'd)				
Dividend received	-	-	**19,295**	12,327
Advances granted	-	-	**5,000**	-
Refund of advances granted to subsidiaries	-	-	**5,500**	6,000
Advances received	-	-	**80,000**	-
Advances repaid to subsidiaries	-	-	**65,500**	-
Purchase of investments	-	-	-	42,529
Associates				
Rendering of goods and services	**29,899**	36,946	**13,826**	7,787
Receipts of goods and services	**12,975**	12,137	**10,436**	5,947
Dividend received	**11,360**	7,752	**11,360**	7,752
Advances repaid	**10,000**	9,000	**10,000**	9,000
Loan received	-	20,000	-	20,000
Loan repaid	**8,000**	-	**8,000**	-
Leases repaid	-	389	-	389
Interest paid	**1,237**	1,553	**974**	5,888
Interest received	**335**	5,888	**335**	1,179

Investment activities with associates have been disclosed in notes 10.

Enterprises that have a member of key management / directors in common

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Rendering of goods and services	**260,594**	106,154	**216,541**	70,868
Receipts of goods and services	**141,921**	86,574	**102,199**	55,757
Dividend received	**2,391**	788	**1,442**	788
Advances granted	**114,179**	-	**97,033**	-
Advances repaid	**115,975**	32,774	**109,433**	32,774
Loan received	**15,000**	-	**15,000**	-
Loan repaid	**8,000**	-	**8,000**	-
Interest paid	**33**	1,817	**33**	-
Interest received	**2,707**	1,782	**1,946**	1,782
Purchase of other investments	**8,306**	375	**8,306**	288

30. RELATED PARTY TRANSACTIONS (CONT'D)

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Transactions during the year (Cont'd)				
Outstanding balances with related parties				
Subsidiaries				
Advances and loans	**-**	-	**7,900**	8,400
Advances from subsidiaries	**-**	-	**14,500**	-
Receivables	**-**	-	**24,571**	51,815
Payables	**-**	-	**15,882**	18,414
Associates				
Advances and loans	**2,500**	16,042	**2,500**	12,500
Advances from associates	**12,000**	20,000	**12,000**	20,000
Receivables	**39,672**	17,290	**33,215**	17,006
Bank overdraft	**121,807**	73,450	**95,770**	73,450
Payables	**4,046**	27,147	**3,853**	5,875
Enterprises that have a member of key management / directors in common				
Advances receivables	**40,947**	31,601	**28,801**	31,581
Advances payables	**7,000**	3,985	**7,000**	-
Receivables	**93,659**	85,909	**77,650**	61,356
Payables	**29,987**	30,172	**23,858**	25,158

The outstanding balances with related parties (as disclosed above) bear an average interest rate of 5.40% - 6.75% per annum (2022: 5.15% - 6.25%). These balances are unsecured and do not have any fixed terms of repayment unless stated otherwise. The transactions are undertaken in the normal course of business.

Compensation of key management personnel:

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

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Short term benefits	**126,901**	108,373	**98,001**	88,681

31. FINANCIAL INSTRUMENTS

Capital risk management

The Group and the Company manage their capital to ensure that entities in the Group and the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged from 2022.

The Capital structure of the Group and the Company consist of debt, net of cash and cash equivalents, and equity attributable to owners of the Company comprising issued capital, reserves and retained earnings.

Gearing ratio

The gearing ratio at the year end was as follows:

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Debt	**1,363,876**	1,282,477	**927,746**	949,016
Cash in hand and at bank	**(46,967)**	(125,376)	**(15,193)**	(76,442)
Net debt	1,316,909	1,157,101	912,553	872,574
Total equity	1,514,084	1,475,322	1,051,408	1,045,335
Net debt to equity ratio	0.87	0.78	0.87	0.83
Net debt to equity ratio (excluding Impact of IFRS16)	0.82	0.72	0.82	0.77

(i) Debt is defined as long and short term borrowings as described in notes 6(b), 18, 20 and 29.
(ii) Equity includes all capital and reserves of the Group and the Company.

