ABC MOTORS COMPANY LIMITED

ANNUAL REPORT 2020

ABC MOTORS CO. LTD

We care for you !

VISION

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

MISSION

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

VALUES

Connected
Agility
Loyalty
Integrity
Tenacity


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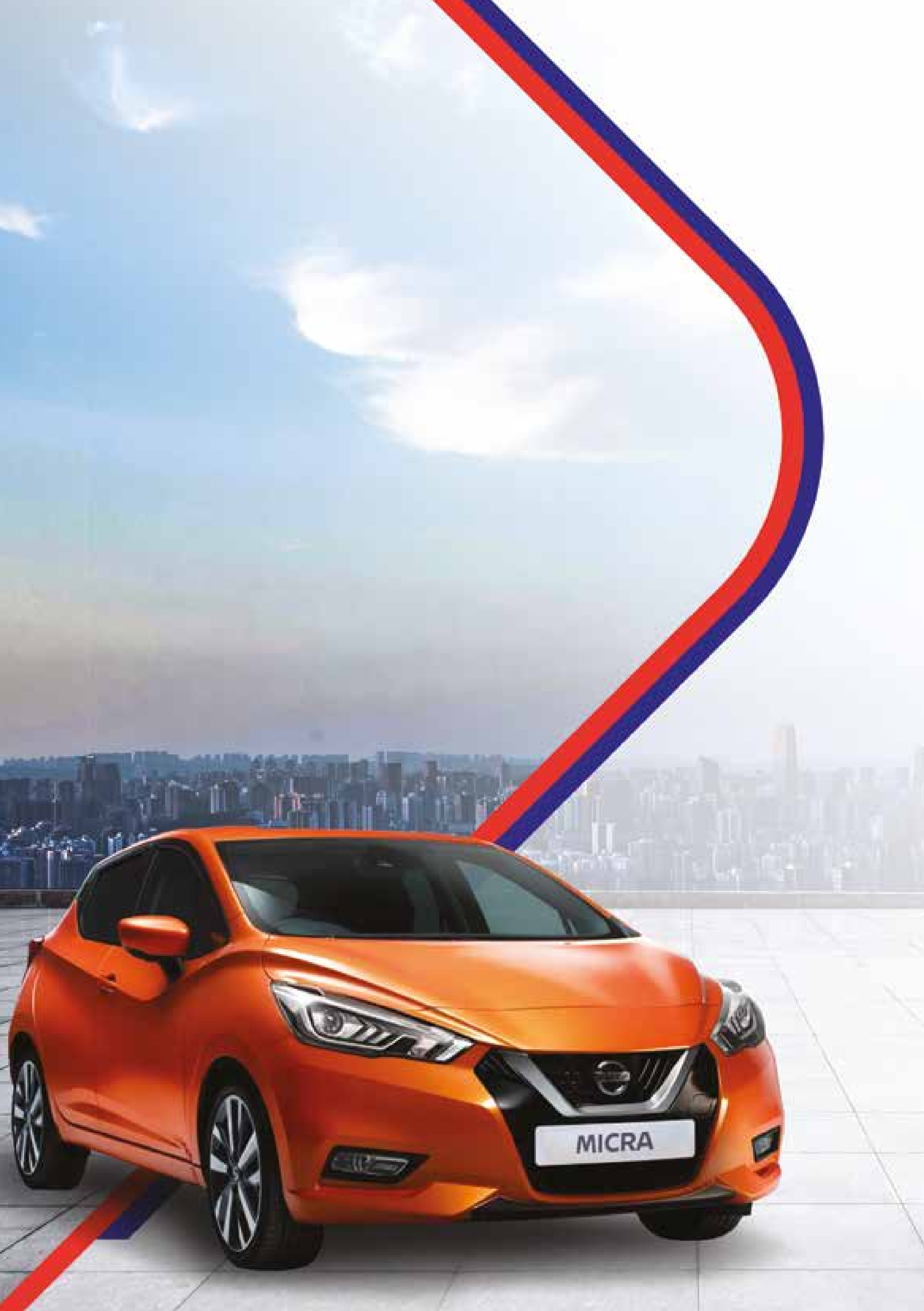
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CONTENT

FINANCIAL HIGHLIGHTS

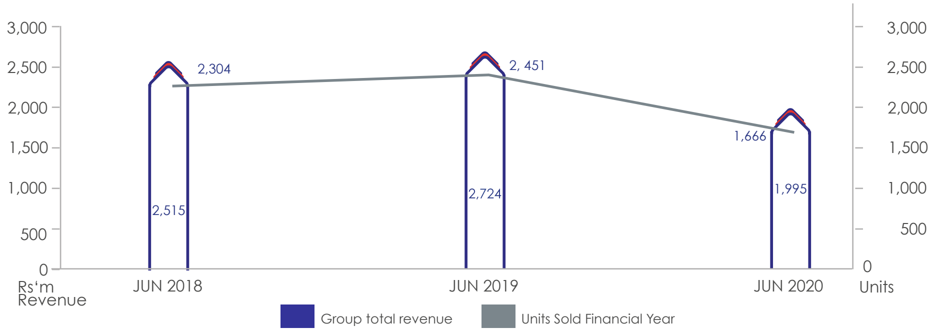
Financial Highlights	THE GROUP Jun-2020 Rs'M	THE GROUP Jun-2019 Rs'M (restated)	THE GROUP Jun-2018 Rs'M (restated)	THE COMPANY Jun-2020 Rs'M	THE COMPANY Jun-2019 Rs'M	THE COMPANY Jun-2018 Rs'M
Total revenue [1]	**1,995**	2,724	2,515	**1,416**	1,960	1,860
(Loss)/profit for the year (before taxation)	**(58)**	60	87	**3**	100	58
Total comprehensive income	**218**	44	73	**198**	78	49
Total Equity	**1,123**	922	892**	**873**	691	626

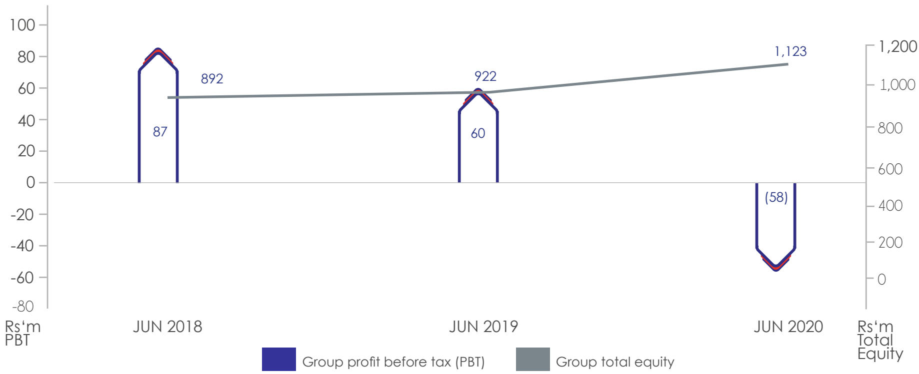
[1]Group revenue decreased by 28% to reach Rs 2.0 billion for year ended 30 June 2020. Number of vehicles sold has decreased by 785 units (FY2020: 1,666 units & FY2019: 2451 units)

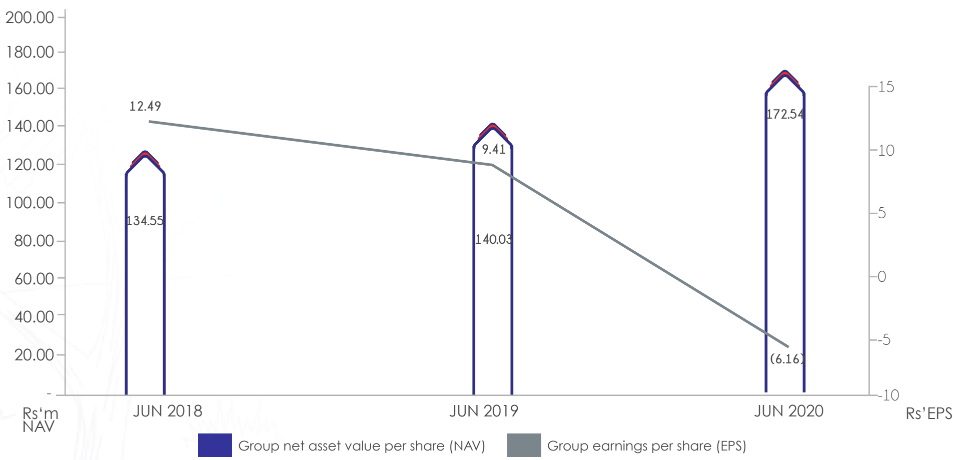
Group Performance Measures	Jun-2020	Jun-2019	Jun-2018
Earnings per share (Rs)	**(6.16)**	9.41	12.49**
Net assets value per share (Rs)	**172.54**	140.03	134.55**
Net Debt to equity ratio *	**1.06**	1.14	1.14**
Stock price - at reporting date (Rs)	**125.00**	120.00	112.00

* 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 1 July 2018


3,000
2,500
2,000
1,500
1,000
500
0
Rs'm
Revenue
2,304
2, 451
1,666
2,515
2,724
1,995
JUN 2018
JUN 2019
JUN 2020
0
Units
Group total revenue
Units Sold Financial Year


100
80
60
40
20
0
-20
-40
-60
-80
Rs'm
PBT
892
922
1,123
87
60
(58)
1,200
1,000
800
600
400
200
0
JUN 2018
JUN 2019
JUN 2020
Rs'm
Total
Equity
Group profit before tax (PBT)
Group total equity


200.00
180.00
160.00
140.00
120.00
100.00
80.00
60.00
40.00
20.00
-
Rs'm
NAV
12.49
9.41
172.54
134.55
140.03
(6.16)
15
10
5
0
-5
-10
JUN 2018
JUN 2019
JUN 2020
Rs'EPS
Group net asset value per share (NAV)
Group earnings per share (EPS)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DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Stakeholders,

The fiscal year 2020 has faced an unprecedented downturn in economic activity due to COVID-19. The pandemic has been a terrible trauma for everyone, and no one would have ever predicted such a disruption in the social and economic lives of people and companies, with standstill situation for two months (Mid-March to Mid-May 2020), minimal economic activities in June 2020 and bleak economic outlook.

Despite these difficult times, I must proudly convey my appreciation to the whole ABC Motors team for having lived up to the values of the Company and shown such agility and tenacity in driving the whole organisation during those difficult times.

At ABC Motors, we had to endure a reduction in the number of sold units with customers cancelling their purchase intention or at best delaying their acquisition for several months. We also experienced pressure on our profit margins due to the constant appreciation of the major currencies, fiercer competition from our close competitors that are trying to get their share from a shrinking market, and considerable pressure on our financials and our cash flow position.

On Nissan's side, we also suffered from an ageing product portfolio, no new model being launched during fiscal year 2020 and limited profit contribution in our efforts to normalise sales. Our sales volume decreased by 36%, with 1,115 units sold in FY 2020 compared to 1,739 units sold in FY 2019, while the total industry volume decreased by 16%, with 9,090 units registered in FY 2020 compared to 10,853 units registered in FY 2019.

On the Heavy/Medium Commercial side, Eicher has shown promising sales with the brand continuing to increase its market share with the introduction of the Eicher PRO 2049 truck in August 2019. The uniqueness of this model is that it can be driven by a driver holding a private car licence. UD Trucks was able to maintain its market share due to its competitive strength in the strong technological and up-time features of the Croner line-up

Our after-sales divisions have remained the backbone of our business. The improvement of our business processes, through successful implementation of ISO 9001-2015 across all aftersales business units and enriching experience to our customers have enabled us to maintain a sound business continuity despite uncertainties on the new vehicles sales.

However, I must stress on the fact that the COVID-19 has severely disrupted the supply and logistics of genuine parts. We are already facing significant delivery lead-time of parts from our principals, and this is affecting the level of customer satisfaction provided to our valued customers in our Service Departments and at Body & Paint level.

The 'New Normal' in our strategic thinking

During lockdown and curfew period, our team has shown strong resilience and got well-prepared in order to face the 'new normal' way of thinking and work processes, with changing customer expectations and behaviour.

Bold decisions were taken by the Managing Team in order to gear the whole ABC Motors team during those difficult times. In a nutshell, the following high-level measures were taken:

- Setting up of COVID-19 Crisis management committee well ahead of the country's lockdown, which ensured that all protocols and precautionary measures were taken for the safety of all employees and customers during and after lockdown. To note that individual rapid COVID tests were performed for our employees in June 2020, and we are thankful that no positive cases of COVID-19 were detected
- Several strategic meetings on marketing, networking and cost-reduction activities with more emphasis on digital marketing.
- Ensuring that business units become leaner in human resource, with department restructuring, staff redeployments and job rotations, amongst others.

I must also express my gratitude to the after-sales team, predominantly Service and Parts Departments for having ensured maintenance of essential services vehicles such as Police and ambulances on a twice-weekly basis during the whole lockdown period, despite the risks of virus spread from the vehicles and their users.

Future Outlook and Initiatives

This unprecedented social and economic crisis is pushing us to relook at our networking and target market strategy.

The Hospitality and Tourism sector, which contributes to more than 25% of the total GDP, has nearly ceased operations and with insignificant revenue being obtained, and this is already impacting heavily on the sales of vehicles to the Hospitality and Tourism sector.

On the other hand, distribution, construction, agricultural and ICT business will be the backbone of our 'new normal' strategy. We have thus geared our strategy towards a targeted approach and provided a dedicated team from Senior Management to support the sales team working in these important economic sectors.

We are having to reshape our organisational structure and bring new team dynamics, and the top management is monitoring the overall performance of each and every business unit very closely, on a weekly basis, and measures are being taken swiftly and with more agility.

The Government has announced, in its budget in June 2020, a duty concession on vehicles. This will provide a significant relief in the pricing of vehicles and counter the increase in prices due to the appreciation of all major foreign currencies, and at the same time make our stock level leaner.

For FY 2021, Nissan's line-up will be enriched, consisting of more attractive products with practicality and advanced technologies that offer value to our important customers. On the passenger segment, the new Nissan Note e-POWER (hatchback) will be introduced. Its technologies and product offering will offer driving pleasure. A new small compact crossover, Nissan Magnite, will penetrate a market segment where we have been non-existent for the last five years.

On the Light Commercial segment, the New Nissan Navara (completely new model change) will be available, with a bolder look and wider model line-up.

On the Heavy Commercial segment, our complete line-up of Eicher and UD Trucks will help us consolidate our product offering strategy to the dominant sectors of the economy, such as distribution and construction sectors.