Accounting policies

Details of the accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of financial instruments

	THE GROUP		THE COMPANY	
30 June 2024	Financial assets Rs '000	Financial liabilities Rs '000	Financial assets Rs '000	Financial liabilities Rs '000
At amortised cost				
Trade and other receivables	463,800	-	356,096	-
Other financial assets	161	-	5,711	-
Cash and cash equivalents	46,967	-	15,193	-
Loans	-	911,263	-	561,271
Bank overdrafts	-	364,869	-	297,847
Lease liabilities	-	87,744	-	68,627
Trade and other payables	-	202,634	-	130,853
Financial assets at fair value through other comprehensive income	220,506	-	199,775	-
	731,434	1,566,510	576,775	1,058,598

31. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments (Cont'd)

30 June 2023	THE GROUP		THE COMPANY	
	Financial assets Rs '000	Financial liabilities Rs '000	Financial assets Rs '000	Financial liabilities Rs '000
At amortised cost				
Trade and other receivables	644,704	-	449,467	
Other financial assets	161	-	5,711	-
Cash and cash equivalents	125,376	-	76,442	-
Loans	-	789,164	-	-
Bank overdrafts	-	407,291	-	517,302
Lease liabilities	-	86,022	-	354,215
Trade and other payables	-	315,745	-	77,499
Financial assets at fair value through other comprehensive income	251,721	-	236,553	224,468
Derivative financial assets/liabilities - fair value through profit or loss	33	-	33	-
	1,021,995	**1,598,222**	**768,206**	**1,173,384**

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
(i) Financial assets exclude the following:				
Prepayments	**16,555**	18,292	**8,549**	13,625
Valued added tax	**184**	8,021	**-**	-
Income taxes withheld under tax deduction at source	**5,107**	206	**3,966**	2,278
	21,846	**26,519**	**12,515**	**15,903**
(ii) Financial liabilities exclude the following:				
Valued added tax	**12,290**	4,595	**9,431**	2,960
Contract Liabilities	**91,697**	71,783	**20,010**	14,307
National Pension Funds/Income taxes retained	**3,024**	2,632	**2,250**	2,331
Tax deduction at source	**332**	459	**141**	96
	107,343	**79,469**	**31,832**	**19,694**

Financial risk management

Market risk

The Group's and the Company's activities expose them primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group and the Company manage their exposure to interest rate and foreign currency risk by use of a proper mix of fixed and floating rate borrowings and use of natural hedging and monitoring of forward exchange rates respectively.

Foreign currency risk management

The Group and the Company undertake certain transactions denominated in foreign currencies. Hence, exposure to exchange rate fluctuations arises.

ABC MOTORS COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2024

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (Cont'd)

Foreign currency risk management (Cont'd)

The currency profile of the financial assets and financial liabilities is summarised as follows:

	THE GROUP		THE COMPANY	
	Financial Assets Rs '000	Financial Liabilities Rs '000	Financial Assets Rs '000	Financial Liabilities Rs '000
30 June 2024				
Currency				
Mauritian Rupee	481,752	1,319,051	366,977	996,096
US Dollar	6,817	60,431	4,991	47,232
South African Rand	246	615	246	615
Japanese Yen	693	43,198	462	14,656
Euro	16,033	143,213	850	-
Great Britain Pound	3,249	-	1,337	-
Australian Dollar	2,137	-	2,137	-
	510,927	**1,566,508**	**377,000**	**1,058,599**

	THE GROUP		THE COMPANY	
	Financial Assets Rs '000	Financial Liabilities Rs '000	Financial Assets Rs '000	Financial Liabilities Rs '000
30 June 2023				
Currency				
Mauritian Rupee	700,449	1,154,906	471,141	858,449
US Dollar	12,130	293,939	4,853	285,380
South African Rand	7,401	1,939	7,401	1,939
Japanese Yen	43,283	51,900	42,964	27,716
Euro	4,755	95,538	3,153	-
Great Britain Pound	201	-	86	-
Australian Dollar	2,055	-	2,055	-
	770,274	**1,598,222**	**531,653**	**1,173,484**

The currency risk table exlcude financial assets at fair value through other comprehensive income. The Group and the Company are significantly exposed to Japanese Yen, US Dollar, South African Rand and Euro.