With the customer being at the heart of whatever we do, I am proud to announce that we are implementing a new state-of-the-art Dealership Management System (DMS) as from April 2021. This tool will enable our staff to work in a better work environment framework and thereby improving team productivity and superior customer satisfaction. In addition, we will maintain our quality management system ISO 9001-2015 across all aftersales business units to improve the quality of our business.

The Company is committed to the development and growth of its people and is proud to have built over the years a pool of expertise which it can rely on to achieve its future expansion. We will continue to invest in continuous learning of our employees which will be an indispensable tool for human capital development.

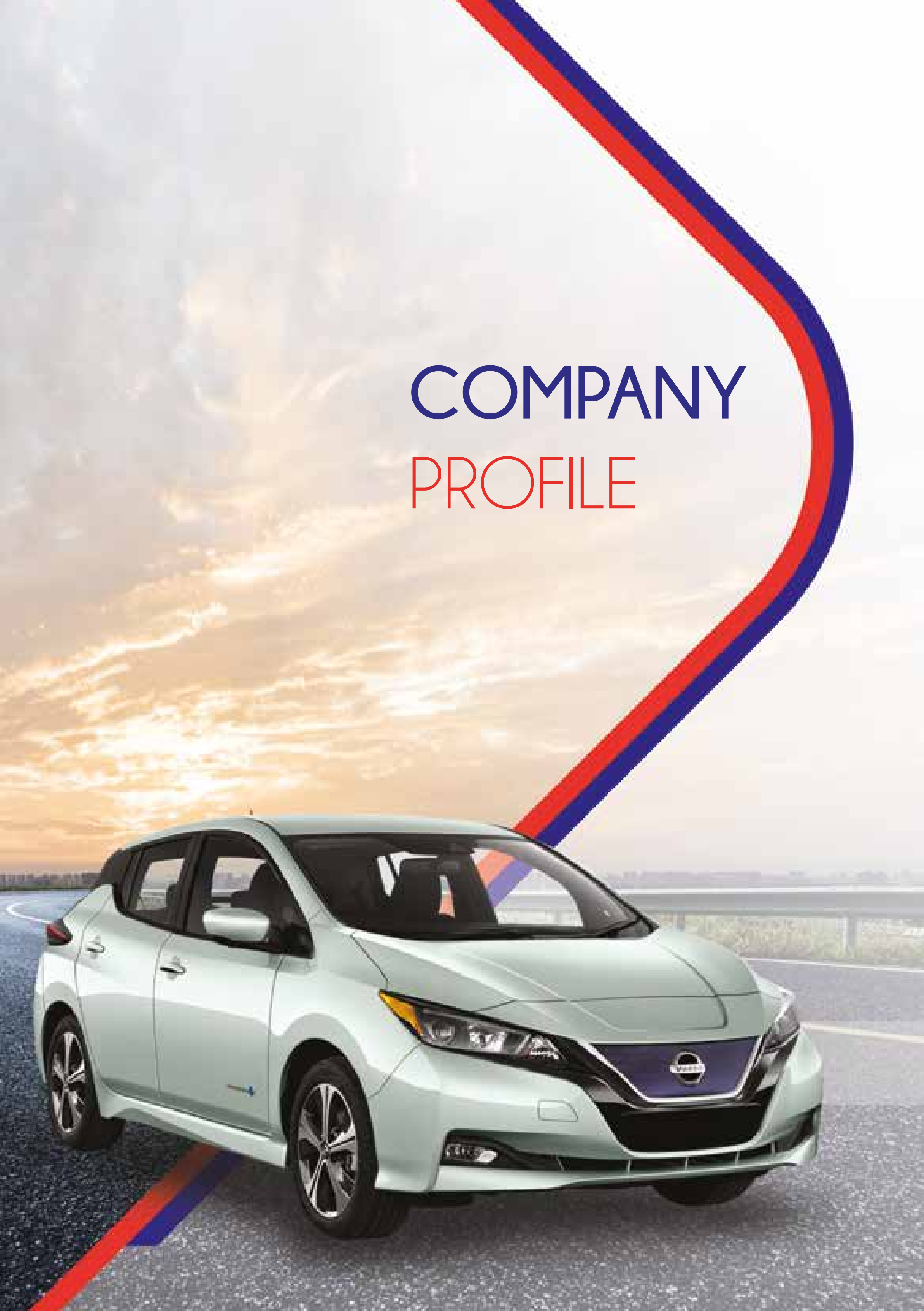
As for Corporate Social Responsibility, we are maintaining scholarships under the Sir Jean Moilin Ah-Chuen Foundation Scholarship Scheme. The Foundation has also joined forces with three key partners in a bid to provide assistance to vulnerable communities and alleviate their pain in these times of hardship, namely 'Lovebridge' for the provision of in-kind help to beneficiary families living in poverty and to the 'SAFIRE', an NGO engaged in rehabilitating street-connected young people (young juveniles). We are also extending our sponsorship to the Paralympic athlete, Miss Noemi Alphonse, who was a gold medallist in the last Indian Ocean Island Games.

Our pathway to recovery will not be a smooth one. Yet ABC Motors is blessed with talented employees and our team is working together to overcome the crisis. I must convey my gratitude to the whole management team and members of our Training Academy for having successfully instilled our new values (Connected, Agility, Loyalty, Integrity and Tenacity) to our employees, and which have been the main catalysts in these difficult times.

Approved by the Board of Directors on 27 November 2020 and signed on its behalf by

....
Dean Ah-Chuen
Managing Director

COMPANY PROFILE



COMPANY PROFILE

ABC MOTORS COMPANY LIMITED (the "Company" or "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's 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 that time, the Company has deployed all the required resources to fulfil the stringent service obligations as prescribed by the Japanese manufacturer. Records of outstanding sales performance and dedication to high quality customer experience have won ABC Motors wide praise at the Nissan National Sales Company Global Award. The much-awaited ceremony proudly hosted by Nissan Motor Company saw the Mauritian dealership shine for 19 years since 1996, overwhelming its contenders as the Best National Sales Company for Africa in 2015 and 2016.

Building its reputation as one of the leaders in terms of market share, innovation and customer service, ABC Motors is in strong position to work towards new goals and further its development. With our *avant-garde* approach, attuned to latest market trends and technological advances, car users can expect a range of more environmentally friendly models to be introduced in the market. More recently the Nissan line-up has further been enhanced with the Infiniti and Datsun brands.

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 a few years now, the ABC Car Gallery in 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 training and personnel development are critical for responding to advanced technology and business trends, ABC Motors ensures that its human capital are always equipped with the proper tools and skills. Friendly policies and schemes are in place to promote workplace fairness, collaboration and effectiveness. As a corporate citizen, ABC Motors contributes generously to the betterment of the local and wider communities and supports employee volunteers in their development of charitable and welfare projects.

CORPORATE INFORMATION AS AT 30 JUNE

CORPORATE INFORMATION AS AT 30 JUNE 2020

REGISTERED OFFICE

ABC Centre
Military Road
Port Louis

PLACES OF BUSINESS

ABC Centre, Military Road, Port Louis
Les Guibies, Pailles
Allée Manguiers, Pailles
Phoenix Trunk Road, Phoenix

BOARD OF DIRECTORS

Mr. Vincent Ah-Chuen, *Executive Chairman*
(Mrs. Valerie Ah-Chuen as alternate director to Mr. Vincent Ah-Chuen)
Mr. Dean Ah-Chuen, *Managing Director*
Mr. Raymond Ah-Chuen, *Non-Executive Director*
(Mr. David Brian Ah-Chuen as alternate director to Mr. Raymond Ah-Chuen)
Professor Donald Ah-Chuen, *Non-Executive Director*
Mr. André Marc Ah-Chuen, *Non-Executive Director*
Mr. David Brian Ah-Chuen, *Non-Executive Director*
Mr. Hai Ping Chung Tung, *Independent Director*
Mr. Ah-Lan Lam Yan Foon, *Independent Director*
Mr. Kee Koun Tin Kiong Fong, *Independent Director*
Mr. Voon Yue Choon Wan Min Kee, *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*

CORPORATE INFORMATION AS AT 30 JUNE 2020 (CONT'D)

EXTERNAL AUDITOR

Deloitte (Up to 19 November 2019)
7th Floor, Standard Chartered Tower, Cybercity, Ebene

BDO (As from 19 November 2019)
10 Frère Felix De Valois St, 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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CORPORATE GOVERNANCE REPORT

INTRODUCTION

ABC MOTORS COMPANY LIMITED (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

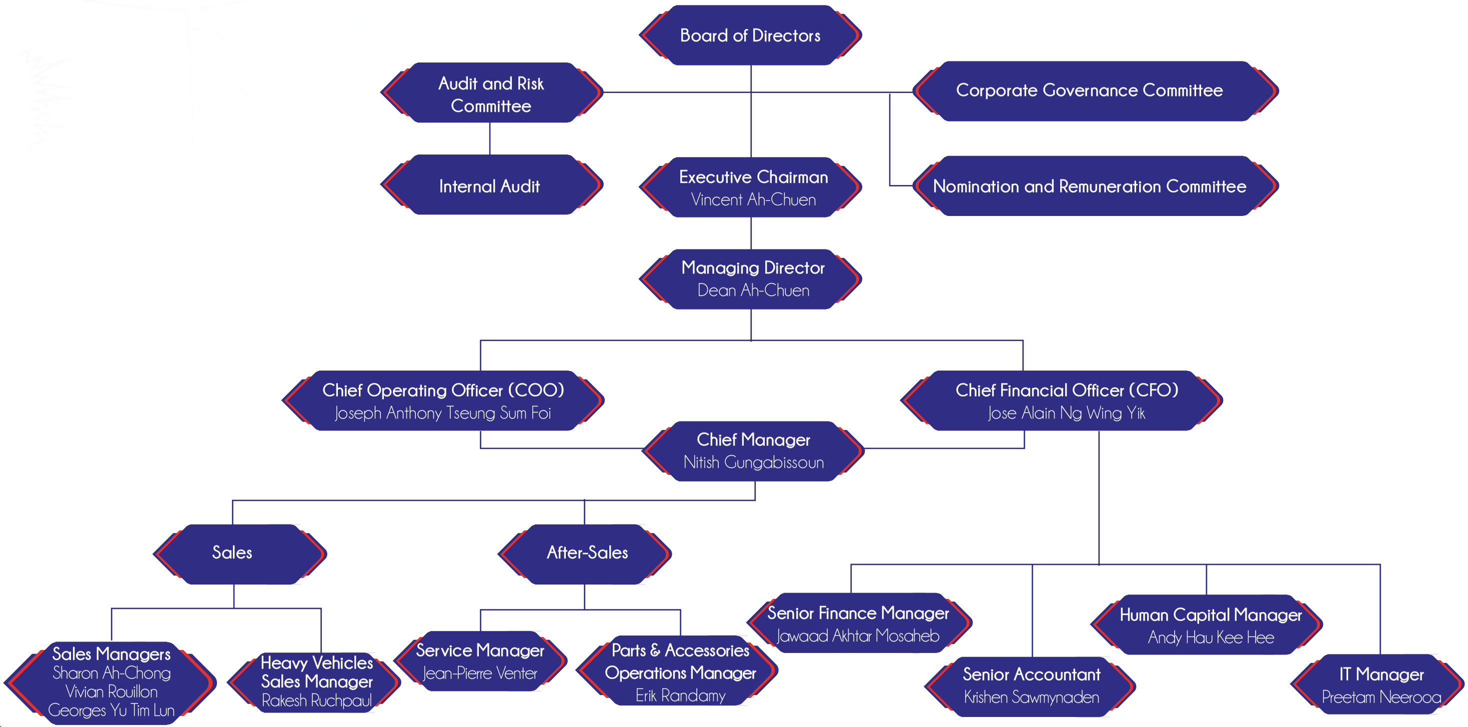
The Board of Directors is the link between the Company and its stakeholders and Board members are collectively responsible to lead and control the Company to enable it to attain its strategic objectives. In discharging its duties, the Board of Directors shall promote the best interests of the Company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

The Company has a Constitution which conforms to the provisions of the Mauritius Companies Act 2001 and the DEM Rules. A copy of the Constitution can be obtained upon request in writing to the Company Secretary.

The Code of Conduct & Ethics has been revamped. Both the Company's Board Charter and the Code of Conduct & Ethics are available upon request made to the Company Secretary.

Organisation Chart

As at 30 June 2020, the Organisation Chart of the Company was as follows:



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 strategic direction of the Company and identifies key risk areas, monitors and evaluates the implementation of policies, plans and approves the Company's capital expenditure including investments and operating budgets. The Board also ensures that the activities of the Company 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 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 with regard to their duties and responsibilities.

PRINCIPLE ONE - GOVERNANCE STRUCTURE (CONT'D)

Company Secretary (Cont'd)

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 minutes of all Committee meetings are tabled at Board meetings for the Board 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 11 years' experience in the corporate secretarial field and is an Associate of 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 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 are provided under Principle Two.

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 2020, the Board of ABC Motors was composed as follows:

NAMES OF DIRECTORS	CATEGORY
Mr. Vincent Ah-Chuen	Executive Chairman
Mr. Dean Ah-Chuen	Managing Director
Mr. Raymond Ah-Chuen	Non-Executive Director
Professor Donald Ah-Chuen	Non-Executive Director
Mr. André Marc Ah-Chuen	Non-Executive Director
Mr. David Brian Ah-Chuen	Non-Executive Director
Mr. Hai Ping Chung Tung	Independent Director
Mr. Ah-Lan Lam Yan Foon	Independent Director
Mr. Kee Koun Tin Kiong Fong	Independent Director
Mr. Voon Yue Choon Wan Min Kee	Independent Director

Alternate directors

Mr. David Brian Ah-Chuen acts as alternate director to Mr. Raymond Ah-Chuen
Mrs. Valerie Ah-Chuen acts as alternate director to Mr. Vincent Ah-Chuen

The Board is of the view that its present composition is adequately balanced and that current directors have the range of skills, expertise and experience to carry out their duties properly. There is a clear separation of the roles of the Executive Chairman and the Managing Director.

PRINCIPLE TWO – STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

In his role as Executive Chairman, Mr. Vincent Ah-Chuen 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.

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

The profiles of the directors as well as their directorships in other listed companies are set out on pages 29 to 34 of this Annual Report and are available on the 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 appropriate expertise and knowledge to discharge their duties and responsibilities effectively and to meet the Company's business requirements. With regards to diversity, due consideration is being given to same by the Board in conjunction with the Nomination and Remuneration Committee in order to look for appropriate profiles which would bring value to the Board in terms of skills and experience.

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 such other relevant papers, 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 which 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 27 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.

PRINCIPLE TWO – STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

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, control processes, 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 six times.

Members of the Audit and Risk Committee as at 30 June 2020 were:

Chairman:	Mr. Ah-Lan Lam Yan Foon	Independent Director
Members:	Mr. Hai Ping Chung Tung	Independent Director
	Mr. Voon Yue Choon Wan Min Kee	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.

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 2020 were:

Chairman:	Mr. Voon Yue Choon Wan Min Kee	Independent Director
Members:	Mr. Ah-Lan Lam Yan Foon	Independent Director
	Mr. Hai Ping Chung Tung	Independent Director

PRINCIPLE TWO – STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

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.

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 2020 were:

Chairman:	Mr. Hai Ping Chung Tung	Independent Director
Members:	Professor Donald Ah-Chuen Mr. Vincent Ah-Chuen	Non-Executive Director Executive Chairman

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

	Board Meetings	Audit and Risk Committee Meetings	Corporate Governance Committee Meetings	Nomination and Remuneration Committee Meetings
AH-CHUEN Raymond	2			
AH-CHUEN Donald	4			1
AH-CHUEN Vincent	2			1
AH-CHUEN André Marc	4			
AH-CHUEN Dean	4			
AH-CHUEN David Brian (1)	3			
AH-CHUEN Valerie (2)	1			
CHUNG TUNG Hai Ping	3	4	0	1
LAM YAN FOON Ah-Lan	4	5	1	
TIN KIONG FONG Kee Koun	4			
WAN MIN KEE Voon Yue Choon	3	5	1	
Total Number of Meetings	**4**	**6**	**1**	**1**

(1) Mr. David Brian Ah-Chuen acted as the alternate director of Mr. Raymond Ah-Chuen at one Board meeting during the financial year.

(2) Mrs. Valerie Ah-Chuen acted as the alternate director of Mr. Vincent Ah-Chuen at one Board meeting during the financial year.

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 aged 70 and above 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.

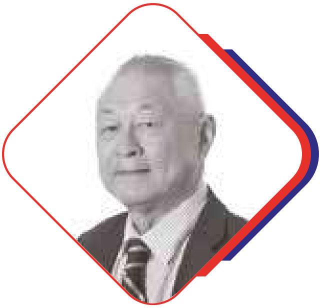
Professional Development

Directors of ABC Motors are encouraged to follow continuous professional development courses/training to keep up to date with industry, legal and regulatory developments.

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 was elected as Executive Chairman of the Company on 12 February 2018. He is a skilled and experienced entrepreneur and has played a key role in the development and diversification of the ABC Group, whilst having overall responsibility over its Shipping Cluster. He is the Managing Director of ABC Group 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 and MUA Stockbroking Ltd and a director of Phoenix Transafrica Holdings Ltd (Kenya). He also holds directorship in listed companies on the Official Market namely MUA Ltd & P.O.L.I.C.Y Limited.

MR. DEAN AH-CHUEN
MANAGING DIRECTOR

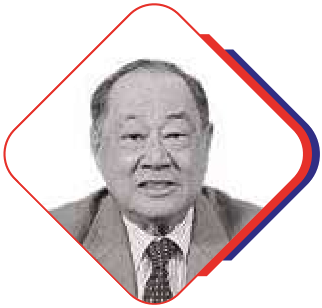
Mr. Dean Ah-Chuen holds a BA degree in Computer Science, Economics and Mathematics from the University of Sydney (Australia) and holds an MBA in International Business from the University of Western Sydney. Mr. Dean worked for Westpac Banking Corporation (Australia) in the IT Division and for Toyota before returning to Mauritius in 1994 where he joined the Company as Business Development Manager. Today, he is the Managing Director of ABC Motors listed on DEM with overall responsibility for the Automobile Cluster of the ABC Group. He is currently an independent director on the Board of Harel Mallac & Co Ltd, a listed company and is a Board member of Lovebridge Ltd (a joint private/public project to assist poor income families). He is also a member of the Board of Directors of the Trust Fund for Excellence in Sports, an organisation set up by the Government of Mauritius. Previously, he was a director of the Mauritius Post & Co-operative Bank Ltd. He has been appointed as Non-Executive Director of ABC Banking Corporation Ltd and as Benefactor of the Court of the University of Mauritius since May 2019.

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 also a Fellow of the Institute of Chartered Accountants (England & Wales) and a Fellow of the Institute of Chartered Accountants of Australia and also holds an M.C.I.P.D (Chartered Institute of Personnel & Development, UK). In March 2009, he was conferred 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 in the sectors of Banking & Financial Services and Tertiary Education.

Professor Donald is a Non-Executive Director of the Stock Exchange of Mauritius Ltd (SEM) and was its Chairperson in 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 Official Market and the DEM respectively. He is a former Board Director of the Development Bank of Mauritius and the Bank of Mauritius.

His other previous responsibilities include the Presidency of the Mauritius Chamber of Commerce and Industry and the Chairmanship of the Tertiary Education Commission of Mauritius. He was also Pro-Vice Chancellor of the University of Mauritius and Chairman of the Mauritius Broadcasting Corporation.



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 is the Chairman of several companies within the Group.

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.

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.

He is currently the Strategic Business Executive Director of ABC Banking Corporation Ltd, a listed company. In this capacity, he has overseen major projects including the opening of the ABC Banking Representative Office in Hong Kong, the setting up of the Private Banking department and the opening of the ABC Private Banking Lounge.

He previously held various managerial positions within other companies of ABC Group. 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, the relocation of Chue Wing & Company Limited (ABC Foods) from Port Louis to Trianon happened during his tenure as Executive Director of that company. He was also the Executive Director of Marina Resort.

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 a Fellow member of the Mauritius Institute of Directors (MIoD) and Alternate Director of the Mauritius Union Group, listed on the SEM.

MRS. VALERIE AH-CHUEN
ALTERNATE DIRECTOR TO
MR. VINCENT AH-CHUEN

Mrs. Valerie Ah-Chuen currently holds the position of Strategic Manager at Speedfreight Ltd, one of the leading companies of the Shipping Cluster of ABC Group that is specialised in Freight Forwarding and Warehousing of goods. She holds a BBA (Bachelor of Business Administration) from the European University of Toulouse, France. She previously occupied the posts of Business Development Manager at Speedfreight Ltd, Marketing Executive of the Life Assurance Department of Good Harvest Limited (an accredited Agent of the Mauritius Union General Insurance) and Business Development Manager at ABC Capital Ltd.

MR. HAI PING CHUNG TUNG
INDEPENDENT DIRECTOR

Mr. Hai Ping Chung Tung, also known as Robert Chung Tung, had pursued professional accountancy studies in the UK and has a vast experience in the fields of accounting, finance, general management, manufacturing and distribution. He worked with the British American Tobacco (Mauritius) PLC for 33 years and was seconded on duty to the BAT Group Head Office in the UK and thereby promoted as Finance Manager & Deputy General Manager until his early retirement. He subsequently joined the ABC Automobile Cluster as General Manager and thereafter was appointed the Group Consultant which function he assumes until presently. He is also a director of Chue Wing & Company Limited, Oriental Foods Limited, ABC Autotech Ltd, ABC Global Management Services Ltd and Chairman of ABC Capital Ltd and ABC Professional & Secretarial Services Ltd. He was previously the President of the Chinese Chamber of Commerce, a Council Member of the Mauritius Chamber of Commerce & Industry and Honorary Treasurer of the Mauritius Gymkhana Club.

MR. AH-LAN LAM YAN FOON
INDEPENDENT DIRECTOR

Mr. Ah-Lan Lam Yan Foon is a Fellow member of the Association of Chartered Certified Accountants. He worked for 10 years in an international firm of Chartered Accountants where he acquired experience in various sectors of the economy. Over 24 years, he worked for a leading Freight Forwarding and Shipping Organisation within Rogers Group where he held the position of Finance & Administration Director and subsequently acted as Managing Director for 6 years up to his retirement. During the period 2000-2016, he provided consultancy services in the various fields of Finance and Management.

Mr. Ah-Lan is the founder member of ACCA (Mauritius Branch) and was its President in 1988. He was awarded the Certificate of Recognition for Dedication and Commitment to the service of ACCA in 2004.

Mr. Ah-Lan was the first elected President of The Mauritius Red Cross Society (2007-2010) at national level. He is a member of the Chinese Chamber of Commerce and is currently the Vice President of the Mauritius Economic Society (founded in 1962). He is also the Chairman of ABC Group Pension Fund.

Mr. Ah-Lan holds directorship in the following companies: ABC Autotech Ltd, Chue Wing & Company Limited, Expert Leasing Ltd, Oriental Foods Limited, Speedfreight Ltd and P.O.L.I.C.Y Limited (a company listed on the Official Market of the Stock Exchange of Mauritius).

MR. KEE KOUN TIN KIONG FONG
INDEPENDENT DIRECTOR

Mr. Kee Koun Tin Kiong Fong is the Managing Director of a family group of companies.

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 had worked with sole traders through to multi-national companies operating in various sectors of the economy. He also holds directorship in ABC Autotech Ltd and Expert Leasing Ltd of the ABC Group.

MR. JOSEPH ANTHONY TSEUNG SUM FOI
CHIEF OPERATING OFFICER

Mr. Joseph Anthony Tseung Sum Foi is a Fellow member of the Association of Chartered Certified Accountants (ACCA) and has been the General Manager of the Automobile Cluster of the ABC Group 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 since October 2017.

He is currently the Chairman of Expert Leasing Ltd and holds directorship in Kenyon Limited, a company incorporated in Kenya where it is engaged in automobile activities.

His previous responsibilities were:

- Audit Senior with Kemp Chatteris & Touche, Chartered Accountants
- Supervisor with Kneller Davis & Co., Chartered Accountants – London
- Supervisor with De Chazal Du Mée & Co., Chartered Accountants
- Financial Controller of JM Goupille & Co. Ltd, Member of the Rogers Group
- Manager – C.I.M Limited, Member of the Rogers Group
- General Manager of C.I.M Limited and Galaxy Showrooms

MR. JOSE ALAIN NG WING YIK
CHIEF FINANCIAL OFFICER

Mr. Jose 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 since October 2017.

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 core values of the Company 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.

PRINCIPLE FOUR – DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

Information, Information Technology (IT) and Information Security Governance

The Board is responsible for the information governance whereas the management of information technology as well as the Information Security Governance have been delegated to the IT function, which falls under the responsibility of the IT Manager and Chief Financial Officer.

The Company has set up a governance model with a set of IT policies and guidelines, and appropriate mechanisms like annual IT business planning, Key Performance Indicators monitoring, budgetary controls and monthly management reviews covering aspects of IT governance and security, threats, service level, incident management, IT capital investment and operating expenditure. Investments in information technology and information system include investment in software, hardware, training and development of IT personnel and adoption of new technologies.

During the year under review, much emphasis was put on business continuity. In that respect, we have successfully implemented our disaster recovery site which is fully operational as a hot site. Moreover, with the 'new normal' relating to COVID-19, IT has become one of the most vital tools to support the business; thus, we allowed employees to telecommute under very strict access control policies. To further enhance the security of our employees and business, we have reworked our telecommuting policy which will be enforced by October 2020.

The right of access to information is governed under the Company access control policy and is based on the job profile, level of authority, adequacy of segregation of duties and in compliance with the Data Protection Act 2017 and other relevant laws and regulations.

The section below explains the IT policies that have been implemented within the Company.

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 in the overall increase in Company's productivity and performance, achieve greater efficiencies and positive return on investments in technology.

The Company has developed its IT policies based on universally accepted best practices and standards. The IT policies and procedures conform to the two main IT standards namely COBIT and ISO 27002:2013. COBIT is a framework for managing IT risk and was created by Information Systems Audit and Control Association (ISACA).

PRINCIPLE FOUR – DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

IT Policies and Procedures (Cont'd)

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 the policies is also tested during the yearly audit exercise.

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 through 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.

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.

PRINCIPLE FOUR – DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

Remuneration (Cont'd)

Statement of Remuneration Philosophy (Cont'd)

With regards 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 62 of this Annual Report.

Directors' interests and share dealings

The directors' interests in the capital of the Company as at 30 June 2020 were as follows:

Directors	Direct Shareholding	Indirect Shareholding
AH-CHUEN Raymond	0.26%	0.87%
AH-CHUEN Donald	3.77%	1.39%
AH-CHUEN Vincent	7.48%	3.93%
AH-CHUEN André Marc	3.81%	3.30%
AH-CHUEN Dean	1.12%	2.01%
AH-CHUEN David Brian	0.10%	0.07%
CHUNG TUNG Hai Ping	0.00%	NIL
LAM YAN FOON Ah-Lan	NIL	0.01%
TIN KIONG FONG Kee Koun	0.00%	NIL
WAN MIN KEE Voon Yue Choon	NIL	NIL

The directors follow the principles of the Model Code for Securities Transactions as detailed in Appendix 6 of the Listing Rules whenever they deal in the shares of the Company.

During the year under review, none of the directors dealt in the shares of the Company.

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 management approach is a critical determinant in achieving the business objectives, success and sustainability.

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.

The Company is principally involved in the automobile industry which is a highly competitive sector that is extremely sensitive to changes 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 embedded 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 procedures for the organisation to identify the business opportunities and appropriate strategic directions.

Moreover, the process of risk identification and management has been consolidated through the phased implementation of the ISO 9001:2015 programme. The ISO initiative that started in 2015 with the certification of the Body and Paint workshop has subsequently been extended to the spare parts department and the other service workshops. As at now, the whole aftersales business units are ISO certified. The ISO process has facilitated the setting up of a risk register whereby much emphasis is laid on the treatment of high and medium 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.

PRINCIPLE FIVE – RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

Risk Management (Cont'd)

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
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*".
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 Failure to take the necessary measures to mitigate risk of misappropriation, fraud and mis-use of the Company's resources.	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 in order to have a motivated, experienced and skillful workforce and to retain its key and talented employees.

PRINCIPLE FIVE – RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

Risk Management (Cont'd)

Risks	Exposure	Risk Management Policies
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 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 on pages 173 to 182, Note 32 of the financial statements.
Reputational risks	The risk of loss arising from adverse perception of the corporate image by the customers, conterparties and stakeholders. the reputational risk encompasses strategic, financial, opertaional 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.
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.
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. Tax advisors also carry out a VAT/ Tax health check every two years.