The following table details the Group and the Company's sensitivity to a 5% increase (based on historical observations) in the Rupee against the relevant significant foreign currencies on profit and equity. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

	Impact on profit or loss THE GROUP		Impact on profit or loss THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
US Dollar	**(2,681)**	(14,090)	**(1,753)**	(11,642)
Japanese Yen	**(2,125)**	(431)	**(589)**	633
South African Rand	**(18)**	273	**(589)**	227
Euro	**(6,359)**	(4,539)	**35**	131

A decrease of 5% in the Rupee against the above relevant foreign currencies would have an equal and opposite impact on the profit or loss.

Interest rate risk management

The Group and the Company are exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings.

The interest rate profile of the Group and the Company at 30 June 2023 was:

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (Cont'd)

Interest rate risk management (Cont'd)

		THE GROUP		THE COMPANY	
		30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Financial Assets					
Non-interest bearing	N/A	**655,455**	850,339	**516,671**	634,420
Fixed interest bearing	5.20%-5.65%	**161**	161	**5,711**	5,711
Variable interest rate instruments	5.00% -9.79%	**75,817**	171,462	**54,393**	128,042
Derivative financial instruments	N/A	**-**	33	**-**	33
		731,433	**1,021,995**	**576,775**	**768,206**

The above comprise mainly of advances to related parties, cash at bank and preference shares.

		THE GROUP		THE COMPANY	
		30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Financial liabilities					
Non-interest bearing	N/A	**202,634**	315,745	**130,853**	224,468
Lease liabilities	6.50%-7.75%	**87,744**	86,022	**68,627**	77,499
Fixed interest bearing	5.20%-5.65%	**190,000**	190,000	**190,000**	190,000
Variable interest rate instruments	5.00% -9.79%	**1,086,132**	1,006,455	**669,118**	681,517
Derivative financial instruments	N/A	-	-	-	-
		1,566,510	**1,598,222**	**1,058,598**	**1,173,484**

The above comprise mainly of loans, import loans, lease contracts and bank overdrafts. The fixed rates financial liabilities comprise of leases contracts bearing interest rates fixed in advance up last repayment of instalments. The floating rates financial liabilities are bank overdrafts, loans and import loans bear varying interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to the interest rates at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

If interest rates had been 50 basis points (based on historical observations) higher/lower and all other variables were held constant, the effect on the Group and the Company's profit would have been as follows:

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Profit or Loss	**5,052**	**4,175**	**3,074**	**2,767**

Other comprehensive income would have been unaffected as there is no interest bearing financial instruments designated as at FVTOCI.

Other price risk

The Group and the Company are exposed to equity price risks arising from quoted equity investments. Equity investments are held for strategic rather than trading purposes. The Group and the Company do not actively trade these investments.
The sensitivity analyses below have been determined based on the exposure to equity price risks of quoted investments at the reporting date.

If equity prices had been 5% higher/lower, based on historical observation:
- Profit for the year ended 30 June 2024 and 30 June 2023 would have been unaffected as the quoted equity investments are classified as FVTOCI; and
- Other comprehensive income would have increased/decreased by Rs 3,534,750 (2022: Rs 5,670,279) for the Group and the Company as a result of the changes in fair value of the investments in quoted equity instruments.

The methods and assumptions used in preparing the sensitivity analysis above have not changed significantly from prior year.
The Group and the Company's sensitivity to equity prices have changed significantly due to fair value loss recognised during the year on quoted equity investments.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group and the Company use publicly available financial information and its own trading records to rate its major customers. The Group's and the Company's exposure and the credit ratings of its counterparties are continuously monitored.

Before accepting any new customer, the credit control department of the Group and the Company assess the credit quality of the customer and define the credit facilities accordingly. Trade receivables are monitored on a monthly basis through internal management meetings.

The Group and the Company have policies to ensure that the vetting criteria are assessed and reviewed in order to take into consideration economic realities. All credit applications go through a vetting process and are subject to management approval. At the level of operations, outstanding debts are continuously monitored and relevant diminution in value is recognised as and when they become apparent. The recoverable amount of each past due debt is reviewed on an individual basis at each reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. As such, the Group's and the Company's credit risk is significantly reduced.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.
The Group and the Company do not have any concentration of credit risk.
All bank balances are assessed to have low credit risk at reporting date since they are held with reputable banking institutions.
The carrying amount of the financial assets presented in the financial statements represent the maximum exposure of the Group and the Company to credit risk at reporting date.