PRINCIPLE FIVE – RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

Risk Management (Cont'd)

Risks	Exposure	Risk Management Policies
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 in order to provide quality service and act with integrity vis-a-vis all stakeholders.
Information Technology ("IT") risks	IT forms an integrated part of operational risk management. IT Risks relate to the possibility that a particular threat will negatively impact on information system by exploiting a particular vulnerability. The threat can be in the form of hackers both internal and external or computer viruses. The vulnerabilities could be poor IT infrastructure including hardware, weak firewalls, a lack of redundant servers and data storage technologies.	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. A yearly IT audit is also carried out to ensure that all IT security controls are effective and as per industry best practices and recommendations.

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 and Health at Work

ABC Motors has at heart the Safety, Health and Welfare of its people and commits itself to ensure full compliance with the prevailing legislations under the Occupational Safety and Health Act 2005. As a people centric organisation, the Company promotes a healthy and safe working environment, and constantly engage its people in adopting safe and healthy working practices with the ultimate objective of nurturing a risk-based approach culture within the Company's operations.

At ABC Motors, we conduct our business in a manner that leads to creating a healthy and safe environment for all stakeholders (employees, contractors and customers) built on a true safety culture.

Safety and Health is our overarching value. We believe in personal accountability for safety and health at all levels and throughout our organisation. We are committed to conducting our business through the implementation of a comprehensive programme aimed towards fostering a strong safety culture and behaviour-based safety plans to improve the safety performance of the Company. ABC Motors philosophy is based to provide a healthy workplace where employees can feel secure and enjoy a safe physical environment; maintaining a Safety and Health Management System designed to continuously and proactively manage our business risks; complying with applicable legal, regulatory, industry and Company's requirements and communicate openly with all stakeholders on relevant safety and health issues.

The Financial Year 2019-2020 was a very challenging one, where the Company had to deal with an unprecedented workplace challenge brought along by the COVID-19. Clearly, our Safety and Health team had a major role to play. Well ahead of the country's lockdown on 20th March 2020, a COVID-19 preparedness crisis committee was set up and protocols were enforced to implement all major decisions relating to employee safety and health. Safety posters were displayed, regular awareness sessions in business

PRINCIPLE SIX – REPORTING WITH INTEGRITY (CONT'D)

Safety and Health at Work (Cont'd)

units for precautionary measures, as well as Personal Protective Equipment (PPE) and sanitizers were provided to all employees who could not work remotely. In addition, pre-opening precautionary measures like fumigation of all our premises were implemented and a Safety Policy put in place to ensure a safe and smooth re-opening of our business operations.

Moreover, to assure the best level of service post COVID-19 lockdown, individual rapid tests were carried out with the collaboration of the Ministry of Health and Quality of Life opened to all our employees during the 3rd week of June 2020. 300 employees were tested, and the Company is extremely thankful that no positive cases of COVID-19 were recorded.

Launched in 2017, the ISO implementation has provided a better integration and alignment to our internal processes, thus bringing a lot of improvement, increased productivity and greater results. The process is still ongoing for some departments and the Safety and Health team is actively involved in the ISO implementation with ample emphasis on the importance of waste reduction to preserve our planet's resources (for instance, proper disposal of chemical residues and cloth used for cleaning up oil spillage). Moreover, as a sustainability-minded employer, in collaboration with the Mauritius Fire Rescue Services, we are currently reviewing our building configurations to comply with the prevailing regulations.

Environmental Issues

ABC Motors is sparing no effort in the betterment of the environment. The Company continues to dispose all its wastes sustainably in order to reduce environmental impact as far as reasonably practicable.

The Company is working in close collaboration with accredited bodies for the proper collection, storage, transport and disposal of used paints, solvents, waste parts, batteries and engine oil generated at its premises to mitigate their impact on the environment.

ABC Motors ensures that its personnel are conscious about the importance of their activities at work and how they contribute in maintaining a safe and clean working environment.

As a responsible employer, ABC Motors is deeply committed to sustainable development and growth through green initiatives. With the participation of our employees, we organized a clean-up campaign to raise awareness for the preservation of environment on the 06th of December 2019. We are also actively involved in the recycling of used tyres into bins, used oil drums into tables and composting bins.

PRINCIPLE SIX – REPORTING WITH INTEGRITY (CONT'D)

Engaging People

At ABC Motors, we are governed by our VISION 'To be the most outstanding and innovative automobile Company in Mauritius', by our MISSION 'to provide the best service and the most unique, enriching experience in the automobile industry whilst also delivering superior value to our stakeholders', and by our VALUES (Connected, Agility, Loyalty, Integrity and Tenacity).

ABC Motors has a workforce of more than 400 employees. The Company is committed to the development and growth of its people and is proud to have built over the years a pool of expertise which it can rely on to achieve its future expansion. Embracing diversity and gender balance as an equal opportunity employer is proving successful in terms of social interaction and business excellence. The 'culture change' workshops launched in 2019 addressed to all employees were beneficial to our human capital transformation project and will be extended to newcomers.

With the constant changes occurring in our industry, and despite the prevailing economic uncertainties, at ABC Motors, we are confident that continuous learning will have to remain an indispensable tool for our human capital development. With that in mind, we have been investing heavily in various training programs to improve efficiency but also to foster workplace collaboration and fairness. As a corporate citizen, ABC Motors is actively engaged in philanthropy, not only as part of our community investment program but also in our endeavour to help employees gain self-esteem and feel happy through volunteering.

As far as connecting our people with our business vision is concerned, the new operating model and the leadership team have been effectively established. As a continuity of the transformational leadership programme, leadership squads for mid-management staff has been set up to empower our leaders of tomorrow. With the precious input of our training centre, the ABC Training Academy, a Leadership Squad program has been set up to empower employees and guide them to be Leaders of tomorrow. Also, we are in process of exploring E-Learning to adapt ourselves to the 'new normal', leveraging on the benefits of remote work.

Corporate Social Responsibility

Since 2013, the Corporate Social Responsibility programme of ABC Group is implemented under the aegis of the Sir Jean Etienne Moilin Ah Chuen Foundation (referred to as "the Foundation"), which is entrusted to carry out the social mission of ABC Group.

Named after the founder of ABC Group, the Foundation is a not-for-profit entity that implements CSR projects of companies of the Group under one common programme. Since its inception, the Foundation has earmarked four areas of intervention, namely Community Empowerment, Education, Health & Sports and Environment.

PRINCIPLE SIX – REPORTING WITH INTEGRITY (CONT'D)

Corporate Social Responsibility (Cont'd)

In line with its commitment towards its social partners, the Foundation has disbursed Rs.1.9M, which was primarily used to support NGOs and the community.

Community Empowerment

The participation of the Company in the empowerment and social development of local communities is one of the Foundation's priorities. In this regard, the Foundation has partnered forces with its long-standing partners with the objective of empowering vulnerable communities and promoting inclusive growth.

Several households have been impacted by the COVID-19 pandemic particularly those already living below the poverty line. In this vein, the Foundation has joined forces with key partners in a bid to provide assistance to vulnerable communities and alleviate their pain in these times of hardship, namely Lovebridge for the provision of in-kind help to beneficiary families living in poverty and to the SAFIRE, an NGO engaged in rehabilitating street-connected young people.

Moreover, the Foundation offered its support to SAREPTA, a voluntary community action, with the objective of aiding vulnerable families not registered on the Social Register of Mauritius and whose situation has been exacerbated by the COVID-19 pandemic.

The Foundation also reiterated its partnership with Caritas Ile Maurice for the School Feeding Project, which consists in the provision of breakfast to needy primary school children attending Emmanuel Anquetil Government School.

The Foundation also extended its support to SOS Children's Village for its alternative residential care project and to Mouvement Pour le Progrès de Roche Bois for the social and empowerment support of out-of-school children and their parents.

Education

Education is an enabler of economic and social development. In this context, the Foundation created the Sir Jean Etienne Moilin Ah Chuen Foundation Scholarship Scheme, to allow full-time students coming from underprivileged backgrounds to pursue tertiary and vocational training in Mauritius.

Over the past year, the Foundation has granted 15 scholarships to deserving students enrolled in undergraduate courses at the University of Mauritius and 5 to students enrolled in technical training at the College Technique St Gabriel, a long-time partner of the Foundation that aims at democratising access to professional courses to needy children.

PRINCIPLE SIX – REPORTING WITH INTEGRITY (CONT'D)

Corporate Social Responsibility (Cont'd)

Education (Cont'd)

The Foundation also extended its support to Terrain for Interactive Pedagogy Through Arts (TIPA) for its interactive pedagogy programme in ZEP schools. Founded in 2007, TIPA supports the teaching of arts and the development of skills and values through the conduct of weekly creativity classes with the collaboration of teachers.

The Foundation also offered its support to Emmanuel Anquetil Government School for the purchase of equipment for the storage and distribution of drinking water.

Health & Sports

Sport is a powerful tool for social integration and has always been a core component of our business. Over the years, the Foundation and the ABC Group have partnered with several athletes that have brought Mauritian sport to new heights and who have garnered international recognition for their outstanding performances.

In this context, the Foundation renewed its partnership with the Trust Fund For Excellence in Sport, with the objective of supporting local athletes and contributing to their success in international competitions.

The Foundation has thus continued its partnership with the Magic Club de Quatre Bornes to support para-athlete and gold medallist Noemi Alphonse, who was Team Mauritius' flag-bearer during the Indian Ocean Islands' Games held in July 2019.

In addition, to further contribute to the promotion of social integration of people with disabilities, the Foundation reaffirmed its support towards the Global Rainbow Foundation. This NGO, which has a long-standing relationship with ABC Group, advocates for the inclusiveness and integration of persons with disabilities, and channels its venture towards the abilities of people, rather than their disabilities.

Environment

The COVID-19 pandemic has reminded us that the health of our planet and human health are intrinsically linked.

Indeed, the United Nations Sustainable Goals call for urgent action to combat climate change and its impacts, and for sustainable consumption and production patterns. The survival of the world, as we know it today, heavily depends on our capacity to protect nature and mitigate damages caused by human activity.

In keeping with our vision, Inspired for Future Generations, we firmly believe in sustainable development and aspire to offer a better world to generations to come.

PRINCIPLE SIX – REPORTING WITH INTEGRITY (CONT'D)

Corporate Social Responsibility (Cont'd)

Environment (Cont'd)

In this regard, the Foundation reiterated its commitment towards We-Recycle, an NGO that collects and prepares PET plastic bottle waste for recycling, with the objective of making Mauritius a clean and plastic-free island.

Moreover, a 'plogging' activity that regrouped around 50 employees, was organised in September 2019, in collaboration with We-Recycle to raise awareness amongst staff.

Recycle bins also were installed across ABC Group in a bid to encourage staff to recycle at work and develop new habits in terms of waste management.

True to its commitment to protect the environment and endangered species, the Foundation reaffirmed its commitment towards the Mauritius Wildlife Foundation for its Echo Parakeet Conservation Programme.

The Foundation also extended its support to Association des Planteurs de Pandanus du Sud-Est, to encourage the production of reusable pandanus (vacoas) shopping bags, to help in reducing the use of plastic bags and, at the same time, promote local handicraft.

Social Issues / Employee Involvement

Since its creation in 2013, the Foundation has always encouraged employee involvement in its charitable and social actions.

In December 2019, the Foundation organised a Christmas Day for 149 needy children residing in the vicinity of Roche Bois and Camp Yoloff, with the support and participation of the Group's Staff Welfare Committees.

The event saw the active participation of employees of the Group, who helped with the organisation and the distribution of presents collected during an internal gift donation campaign, to all 149 children.

PRINCIPLE SIX – REPORTING WITH INTEGRITY (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	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
CSR paid to Sir Jean Etienne Moilin Ah Chuen Foundation	390,699	361,016	100,208	118,891
Donations	51,134	250,835	-	-
Political Donations	-	-	300,000	-
	441,833	**611,851**	**400,208**	**118,891**

PRINCIPLE SEVEN – AUDIT

Internal Audit Function

Internal audit 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.

ABC Motors has outsourced the internal audit function of the Company to CAYS Associates. 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 Financial Officer (CFO).

The Internal Audit team has the authority to access and examine all information, both paper-based and electronic documents as well as inspect physical assets. No complaints were received from the Internal Auditor during the year under review with respect to restrictions on access to records, management or employees of the organisation.

The risk assessment exercise as carried out by the internal audit function is performed at both the enterprise and activity levels and is made in coordination with the 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. This is illustrated as per table below:

PRINCIPLE SEVEN – AUDIT (CONT'D)

Internal Audit Function (Cont'd)

Information Gathering and Scoping	Develop an Internal Strategy and Plan	Next Step
A. Gained understanding of business trends and current environmental risk through discussions with personnel with business experience. B. Redefined audit areas and activities based upon organisational structure and other functions.	A.Met with key members of management: i. Reviewed and validated risks / areas of concern. ii. Assessed highest priority risks and processes for potential audits. iii. Prioritized projects based upon potential impact to business performance and likelihood of control / process issues. B. Documented audit Plan.	i Review and discuss the risk assessment and proposed audit plan with the Audit and Risk Comittee. ii. Obtain Audit and Risk Comittee approval of audit plan.

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 CFO and Senior Management 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.

During the year under review, the scope of work of the internal audit covered the following major areas:

- Report on the compliance level with DPA 2017 and regulations
- Report on the procedures' validity in respect of the work in progress control in workshop
- Report on the operational and financial control
- Report on the overall control adequacy in respect of the stock, debtors and cash cycle

PRINCIPLE SEVEN – AUDIT (CONT'D)

Audit and Risk Committee

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

External Audit

Following the enactment of the Finance Act 2016 and the subsequent regulation Government Notice No 64 of 2017, listed companies are required to rotate their External Auditors every seven years. By virtue of the aforementioned Regulation, Deloitte has been in office up to 19th November 2019, date on which the Annual Meeting of the Company was held and during which BDO & Co has been appointed in replacement.

During the year under review, Deloitte also carried out some other services for the Company namely the review of the tax computations.

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.

PRINCIPLE EIGHT – RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

Substantial Shareholders

The list of Shareholders holding more than 5% in the Company are as follows:

- Mr. Vincent Ah-Chuen
- Dragon Electronics Ltd
- Mr. N.H.K. Ngan Chee Wang
- Speedfreight Ltd
- Team Investment Limited
- Union Shipping Limited

Communication with Shareholders and Stakeholders

The Board of Directors places great importance on transparency and optimal disclosure to Shareholders and ensures that they are kept informed on matters affecting the Company. Shareholders are invited to attend the Company's Annual Meeting which remains the ideal forum for discussion with the directors and the Management team. The Annual Report, including the Notice of the Annual Meeting of Shareholders, is sent to each Shareholder of the Company within the prescribed time period.

Dividend Policy

Payment of dividends is subject to the profitability of the Company, 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.

Share Option Plans

The Company has no share option plan.

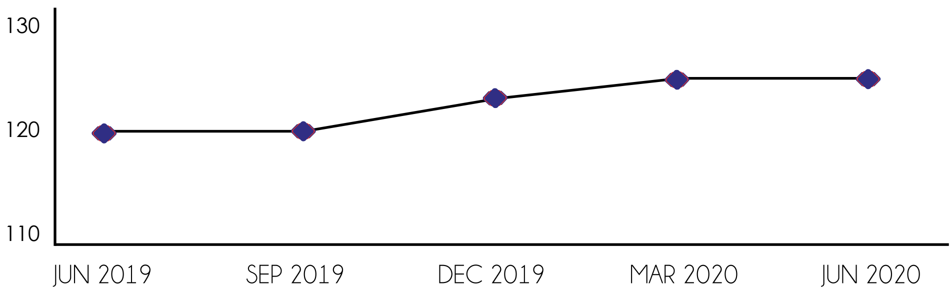
Shareholders' Agreement

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

PRINCIPLE EIGHT – RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

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 168 to 170 Note 31 of the Financial Statements.

Website

The website of the Company has been redesigned and necessary disclosures as stipulated in the Code are posted as required and when available.

PRINCIPLE EIGHT – RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

Timetable of Important Events

Next Financial Year End	June 2021
Next Annual Report	September 2021
Next Annual Meeting of Shareholders	December 2021

Approved by the Board of Directors on 27 November 2020 and signed on its behalf by

....

Voon Yue Choon Wan Min Kee
Chairman of the
Corporate Governance Committee

....

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

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE

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

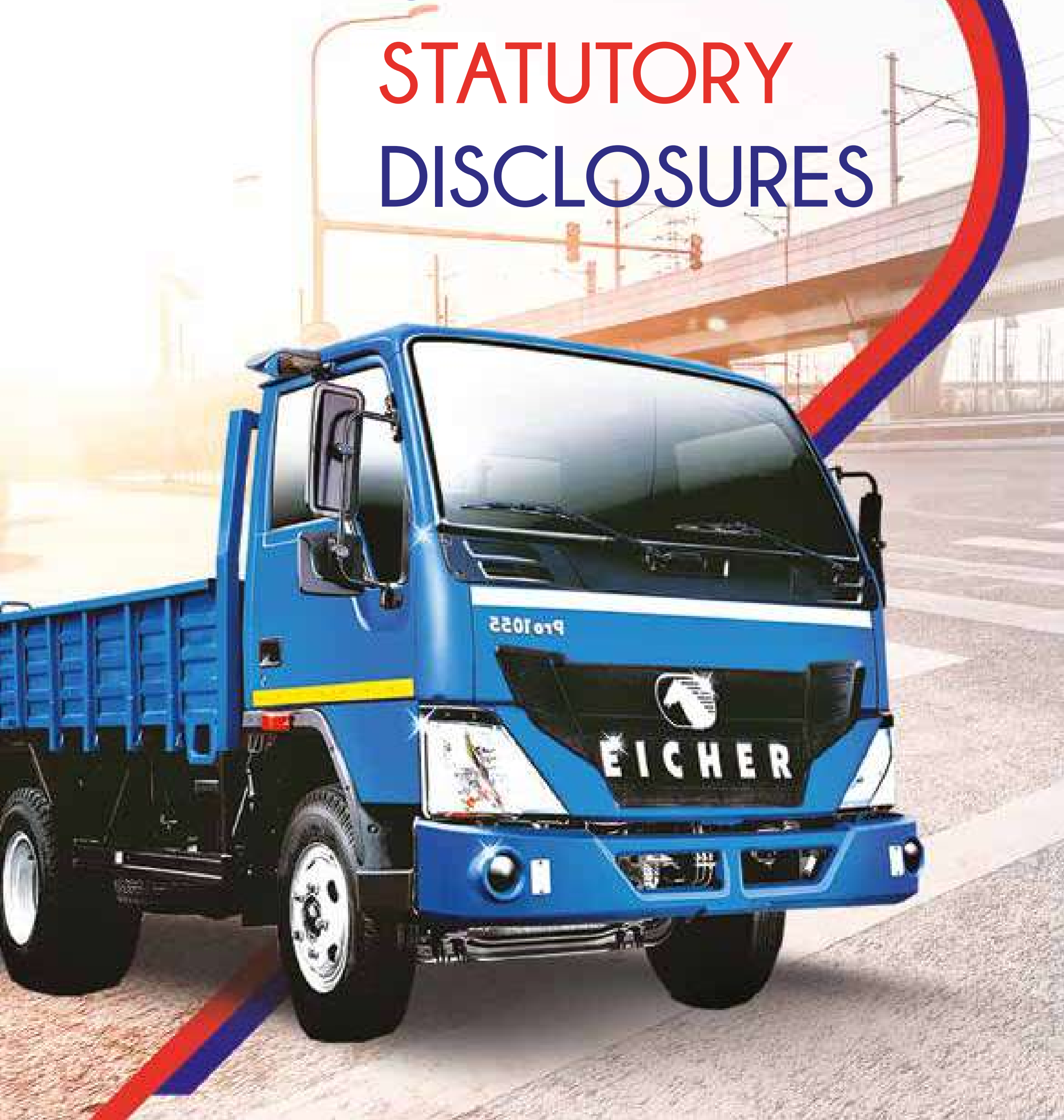
Name of Public Interest Entity (PIE):	ABC MOTORS COMPANY LIMITED
Reporting Period:	**30 June 2020**

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.

27 November 2020

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

OTHER STATUTORY DISCLOSURES



OTHER STATUTORY DISCLOSURES

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

Principal Activity

The principal activities of the Company comprised of the sales and service of vehicles, trucks, buses, forklifts 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. The Executive Directors only have a service contract with the Company.

Donations

Donations made during the year were as follows:

	THE COMPANY		THE SUBSIDIARIES	
	2020 Rs	2019 Rs	2020 Rs	2019 Rs
CSR paid to Sir Jean Etienne Moilin Ah Chuen Foundation	390,699	361,016	100,208	118,891
Donations	51,134	250,835	-	-
Political Donations	-	-	300,000	-
	441,833	**611,851**	**400,208**	**118,891**

OTHER STATUTORY DISCLOSURES (CONT'D)

Directors

The directors of the Company and its Subsidiaries as at 30 June 2020 were as follows:

	The Company	ABC Properties Ltd	Stamford Third Ltd	ABC Autotech Ltd	ABC Marketing Ltd	Stuttgart Motors Ltd
Mr. Raymond Ah-Chuen	●			●	●	●
Professor Donald Ah-Chuen	●	●	●	●	●	●
Mr. Vincent Ah-Chuen	●	●	●	●	●	●
Mr. André Marc Ah-Chuen	●	●	●	●	●	●
Mr. Dean Ah-Chuen	●	●	●	●	●	●
Mr. David Brian Ah-Chuen	●	●		●	○	●
Mr. Hai Ping Chung Tung	●		●	●		
Mr. Ah-Lan Lam Yan Foon	●			●		
Mr. Kee Koun Tin Kiong Fong	●					
Mr. Voon Yue Choon Wan Min Kee	●			●		
Mrs. Valerie Ah-Chuen (alternate director)	○	○	○		○	○
Mr. Mark Cedric Ah Chuen (alternate director)		○	○	○	○	○
Mr. James Lim Teng Chong (alternate director)		○				
Mr. Joseph Anthony Tseung Sum Foi (alternate director)				○		
Mr. Jose Alain Ng Wing Yik (alternate director)				○		

Key:

- ● Director
- ○ Alternate Director

Directors' Emoluments

During the financial year ended 30 June 2020, the excecutive and non-executive & independent directors were entitled to emoluments as follows:

Directors' Emoluments	From the Company		From the Subsidiary	
	FYE 2020 * Rs.	FYE 2019 Rs.	FYE 2020 * Rs.	FYE 2019 Rs.
Executive Directors				
Mr. Vincent Ah Chuen – Executive Chairman	5,066,000	4,844,000	33,000	13,000
Mr. Dean Ah-Chuen – Managing Director	9,592,000	10,360,274	636,426	656,630
Sub-total: Executive Directors	**14,658,000**	**15,204,274**	**669,426**	**669,630**
Non-Executive/Independent Directors				
Mr. Raymond Ah-Chuen	797,153	719,270	30,000	8,000
Professor Donald Ah-Chuen **	4,222,692	2,173,000	9,000	5,000
Mr Andre Marc Ah-Chuen	375,000	379,000	70,800	33,000
Mr. David Brian Ah-Chuen (also Alternate Director to Mr. Raymond Ah-Chuen)	1,179,000	1,206,000	18,000	10,000
Mrs. Valerie Ah-Chuen (Alternate Director to Mr. Vincent Ah-Chuen)	-	-	-	-
Mr. Hai Ping Chung Tung	4,697,000	4,482,000	-	-
Mr. Ah-Lan Lam Yan Foon	129,000	114,000	53,400	35,000
Mr. Kee Koun Tin Kiong Fong	60,000	36,000	-	-
Mr. Voon Yue Choon Wan Min Kee	141,000	117,000	75,000	50,000
Mr. James Lim Teng Chong (Alternate Director to Mr. John Sun Yue Chu)	-	72,000	-	-
Sub-total: Non-Executive/Independent Directors	**10,803,692**	**8,579,000**	**256,200**	**141,000**
Grand Total	**25,461,692**	**23,783,274**	**925,626**	**810,630**

* The directors took part in a voluntary reduction in their salaries for May and June 2020 on account of the COVID-19 pandemic.

** The amount of Rs.4,222,692 paid to Professor Donald Ah-Chuen for FYE 2020 included a one-off retirement gratuity arrears of Rs.2,157,692 due to him as at 30 June 2019.

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	
	FYE 2020 Rs.	FYE 2019 Rs.	FYE 2020 Rs.	FYE 2019 Rs.
Audit Services				
BDO & Co	550,000	-	190,000	185,000
Other Firms	-	680,000	373,025	356,000
	550,000	680,000	563,025	541,000
Other Services*				
BDO & Co	40,000	-	24,000	24,000
Other Firms	-	4,489,728	38,650	35,000
	40,000	4,489,728	62,650	59,000

* Other services in 2019 pertain to review of tax computations, issuance of independent assurance report for stock count held in bonded warehouse and assistance for financial due diligence on potential investment opportunities in the East African region.

* Other services in 2020 pertain to review of tax computations.

Approved by the Board of Directors on 27 November 2020 and signed on its behalf by

....
Vincent Ah-Chuen
Chairman of the Board

....
Dean Ah-Chuen
Managing Director

SECRETARY'S CERTIFICATE

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 2020, 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*
27 November 2020

DIRECTORS' STATEMENT OF RESPONSIBILITIES

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 2020 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:

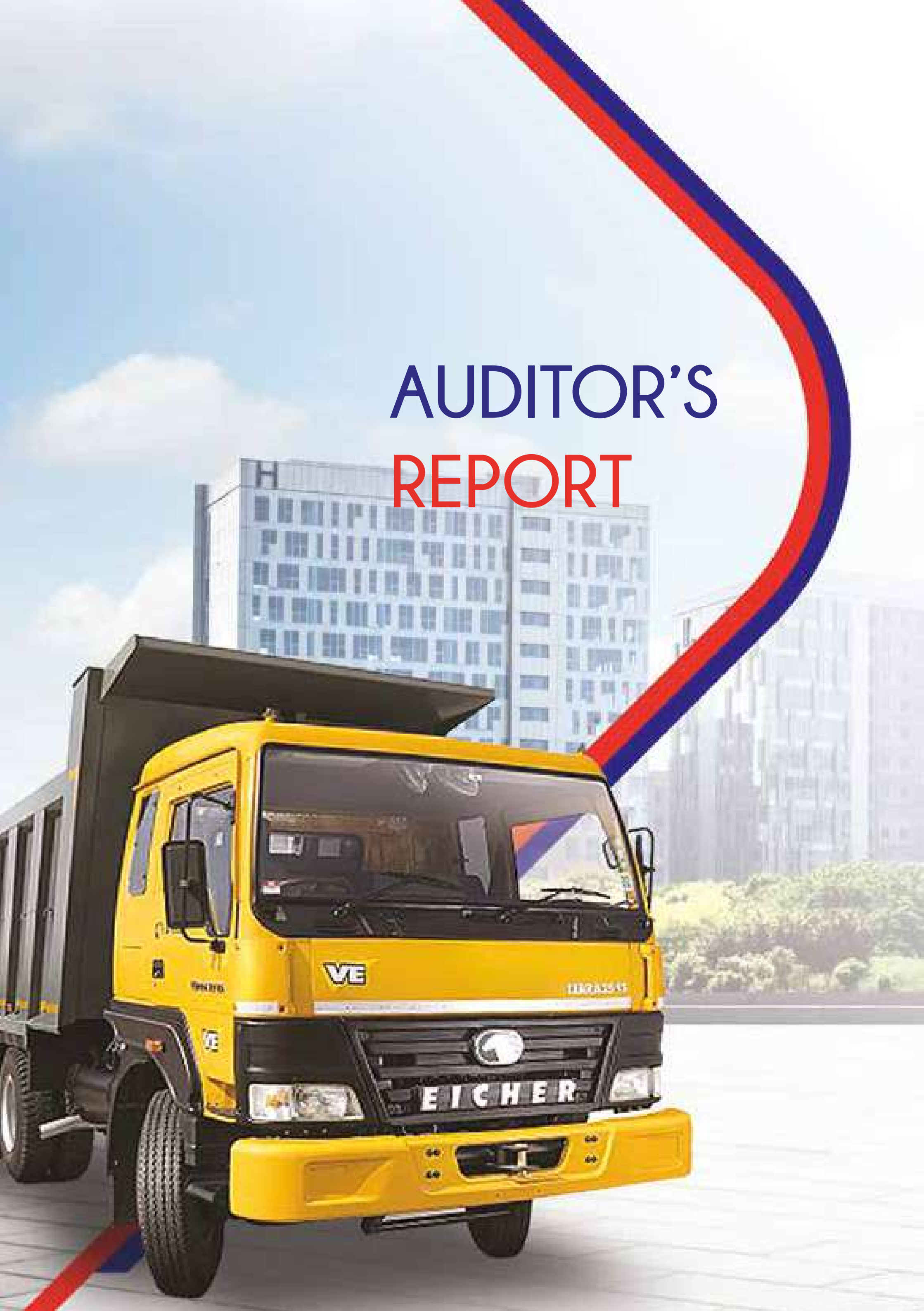
- prepared the financial statements on a going concern basis
- maintained adequate accounting records and an effective system of internal controls and risk management
- made judgements and estimates that are reasonable and prudent
- selected suitable accounting policies and applied them consistently
- 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 27 November 2020 and signed on its behalf by

Ah-Lan Lam Yan Foon	Dean Ah-Chuen
Chairman of Audit and Risk Committee	Managing Director

AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ABC MOTORS COMPANY LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of **ABC MOTORS COMPANY LIMITED** and its subsidiaries (the Group), and the Company's separate financial statements on pages 77 to 193 which comprise the statements of financial position as at June 30, 2020, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 77 to 193 give a true and fair view of the financial position of the Group and of the Company as at June 30, 2020, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

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

Key Audit Matters

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

Report on the audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

KEY AUDIT MATTER	AUDIT RESPONSE

1 Classification and accounting treatment of investments

The Company holds investments in subsidiaries, associates and other investments.