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (Cont'd)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who monitors the Group and the Company's short, medium and long-term funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities. Despite the advent of Covid-19, the Group and the Company have been able to meet their contractual obligations, including the obligations towards the banks. With the improved performance, it is not expected that the Group and the Company will be impacted by any liquidity issues.

Liquidity risk tables

The following tables detail the Group and the Company's remaining contractual maturity for its non-derivative financial liabilities. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both future interest and principal cash flows.

THE GROUP

	Less than 1 year Rs '000	1 - 5 years Rs '000	5 + years Rs '000	Total Rs '000
30 June 2024				
Non-interest bearing	202,634	-	-	202,634
Lease liabilities	24,791	50,859	83,436	159,086
Fixed interest bearing	191,199	-	-	191,199
Variable interest rate instruments	828,858	157,488	185,408	1,171,754
	1,247,482	**208,347**	**268,844**	**1,724,673**
30 June 2023				
Non-interest bearing	315,745	-	-	315,745
Lease liabilities	21,146	58,878	39,313	119,337
Fixed interest bearing	192,645	-	-	192,645
Variable interest rate instruments	774,957	179,675	148,659	1,103,291
	1,304,493	**238,553**	**187,972**	**1,731,018**

THE COMPANY

	Less than 1 year Rs '000	1 - 5 years Rs '000	5 + years Rs '000	Total Rs '000
30 June 2024				
Non-interest bearing	224,468	-	-	224,468
Lease liabilities	22,671	48,830	39,313	110,814
Fixed interest bearing	192,645	-	-	192,645
Variable interest rate instruments	559,489	144,315	74,549	778,353
	999,273	**193,145**	**113,862**	**1,306,280**
30 June 2023				
Non-interest bearing	224,468	-	-	224,468
Lease liabilities	22,671	31,566	73,840	128,077
Fixed interest bearing	192,645	-	-	192,645
Variable interest rate instruments	559,489	144,315	74,549	778,353
	999,273	**175,881**	**148,389**	**1,323,543**

Fair value of financial instruments

Except as stated elsewhere, the directors consider that the carrying amounts of financial assets and financial liabilities to approximate their fair values due to their short term nature and the long term instruments having variable rates.

31. FINANCIAL INSTRUMENTS (CONT'D)

Fair value of financial instruments (Cont'd)

Fair value hierarchy

The following table provides an analysis of

THE GROUP

	30 June 2024			
	Level 1 Rs '000	Level 2 Rs '000	Level 3 Rs '000	Total Rs '000
Quoted shares	**70,695**	**-**	**-**	**70,695**
Unquoted shares	**-**	**-**	**149,811**	**149,811**
	70,695	**-**	**149,811**	**220,506**

	30 June 2023			
	Level 1 Rs '000	Level 2 Rs '000	Level 3 Rs '000	Total Rs '000
Quoted shares	82,156	-	-	82,156
Unquoted shares	-	-	169,565	169,565
Forward foreign exchange contracts	-	33	-	33
	82,156	**33**	**169,565**	**251,754**

THE COMPANY

	30 June 2024			
	Level 1 Rs '000	Level 2 Rs '000	Level 3 Rs '000	Total Rs '000
Quoted shares	**70,695**	**-**	**-**	**70,695**
Unquoted shares	**-**	**-**	**129,081**	**129,081**
	70,695	**-**	**129,081**	**199,776**

	30 June 2023			
	Level 1 Rs '000	Level 2 Rs '000	Level 3 Rs '000	Total Rs '000
Quoted shares	82,156	-	-	82,156
Unquoted shares	-	-	154,397	154,397
Forward foreign exchange contracts	-	33	-	33
	82,156	**33**	**154,397**	**236,586**

Fair value of the Group's and the Company's financial assets that are measured at fair value on a recuring basis

Financial assets	Valuation techniques	Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to fair value
Quoted shares	Market value	N/A	N/A
Unquoted shares	Net Assets Value	Net Assets Value	A higher net assets will increase the valuation

32. COMMITMENTS FOR EXPENDITURE

	THE GROUP AND THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000
Commitments for the acquisition of property and equipment	**70,000**	-

33. SEGMENTAL REPORTING

Primary segment-business

The non automobile segment remains insignificant (i.e. less than 10%) both in terms of revenue and trading results compared to the Group which is regarded as one segment, except for the share of profits from ABC Banking Corporation Ltd which amounts to Rs 22,118,121 (2023: Rs 28,325,000) and investment in associate of Rs'000 235,404 (2023: Rs'000 218,427). ABC Banking Corporation Ltd is in banking sector and considered as a separate segment from the rest of the group.