Classification of investments into subsidiaries, associates or other investments is based on management assessment of the exercise of control or significant influence.

The classification of the investments is considered a key audit matter due to the judgement involved in applying the requirements of IFRS 10 and IAS 28 to determine whether the Company has control or significant influence over the investees. The corresponding accounting treatment of the investments has a significant impact on the Group's financial statements.

Related disclosure

Refer to notes 9, 10 and 39 of the financial statements.

Our audit procedures in relation to the classification and accounting treatment of the investments included:

- Assessing whether the Company controls the investee by ascertaining whether the Company is exposed, or has rights, to variable returns from its involvement with the investee and the ability to affect those returns through its power over the investee;
- Assessing whether the Company can exercise significant influence over the investee by ascertaining whether the Company has the power to participate in the financial and operating policy decisions but is not in control of those policies.

The financial statements for prior years were restated to account for prior period errors in respect of the classification and accounting treatment of some investments through the following:

- Evaluating the accounting treatment of the prior period errors based on the assessment to the classification and accounting of the investments;
- Evaluating the adequacy of the financial statements disclosures in respect of the prior year errors.

Report on the audit of the Financial Statements (Cont'd)

KEY AUDIT MATTER	AUDIT RESPONSE
2 Recoverability of trade receivables	
As at June 30, 2020, the Group's gross trade receivables amounted to Rs'000 264,100. The Expected Credit Loss (ECL) allowance for the Group amounted to Rs'000 14,821. The ECL are estimated using a provision matrix by reference to past default experiences of the debtors adjusted by the general conditions of the industry in which debtors operate and forward looking information. The recoverability of debtors is considered to be a key audit matter due the judgement and estimates that need to be applied in arriving at the ECL and the forward looking information. Related disclosure Refer to note 14 of the accompanying financial statements.	Our audit procedures in relation to the computation of the ECL included: • Understanding the methodology used in developing the provision matrix; • Assessing the reasonableness of the assumptions used in the ECL computation and how forward looking information was included; • Testing the accuracy and completeness of the data used in the model and the arithmetical accuracy of the computation of the ECL.

Other matter

The financial statements of **ABC MOTORS COMPANY LIMITED** for the year ended June 30, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on September 26, 2019.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Other Statutory Disclosures, Financial Highlights, Directors' Report, Company Profile, Corporate Information, Secretary's Certificate, Directors' Statement of Responsibilities but does not include the financial statements and our auditors' report thereon.

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

Other Information (Cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Corporate Governance Report

Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance 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 public interest entity has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

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

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

In preparing the financial statements, the directors are responsible for assessing the Group and 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 the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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 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, related safeguards.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Report on Other Legal and Regulatory Requirements

Company's Act 2001

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

We have obtained all information and explanations we have required.

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

Other Matter

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

BDO & Co
Chartered Accountants

Port louis,
Mauritius
27 November 2020

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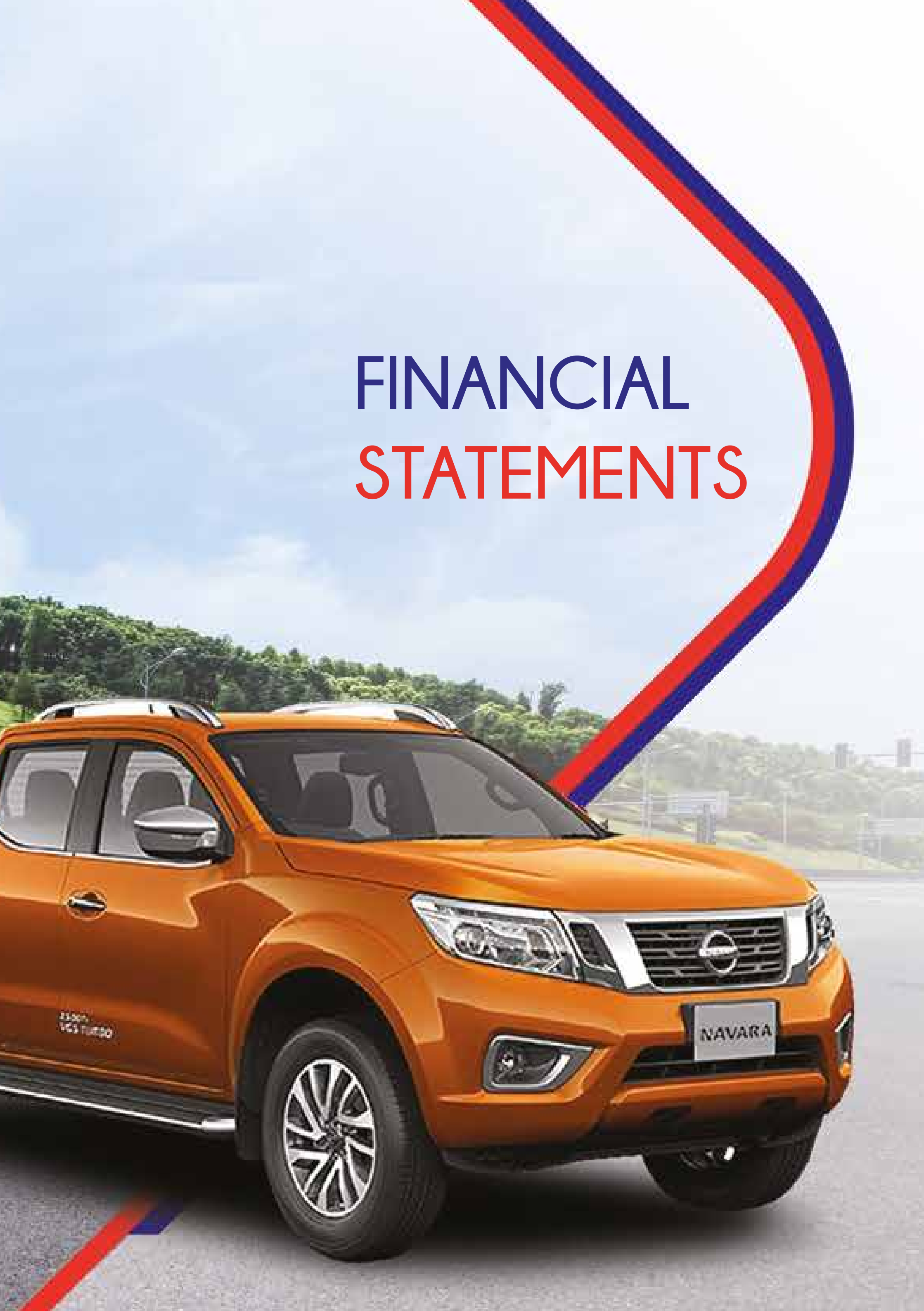
FINANCIAL STATEMENTS



STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	THE GROUP 30 June 2020 Rs '000	THE GROUP 30 June 2019 Rs '000 (restated)	THE GROUP 1 July 2018 Rs '000 (restated)	THE COMPANY 30 June 2020 Rs '000	THE COMPANY 30 June 2019 Rs '000 (restated)	THE COMPANY 1 July 2018 Rs '000 (restated)
ASSETS							
Non-current assets							
Property, plant and equipment	5	**870,597**	544,193	539,470	**588,456**	367,260	366,737
Right-of-use assets	6(a)	**97,274**	-	-	**76,750**	-	-
Investment properties	7	**29,500**	26,637	1,671	**161,250**	129,502	132,145
Intangible assets	8	**797**	768	906	**516**	414	479
Investments in subsidiaries	9	**-**	-	-	**53,405**	52,915	52,915
Investments in associates	10	**272,098**	282,768	356,186	**109,286**	113,386	161,375
Financial assets at fair value through other comprehensive income	11	**240,242**	237,280	253,279	**230,660**	226,710	241,759
Other financial assets	28	**1,161**	161	161	**4,861**	3,861	161
Deferred tax assets	12	**549**	10,461	6,305	**-**	8,231	5,840
Total non-current assets		**1,512,218**	1,102,268	1,157,978	**1,225,184**	902,279	961,411
Current assets							
Inventories	13	**793,027**	759,615	623,560	**574,113**	493,533	388,494
Trade and other receivables	14	**344,379**	421,558	421,550	**342,655**	454,548	405,277
Loan to associate	14	**-**	11,500	65,000	**-**	11,500	65,000
Other financial assets	28	**-**	13,906	2,361	**-**	13,906	2,361
Current tax assets	12	**2,015**	-	-	**2,127**	-	461
Cash and bank balances	21	**133,133**	53,314	43,460	**114,482**	45,664	39,035
Total current assets		**1,272,554**	1,259,893	1,155,931	**1,033,377**	1,019,151	900,628
Total assets		**2,784,772**	2,362,161	2,313,909	**2,258,561**	1,921,430	1,862,039
EQUITY AND LIABILITIES							
Capital and reserves							
Stated capital	15	**61,904**	61,904	61,904	**61,904**	61,904	61,904
Other reserves	16	**379,129**	124,169	131,286	**252,496**	64,487	70,464
Retained earnings		**624,491**	678,681	637,729	**558,932**	564,661	494,081
Equity attributable to owners of the Company		**1,065,524**	864,754	830,919	**873,332**	691,052	626,449
Non-controlling interests	17	**57,658**	56,866	61,160	**-**	-	-
Total equity		**1,123,182**	921,620	892,079	**873,332**	691,052	626,449
Non-current liabilities							
Loans	18	**237,330**	248,762	252,841	**215,630**	225,762	252,841
Lease liabilities	6(b)	**79,612**	-	-	**65,198**	-	-
Obligations under finance leases	19	**-**	4,614	8,114	**-**	4,614	8,114
Other financial liablilities	28	**-**	300	-	**-**	-	-
Deferred tax liabilities	12	**25,688**	-	-	**17,964**	-	-
Retirement benefit obligations	20	**86,855**	85,820	74,241	**80,413**	79,040	70,349
Total non-current liabilities		**429,485**	339,496	335,196	**379,205**	309,416	331,304
Current liabilities							
Bank overdrafts	21	**292,915**	255,938	138,786	**221,064**	174,564	63,681
Trade and other payables	22	**176,268**	226,823	252,512	**138,933**	203,415	220,421
Contract liabilities	36(b)	**44,716**	25,067	30,338	**18,536**	11,422	17,886
Amount due to subsidiary	31	**-**	-	-	**9,500**	9,500	19,500
Loans	18	**695,360**	588,707	661,022	**602,770**	518,110	579,818
Lease liabilities	6(b)	**21,856**	-	-	**14,531**	-	-
Obligations under finance leases	19	**-**	3,519	3,575	**-**	3,495	2,980
Other financial liabilities	28	**990**	-	-	**690**	-	-
Current tax liabilities	12	**-**	991	401	**-**	456	-
Total current liabilities		**1,232,105**	1,101,045	1,086,634	**1,006,024**	920,962	904,286
Total equity and liabilities		**2,784,772**	2,362,161	2,313,909	**2,258,561**	1,921,430	1,862,039

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020 (CONT'D)

Approved by the Board of Directors and authorised for issue on 27 November 2020

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

The notes on pages 85 to 193 form an integral part of these financial statements. Auditor's report on pages 69 to 75.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	THE GROUP 30 June 2020 Rs '000	THE GROUP 30 June 2019 Rs '000 (restated)	THE COMPANY 30 June 2020 Rs '000	THE COMPANY 30 June 2019 Rs '000
Revenue	36	**1,995,010**	2,724,444	**1,416,392**	1,959,680
(Loss)/profit from operations	23	**(8,669)**	87,487	**24,833**	155,522
Gain on revaluation of investment properties	7	**2,897**	-	**33,817**	-
Loss allowance on financial assets	23	**(2,239)**	(4,910)	**(2,239)**	(4,910)
Finance costs	24	**(63,930)**	(58,085)	**(53,222)**	(50,909)
		(71,941)	24,492	**3,189**	99,703
Share of results of associates	10	**13,470**	35,708	**-**	-
(Loss)/profit before taxation		**(58,471)**	60,200	**3,189**	99,703
Income tax	12	**3,142**	(5,701)	**5,828**	(5,991)
(Loss)/profit for the year		**(55,329)**	54,499	**9,017**	93,712
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Net fair value (loss)/gain arising on hedging instruments	32	**(13,706)**	13,706	**(13,706)**	13,706
Items that will not be reclassified subsequently to profit or loss:					
Fair value loss on investments in equity instruments designated as at FVTOCI	11	**(2,165)**	(18,822)	**(1,177)**	(19,683)
Share of fair value gain on investments in equity instruments designated as at FVTOCI of associates	10	**(8,328)**	5,246	**-**	-
Remeasurement of defined benefit obligations	20	**704**	(12,054)	**835**	(11,203)
Share of remeasurement of post employment benefit obligations of associates, net of income tax	10	**(623)**	(518)	**-**	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	12	**(120)**	2,037	**(142)**	1,905
Gains on revaluation of land and buildings	5	**339,324**	-	**236,494**	-
Income tax relating to gain on revaluation of buildings	12	**(41,286)**	-	**(33,602)**	-
		287,506	(24,111)	**202,408**	(28,981)
Other comprehensive income/(loss), net of income tax		**273,800**	(10,405)	**188,702**	(15,275)
Total comprehensive income for the year		**218,471**	44,094	**197,719**	78,437
(Loss)/profit for the year attributable to:					
Owners of the Company		**(38,026)**	58,136		
Non-controlling interests	17	**(17,303)**	(3,637)		
(Loss)/profit for the year		**(55,329)**	54,499		
Total comprehensive income attributable to:					
Owners of the Company		**216,209**	47,669		
Non-controlling interests	17	**2,262**	(3,575)		
Total comprehensive income for the year		**218,471**	44,094		
Earnings per share	25	**(6.16)**	9.41		

The notes on pages 85 to 193 form an integral part of these financial statements.
Auditor's report on pages 69 to 75.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

a) THE GROUP

	Notes	Stated capital				Other Reserves							
		Share capital Rs '000	Share premium Rs '000	Total Rs '000	Retained earnings Rs '000	Regulatory reserve Rs '000	Investments revaluation reserve Rs '000	Cash flow hedge reserve Rs '000	Properties revaluation reserve Rs '000	Total Rs '000	Attributable to owners of the company Rs '000	Non - controlling interests Rs '000	Total equity Rs '000
Balance at 1 July 2018 (as previously stated)		61,757	147	61,904	649,914	18,715	111,533	-	-	130,248	842,066	8,692	850,758
Effects of prior year adjustments	39	-	-	-	(12,185)	-	1,038	-	-	1,038	(11,147)	52,468	41,321
Balance at 1 July 2018 (as restated)		61,757	147	61,904	637,729	18,715	112,571	-	-	131,286	830,919	61,160	892,079
Profit for the year		-	-	-	58,136	-	-	-	-	-	58,136	(3,637)	54,499
Other comprehensive loss, net of income tax		-	-	-	(10,157)	-	(14,016)	13,706	-	(310)	(10,467)	62	(10,405)
Total comprehensive income for the year		-	-	-	47,979	-	(14,016)	13,706	-	(310)	47,669	(3,575)	44,094
Transfer from retained earnings to regulatory reserve		-	-	-	(4,912)	4,912	-	-	-	4,912	-	-	-
Transfer of investment revaluation reserve upon disposal of investments designated as at FVTOCI of subsidiary		-	-	-	1,140	-	(1,140)	-	-	(1,140)	-	-	-
Adjustment arising from reduction of ownership interest in associate		-	-	-	10,579	(8,979)	(1,600)	-	-	(10,579)	-	-	-
Dividends	29	-	-	-	(13,834)	-	-	-	-	-	(13,834)	(719)	(14,553)
Balance at 30 June 2019		61,757	147	61,904	678,681	14,648	95,815	13,706	-	124,169	864,754	56,866	921,620
Balance at 1 July 2019 (as previously stated)		61,757	147	61,904	691,614	14,648	94,423	13,706	-	122,777	876,295	8,597	884,892
Effects of prior year adjustments	39	-	-	-	(12,933)	-	1,392	-	-	1,392	(11,541)	48,269	36,728
Balance at 1 July 2019 (as restated)		61,757	147	61,904	678,681	14,648	95,815	13,706	-	124,169	864,754	56,866	921,620
Issue of shares		-	-	-	-	-	-	-	-	-	-	510	510
Loss for the year		-	-	-	(38,026)	-	-	-	-	-	(38,026)	(17,303)	(55,329)
Other comprehensive loss, net of income tax		-	-	-	21	-	(9,975)	(13,706)	277,895	254,214	254,235	19,565	273,800
Total comprehensive income for the year		-	-	-	(38,005)	-	(9,975)	(13,706)	277,895	254,214	216,209	2,262	218,471
Transfer from retained earnings to regulatory reserve		-	-	-	(1,778)	(1,778)	-	-	-	1,778	-	-	-
Adjustment arising from reduction of ownership interest in associate		-	-	-	1,032	(782)	(250)	-	-	(1,032)	-	-	-
Dividends	29	-	-	-	(15,439)	-	-	-	-	-	(15,439)	(1,980)	(17,419)
Balance at 30 June 2020		**61,757**	**147**	**61,904**	**624,491**	**15,644**	**85,590**	**-**	**277,895**	**379,129**	**1,065,524**	**57,658**	**1,123,182**

The notes on pages 85 to 193 form an integral part of these financial statements.
Auditor's report on pages 69 to 75.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

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	Cash flow hedge reserve Rs '000	Properties revaluation reserve Rs '000	Total Rs '000	Total equity Rs '000
Balance at 1 July 2018		61,757	147	61,904	494,081	70,464	-	-	70,464	626,449
Profit for the year		-	-	-	93,712	-	-	-	-	93,712
Other comprehensive loss, net of income tax		-	-	-	(9,298)	(19,683)	13,706	-	(5,977)	(15,275)
Total comprehensive income for the year		-	-	-	84,414	(19,683)	13,706	-	(5,977)	78,437
Dividends	29	-	-	-	(13,834)	-	-	-	-	(13,834)
Balance at 30 June 2019		61,757	147	61,904	564,661	50,781	13,706	-	64,487	691,052
Balance at 1 July 2019		61,757	147	61,904	564,661	50,781	13,706	-	64,487	691,052
Profit for the year		-	-	-	9,017	-	-	-	-	9,017
Other comprehensive loss, net of income tax		-	-	-	693	(1,177)	(13,706)	202,892	188,009	188,702
Total comprehensive income for the year		-	-	-	9,710	(1,177)	(13,706)	202,892	188,009	197,719
Dividends	29	-	-	-	(15,439)	-	-	-	-	(15,439)
Balance at 30 June 2020		**61,757**	**147**	**61,904**	**558,932**	**49,604**	**-**	**202,892**	**252,496**	**873,332**

The notes on pages 85 to 193 form an integral part of these financial statements.
Auditor's report on pages 69 to 75.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	THE GROUP 30 June 2020 Rs '000	THE GROUP 30 June 2019 Rs '000 (restated)	THE COMPANY 30 June 2020 Rs '000	THE COMPANY 30 June 2019 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/profit before taxation		**(58,471)**	60,200	**3,189**	99,703
Adjustments for:					
Interest receivable	23	**(5,729)**	(5,546)	**(9,977)**	(11,630)
Profit on disposal of property, plant and equipment	23	**(2,333)**	(501)	**(2,198)**	(472)
Profit on disposal of investments in associates	23	**(1,417)**	(16,198)	**(6,159)**	(72,280)
Realised gain on forward contracts		**890**	2,361	**890**	2,361
Amortisation of intangible assets	8	**326**	237	**253**	164
Depreciation of property, plant and equipment and right-of-use assets	5, 6, 7	**59,246**	36,719	**43,651**	29,720
Gain on fair value of investment properties	7	**(2,897)**	-	**(33,817)**	-
Dividend received	23	**(9,924)**	(12,711)	**(19,032)**	(23,887)
Interest expense	24	**63,930**	58,085	**53,222**	50,909
Retirement benefit obligations		**11,547**	8,727	**12,017**	6,689
Contributions paid to plan assets		**(9,809)**	(9,202)	**(9,809)**	(9,202)
Amortisation of loan origination costs		**-**	414	**-**	414
Movement in loss allowance on trade receivables	14	**5,690**	1,062	**4,930**	1,326
Loss allowance on other receivables from related parties	23	**2,239**	4,910	**2,239**	4,910
Dividend on preference shares		**260**	20	**-**	-
Share of results of associates	10	**(13,470)**	(35,708)	**-**	-
Operating profit before working capital changes		**40,078**	92,869	**39,399**	78,725
Increase in inventories		**(33,412)**	(136,056)	**(80,580)**	(105,039)
Decrease/(increase) in trade and other receivables		**82,066**	(75)	**103,724**	(55,508)
Decrease in trade and other payables		**(45,936)**	(17,157)	**(58,323)**	(8,411)
Cash generated from/(used in) operating activities		**42,796**	(60,419)	**4,220**	(90,233)
Interest paid		**(57,203)**	(59,026)	**(48,181)**	(50,909)
Income tax paid	12	**(5,670)**	(7,230)	**(4,304)**	(5,560)
Net cash used in operating activities		**(20,077)**	(126,675)	**(48,265)**	(146,702)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

	Notes	THE GROUP		THE COMPANY	
		30 June 2020 Rs '000	30 June 2019 Rs '000 (restated)	30 June 2020 Rs '000	30 June 2019 Rs '000
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		**3,030**	2,338	**2,895**	2,168
Purchase of intangible assets	8	**(355)**	(99)	**(355)**	(99)
Purchase of property, plant and equipment	26	**(28,932)**	(43,245)	**(16,060)**	(29,297)
Disbursement of consideration for purchase of investment property		**-**	(16,365)	**(580)**	(16,365)
Purchase of investment in subsidiaries	9	**-**	-	**(490)**	-
Purchase of investments in associates	10	**-**	(7,543)	**-**	(6,834)
Purchase of financial assets at fair value through other comprehensive income	11	**(5,127)**	(5,423)	**(5,127)**	(4,634)
Payments for acquisition of subsidiary, net of cash acquired	37	**-**	(7,407)	**-**	-
Proceeds from sale of available-for-sale investments and unquoted equity investments		**-**	2,600	**-**	-
Proceeds resulting from disposal of interests in associates		**9,902**	128,212	**9,902**	128,212
Purchase of other financial assets	28	**-**	-	**-**	(3,700)
Dividend received		**16,271**	23,202	**19,032**	23,887
Interest received		**5,729**	5,546	**9,977**	11,630
Refund of loan from associate		**11,500**	53,500	**11,500**	53,500
Net cash generated from investing activities		**12,018**	135,316	**30,694**	158,468
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans raised		**1,420,320**	1,217,891	**1,399,627**	1,194,891
Principal paid on lease liabilities		**(20,660)**	-	**(14,159)**	-
Interest paid on lease liabilities		**(6,727)**	-	**(5,041)**	-
Repayment of lease obligations		**(24)**	(3,557)	**-**	(2,985)
Decrease in amount due to subsidiary		**-**	-	**-**	(10,000)
Repayment of amount due to entity under common management		**-**	(18,337)	**-**	-
Dividend paid		**(17,419)**	(14,573)	**(15,439)**	(13,834)
Repayment of loans		**(1,325,099)**	(1,099,163)	**(1,325,099)**	(1,084,092)
Repayment of unsecured notes		**-**	(198,500)	**-**	(200,000)
Proceeds from issue of preference shares		**-**	300	**-**	-
Issue of share capital to non-controlling interests		**510**	-	**-**	-
Net cash generated from/(used in) financing activities		**50,901**	(115,939)	**39,889**	(116,020)
Net increase/(decrease) in cash and cash equivalents		**42,842**	(107,298)	**22,318**	(104,254)
Cash and cash equivalents at beginning of year		**(202,624)**	(95,326)	**(128,900)**	(24,646)
Cash and cash equivalents at end of year	21	**(159,782)**	(202,624)	**(106,582)**	(128,900)

The notes on pages 85 to 193 form an integral part of these financial statements.
Auditor's report on pages 69 to 75.

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 2019.

2.1 New and amended IFRSs that are effective for the current year

Impact of initial application of IFRS 16 Leases

IFRS 16 Leases results in the recognition of almost all leases on the statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. The Group has adopted IFRS 16 from 1 July 2019, but has not restated comparatives for 2019, as permitted under the specific transition provisions. The reclassifications and adjustments arising from the new leasing rules are recognised in the opening statement of financial position on 1 July 2019. The new accounting policies are disclosed in note 3 (m).

Effective 1 January 2019, IFRS 16 has replaced IAS 17 Leases and IFRIC 4 Determining whether an Arrangement Contains a Lease.

On adoption of IFRS 16, the Group and the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 6.00% to 8.00%.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Group does not have significant leasing activities acting as a lessor.

Transition Method and Practical Expedients Utilised

The Group and the Company adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 July 2019),

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONT'D)

2.1 New and amended IFRSs that are effective for the current year (Cont'd)

Impact of initial application of IFRS 16 Leases (Cont'd)

Transition Method and Practical Expedients Utilised (Cont'd)

without restatement of comparative figures. The Group and the Company elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 July 2019.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Group and the Company did not apply the practical expedients as they were not materially relevant to the Group and the Company.

As a lessee, the Group and the Company previously classified leases as operating or finance lease based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under IFRS 16, the Group and the Company recognise rights-of-use assets and lease liabilites for most leases. However, the Group and the Company have elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

On adoption of IFRS 16, the Group and the Company recognised right-of-use assets and lease liabilities as follows:

Classification under IAS 17	Right-of-use assets	Lease Liabilities
Operating leases	Workshops/showrooms/offices, leasehold land and vehicles: Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.	Measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as at 1 July 2019. The incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 6.00% to 8.00%.
Finance leases	Measured based on the carrying values for the lease assets and liabilities immediately before the date of initial application (i.e. carrying values brought forward, unadjusted).	

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONT'D)

2.1 New and amended IFRSs that are effective for the current year (Cont'd)

Impact of initial application of IFRS 16 Leases (Cont'd)

The following table presents the imapct of adopting IFRS16 on the Statement of Financial Position as at 1 July 2019:

Table of changes in classification of the Group's and the Company's financial assets upon application of IFRS 16:

THE GROUP	Adjustments	As previously reported Rs '000	IFRS 16 adjustments Rs '000	As restated Rs '000
Assets				
Property and equipment	(a)	544,193	(7,457)	536,736
Right-of-use assets	(b)	-	104,140	104,140
Deferred tax assets	(c)	10,461	-	10,461
Net impact on total assets		554,654	96,683	651,337
Liabilities				
Obligations under finance leases	(d)	8,109	8,109	-
Lease liabilities		-	104,792	104,792
Net impact on total liabilities		8,109	96,683	104,792

THE COMPANY	Adjustments	As previously reported Rs '000	IFRS 16 adjustments Rs '000	As restated Rs '000
Assets				
Property and equipment	(a)	367,260	(7,457)	359,803
Right-of-use assets	(b)	-	70,486	70,486
Deferred tax assets	(c)	8,231	-	8,231
Net impact on total assets		375,491	63,029	438,520
Liabilities				
Obligations under finance leases		8,109	(8,109)	-
Lease liabilities	(d)	-	71,138	71,138
Net impact on total liabilities		8,109	63,029	71,138

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONT'D)

2.1 New and amended IFRSs that are effective for the current year (Cont'd)

Impact of initial application of IFRS 16 Leases (Cont'd)

(a) Property, plant and equipment was adjusted to reclassify leases previously classified as finance type to right-of-use assets. The adjustment reduced the cost of property and equipment by Rs 17,508,512 for the Group and the Company and accumulated depreciation by Rs 10,051,326 for the Group and the Company for a net adjustment of Rs 7,457,186.