Secondary segment-business

Since all business activities take place in Mauritius, the directors do not consider this segment as reportable.

34. REVENUE

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

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
Sale of goods	**2,613,699**	2,612,425	**1,557,184**	1,633,376
Rendering of services	**132,519**	121,016	**97,459**	96,161
	2,746,218	**2,733,441**	**1,654,643**	**1,729,537**
Timing of revenue recognition				
At a point in time	**2,613,699**	2,612,425	**1,557,184**	1,633,376
Overtime	**132,519**	121,016	**97,459**	96,161
	2,746,218	**2,733,441**	**1,654,643**	**1,729,537**

(b) Contract liabilities related to contracts with customers

	THE GROUP		THE COMPANY	
	30 June 2024 Rs '000	30 June 2023 Rs '000	30 June 2024 Rs '000	30 June 2023 Rs '000
At 1 July	**71,783**	72,022	**14,307**	22,833
Amount included in contract liabilities that was recognised as revenue during the period net of expenses	**(71,783)**	(72,022)	**(14,307)**	(22,833)
Cash received in advance of performance or amount due and not recognised as revenue during the period	**91,697**	71,783	**20,010**	14,307
At 30 June	**91,697**	**71,783**	**20,010**	**14,307**

Contract liabilities arise from advance payment from customers to be recognised over the next financial year on delivery of goods.

35. SUBSEQUENT EVENTS

In July 2024, the Finance (Miscellaneous Provisions) Act 2024 was promulgated into law and requires the company to pay a corporate climate responsibility ("CCR") levy equivalent to 2% of its chargeable income. The levy will be paid in respect of the year of assessment commecing on 1 July 2024. This has been deemed to be a non-adjusting event.

	THE GROUP	THE COMPANY
	30 June 2024 Rs '000	30 June 2024 Rs '000
Increase in deferred tax liaibility	**4,555**	3,312

APPENDIX I

	30 June 2024 Rs '000	30 June 2023 Rs '000
SALES	**1,654,643**	1,729,537
Opening stock	**399,737**	355,381
Purchases	**1,339,162**	1,295,381
	1,738,899	1,650,762
Less: Closing stock	**(527,187)**	(399,737)
COST OF SALES	**1,211,712**	1,251,025
Gross profit before charging:	**442,931**	478,512
Margin	**26.77%**	27.67%
Direct Overheads		
Staff Costs	**106,332**	97,770
Rent and rates	**3,304**	1,144
Outside services	**6,614**	5,885
Depreciation of right-of-use assets	**8,818**	8,049
Depreciation - Workshop equipment	**2,814**	3,234
	127,882	116,082
Gross Profit	**315,049**	362,430
Add:		
Dividend received	**36,158**	25,668
Profit on disposal of property, plant and equipment	**1,742**	814
(Loss)/profit on disposal of Investment	**-**	-
Net rent receivable	**16,813**	13,048
Refund Gwas	**-**	-
Interest receivable	**3,468**	4,628
Income from hire of equipment	**-**	-
Sundry income	**25,974**	18,855
Total income	**84,155**	63,013
	399,204	425,443
Less: expenses (Appendix II)	**297,247**	311,136
Profit from operations	**101,957**	114,307
Gain on revaluation of investment property	**6,260**	14,469
Loss allowance on trade receivables	**-**	10,187
Loss allowance on financial assets	**-**	-
Finance costs	**70,901**	53,262
Profit before taxation	**37,316**	65,327
Income tax	**1,924**	(5,373)
Profit for the year	**39,240**	**59,954**

APPENDIX II

Administrative expenses

	30 June 2024 Rs '000	30 June 2023 Rs '000
Staff Costs	**134,606**	143,345
Retirement benefit obligations	**8,795**	10,116
Licences and insurances	**6,284**	6,140
Printing ,Postages and Stationery	**3,174**	3,587
Repairs & Maintenance	**21,826**	18,826
Outside services	**9,528**	8,590
Entertainment	**1,231**	917
Advertising	**(3,753)**	8,821
Legal and professional Charges	**28,617**	23,386
Motor Vehicle Running Expenses	**25,359**	24,909
Overseas Travelling	**5,690**	7,443
General expenses	**20,753**	20,473
Bank charges	**2,753**	2,383
Depreciation	**23,824**	22,438
Depreciation of right-of-use assets	**9,560**	9,762
Loss allowance on financial assets at amortised cost	**(1,000)**	-
	297,247	**311,136**

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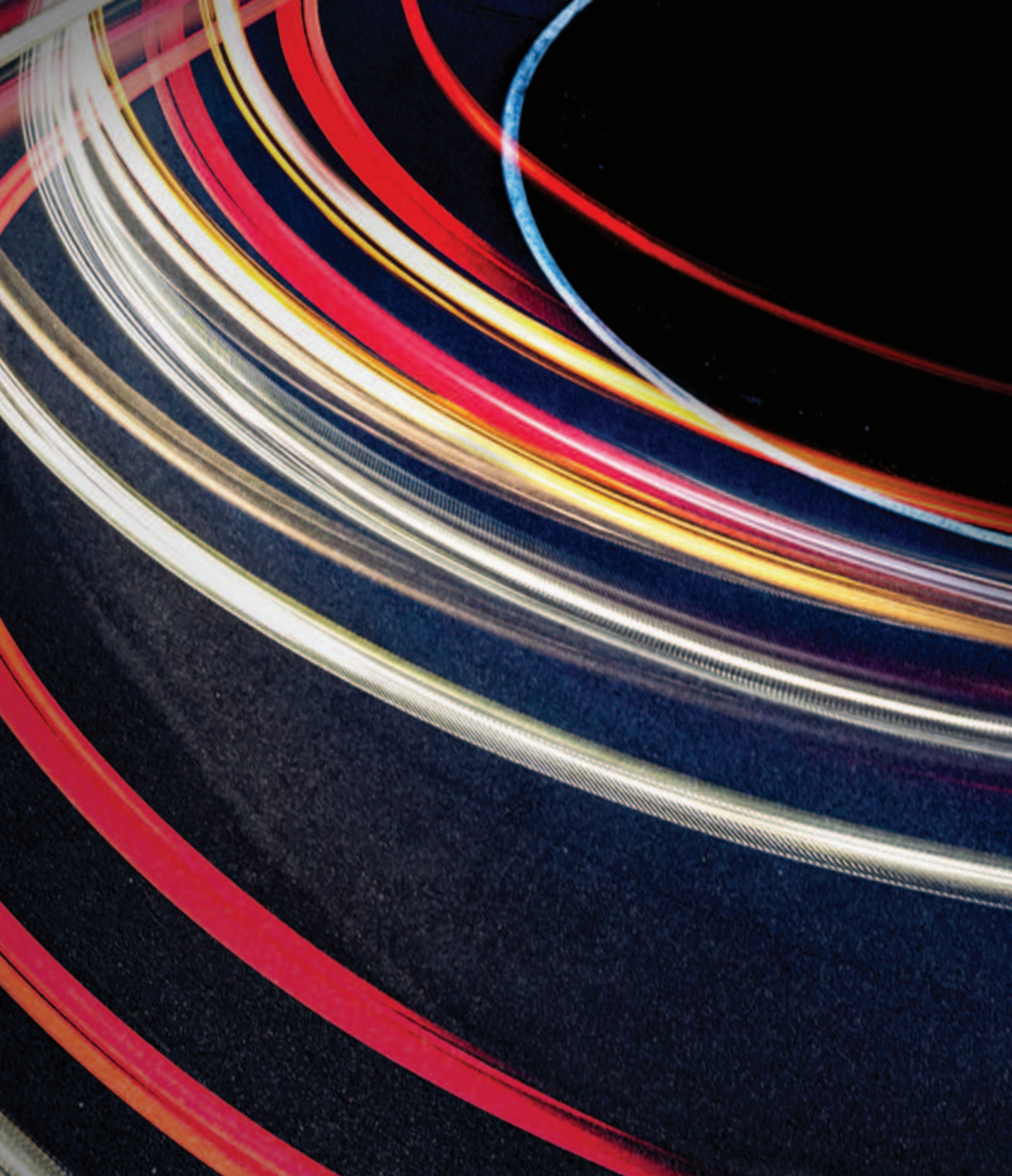

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