(b) The adjustment to right-of-use assets is as follows:

	THE GROUP Rs '000	THE COMPANY Rs '000
Adjustment noted in (a) -finance type leases	7,457	7,457
Operating type leases	96,683	63,029
Right-of-use assets	104,140	70,486

(c) Deferred tax assets were adjusted to reflect the tax effect of the other adjustments recorded.

(d) Obligations under finance leases were adjusted to reclassify leases previously classified as finance type to lease liabilities.

(e) There was no impact on retained earnings on adoption of IFRS 16.

The following table reconciles the minimum lease commitments of the Group and the Company as at 30 June 2019 to the amount of lease liabilities recognised on 1 July 2019:

	1 July 2019	
	THE GROUP Rs '000	THE COMPANY Rs '000
Minimum operating lease commitment at 30 June 2019	194,575	154,862
Less: short term leases not recognised under IFRS 16	(17,685)	(16,472)
Undiscounted lease payment	176,890	138,390
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	(80,231)	(75,361)
Lease liabilities for leases classified as operating type under IAS17	96,659	63,029
Add: leases previously classified as finance type under IAS 17	8,133	8,109
Lease liabilities as at 1 July 2019	104,792	71,138

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONT'D)

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

In the current year, the Group and the Company have applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 July 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IAS 12	Income Taxes - Amendments resulting from Annual Improvements to IFRS Standards 2015–2017 Cycle (income tax consequences of dividends)
IAS 19	Employee Benefits - Amendments regarding plan amendments, curtailments or settlements
IAS 23	Borrowing costs - Amendments resulting from Annual Improvements plan 2015-2017 Cycle (borrowing costs eligible for capitalization)
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding long-term interests in associates and joint ventures
IFRS 3	Business Combinations - Amendments resulting from Annual Improvements plan 2015-2017 Cycle (remeasurement of previously held interest)
IFRS 9	Financial Instruments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities
IFRIC 23	Uncertainty over Income Tax Treatments - recognition and measurement of deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONT'D)

2.3 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:

IAS 1	Presentation of Financial Statements – Amendments regarding the definition of material (effective 1 January 2020)
IAS 1	Presentation of Financial Statements – Amendments regarding the classification of liabilities (effective 1 January 2023)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of material (effective 1 January 2020)
IAS 16	Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use (effective 1 January 2022)
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous (effective 1 January 2022)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform (effective 1 January 2020)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 3	Business Combinations - Amendments to clarify the definition of a business (effective 1 January 2020)
IFRS 3	Business Combinations - Amendments updating a reference to the Conceptual Framework (effective 1 January 2022)
IFRS 7	Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of the IBOR reform (effective 1 January 2020)
IFRS 7	Financial Instruments: Disclosures - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 9	Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform (effective 1 January 2020)
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities) (effective 1 January 2022)

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONT'D)

2.3 New and revised Standards in issue but not yet effective (Cont'd)

IFRS 9	Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 16	Leases - Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification (effective 1 June 2020)
IFRS 16	Leases - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)

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. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of ABC MOTORS COMPANY LIMITED comply with the Mauritius Companies Act 2001 and have been prepared in accordance with International Financial Reporting 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 (iv) relevant financial assets and financial liabilities are carried at amortised costs, 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (Cont'd)

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 affects 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;

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of consolidation (Cont'd)

• 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.

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 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of consolidation (Cont'd)

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Investment in associates (Cont'd)

Consolidated financial statements (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.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Investment in associates (Cont'd)

Consolidated financial statements (Cont'd)

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

(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.

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.

Sale of Vehicles

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 good and service.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Revenue recognition (Cont'd)

'DRIVE' customer loyalty program

The ABC automobile division operates a customer loyalty program through which customer can accumulate points on purchase of vehicles and rendering of services that entitle them to incentives such as discounts or exchange for other related products. This, therefore, constitute a separate performance obligation.

The administration of the customer loyalty program is performed by a related company and revenue from loyalty points is recognised when the points are redeemed by the customer.

Other revenues

Other revenues earned are recognised on the following basis:

- Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective and agreed interest rate applicable.
- Dividend income is recognised when the shareholder's right to receive payment is established.
- Recognition of rental 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 or administrative purposes, are stated at their fair values, based on valuation by external independent valuers, less subsequent depreciation for buildings. 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 depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the 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. Decreases that offset previous increases of the same asset are charged against the revaluation reserve directly in equity; all other decreases are charged to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property, plant and equipment (Cont'd)

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

Freehold building	2%
Building on leasehold land	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.

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.

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

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

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, representing open-market value determined annually by external independent valuers. Changes in fair values are included in profit or loss in the period in which they arise.

(h) Intangible assets

Intangible assets comprise of computer software. Intangible assets acquired separately are measured on initial recognition 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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Intangible assets (Cont'd)

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.

(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.

(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, 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 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

In 2019, leases were classified as finance leases where the terms of the leases transferred substantially the risks and rewards of ownership to the lessee. All other leases were classified as operating leases.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Leases (Cont'd)

The Group and the Company as lessee

Assets held under finance leases were recognised as assets of the Group and the Company at their value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as lease obligations. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised as borrowing costs.

Rentals payable under operating leases were charged to profit or loss on a straight-line basis over the term of the relevant lease.

From 1 July 2019, all 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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Leases (Cont'd)

Identifying Leases (Cont'd)

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Leases (Cont'd)

Identifying Leases (Cont'd)

When the Group and the Company revise their estimate of the term of any lease (because, for example, they re-assesse 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.

- 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.

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 Company as lessor

Rental 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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. 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

The present value of retirement gratuity as provided under The Workers' Rights Act 2019 is 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. SIGNIFICANT 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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).

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Financial instruments (Cont'd)

Financial assets (Cont'd)

Classification of financial assets (Cont'd)

- 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Financial instruments (Cont'd)

Financial assets (Cont'd)

Classification of financial assets (Cont'd)

(ii) Equity instruments designated as at FVTOCI (Cont'd)

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 be 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

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;

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Financial instruments (Cont'd)

Financial assets (Cont'd)

(i) Significant increase in credit risk (Cont'd)

- 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Financial instruments (Cont'd)

Financial assets (Cont'd)

(i) Significant increase in credit risk (Cont'd)

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Financial instruments (Cont'd)

Financial assets (Cont'd)

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Financial instruments (Cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Financial instruments (Cont'd)

Financial liabilities (Cont'd)

Foreign exchange gains and losses (Cont'd)

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.

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 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Financial instruments (Cont'd)

Cash flow hedges (Cont'd)

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Goodwill (Cont'd)

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

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)

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 and coverage by credit insurance).

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.

Retirement benefit obligations

Retirement benefit obligations are dependent on the actuarial assumptions as disclosed in note 20. 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.

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.

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

Key sources of estimation uncertainty (Cont'd)

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.

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. The valuer used the Direct Market Comparison Approach, adjusted for specific conditions, to value the land and buildings.

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 sensivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensivity 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.

Assets 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.

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.

5. PROPERTY, PLANT AND EQUIPMENT

a) THE GROUP

	Notes	Freehold land Rs '000	Freehold building Rs '000	Building on leasehold land Rs '000	Improvement to building on leasehold land Rs '000	Furniture and fittings Rs '000	Motor vehicles Rs '000	Office equipment Rs '000	Workshop equipment and tools Rs '000	Electronic equipment Rs '000	Construction in progress Rs '000	Total Rs '000
COST OR VALUATION												
At 1 July 2018 (as previously stated)		114,442	198,641	75,570	7,754	35,422	58,667	15,304	30,073	22,889	1,314	560,076
Effects of prior year adjustments	39	-	130,439	4,693	133	22,995	4,232	-	23,667	6,022	-	192,181
At 1 July 2018 (as restated)		114,442	329,080	80,263	7,887	58,417	62,899	15,304	53,740	28,911	1,314	752,257
Additions during the year	26	657	1,112	1,822	7,764	8,608	7,493	635	9,112	4,919	1,123	43,245
Disposals		-	-	-	-	-	(6,366)	-	-	-	-	(6,366)
Scrap		-	-	-	-	-	-	-	-	(45)	-	(45)
At 30 June 2019 (as restated)		115,099	330,192	82,085	15,651	67,025	64,026	15,939	62,852	33,785	2,437	789,091
At 1 July 2019 (as previously stated)		115,099	199,753	77,106	15,518	37,471	57,692	15,939	36,298	26,852	2,437	584,165
Effects of prior year adjustments	39	-	130,439	4,979	133	29,554	6,334	-	26,554	6,933	-	204,926
Adjustment upon application of IFRS 16	2.1	-	-	-	-	-	(17,508)	-	-	-	-	(17,508)
At 1 July 2019 (as restated)		115,099	330,192	82,085	15,651	67,025	46,518	15,939	62,852	33,785	2,437	771,583
Additions during the year	26	133	6,457	60	452	3,437	4,643	404	7,495	4,635	2,528	30,244
Disposals		-	-	-	-	-	(10,277)	-	-	(94)	-	(10,371)
Scrap		-	-	-	-	-	-	-	-	(49)	-	(49)
Revaluation increase		96,468	133,854	13,566	-	-	-	-	-	-	-	243,888
At 30 June 2020		**211,700**	**470,503**	**95,711**	**16,103**	**70,462**	**40,884**	**16,343**	**70,347**	**38,277**	**4,965**	**1,035,295**

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

a) THE GROUP (CONT'D)

	Notes	Freehold land Rs '000	Freehold building Rs '000	Building on leasehold land Rs '000	Improvement to building on leasehold land Rs '000	Furniture and fittings Rs '000	Motor vehicles Rs '000	Office equipment Rs '000	Workshop equipment and tools Rs '000	Electronic equipment Rs '000	Construction in progress Rs '000	Total Rs '000
ACCUMULATED DEPRECIATION												
At 1 July 2019 (as previously stated)		-	22,897	54,876	7,754	15,818	32,454	10,059	17,538	15,458	-	176,854
Effects of prior year adjustments	39	-	(34)	4,336	95	12,711	1,955	-	12,974	3,896	-	35,933
At 1 July 2019 (as restated)		-	22,863	59,212	7,849	28,529	34,409	10,059	30,512	19,354	-	212,787
Charge for the year		-	6,642	2,496	67	6,179	8,840	1,050	6,591	4,820	-	36,685
Disposals		-	-	-	-	-	(4,533)	-	-	-	-	(4,533)
Scrap		-	-	-	-	-	-	-	-	(41)	-	(41)
At 30 June 2019 (as restated)		-	29,505	61,708	7,916	34,708	38,716	11,109	37,103	24,133	-	244,898
At 1 July 2019 (as previously stated)		-	26,930	57,072	7,795	19,264	36,132	11,109	22,047	19,489	-	199,838
Effects of prior year adjustments	39	-	2,575	4,636	121	15,444	2,584	-	15,056	4,644	-	45,060
Adjustment upon application of IFRS 16	2.1	-	-	-	-	-	(10,051)	-	-	-	-	(10,051)
At 1 July 2019 (as restated)		-	29,505	61,708	7,916	34,708	28,665	11,109	37,103	24,133	-	234,847
Charge for the year		-	6,758	2,240	414	6,243	6,015	1,056	7,258	5,026	-	35,010
Disposals		-	-	-	-	-	(9,620)	-	-	(66)	-	(9,686)
Scrap		-	-	-	-	-	-	-	-	(37)	-	(37)
Eliminated on revaluation		-	(36,263)	(59,173)	-	-	-	-	-	-	-	(95,436)
At 30 June 2020		**-**	**-**	**4,775**	**8,330**	**40,951**	**25,060**	**12,165**	**44,361**	**29,056**	**-**	**164,698**
NET BOOK VALUE												
At 30 June 2020		**211,700**	**470,503**	**90,936**	**7,773**	**29,511**	**15,824**	**4,178**	**25,986**	**9,221**	**4,965**	**870,597**
At 30 June 2019		115,099	300,687	20,377	7,735	32,317	25,310	4,830	25,749	544,193	2,437	544,193

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

(b) THE COMPANY

	Notes	Freehold land Rs '000	Freehold building Rs '000	Building on leasehold land Rs '000	Improvement to building on leasehold land Rs '000	Furniture and fittings Rs '000	Motor vehicles Rs '000	Office equipment Rs '000	Workshop equipment and tools Rs '000	Electronic equipment Rs '000	Construction in progress Rs '000	Total Rs '000
COST OR VALUATION												
At 1 July 2018		108,373	184,263	75,570	7,754	35,422	58,667	15,304	30,073	22,889	-	538,315
Additions during the year	26	657	1,112	1,536	7,764	2,049	5,111	635	6,225	4,008	200	29,297
Disposals		-	-	-	-	-	(6,086)	-	-	-	-	(6,086)
Scrap		-	-	-	-	-	-	-	-	(45)	-	(45)
At 30 June 2019		109,030	185,375	77,106	15,518	37,471	57,692	15,939	36,298	26,852	200	561,481
Adjustment upon application of IFRS 16	2.1	-	-	-	-	-	(17,508)	-	-	-	-	(17,508)
At 1 July 2019 (as restated)		109,030	185,375	77,106	15,518	37,471	40,184	15,939	36,298	26,852	200	543,973
Additions during the year	26	133	5,795	-	396	1,554	3,038	404	2,609	3,197	246	17,372
Disposals		-	-	-	-	-	(9,933)	-	-	(94)	-	(10,027)
Scrap		-	-	-	-	-	-	-	-	(49)	-	(49)
Revaluation increase		38,837	99,808	13,567	-	-	-	-	-	-	-	152,212
At 30 June 2020		148,000	290,978	90,673	15,914	39,025	33,289	16,343	38,907	29,906	446	703,481

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

(b) THE COMPANY (CONT'D)

	Notes	Freehold land Rs '000	Freehold building Rs '000	Building on leasehold land Rs '000	Improvement to building on leasehold land Rs '000	Furniture and fittings Rs '000	Motor vehicles Rs '000	Office equipment Rs '000	Workshop equipment and tools Rs '000	Electronic equipment Rs '000	Construction in progress Rs '000	Total Rs '000
ACCUMULATED DEPRECIATION												
At 1 July 2018		-	17,621	54,876	7,754	15,818	32,454	10,059	17,538	15,458	-	171,578
Charge for the year		-	3,692	2,196	41	3,446	8,071	1,050	4,509	4,072	-	27,077
Disposals		-	-	-	-	-	(4,393)	-	-	-	-	(4,393)
Scrap		-	-	-	-	-	-	-	-	(41)	-	(41)
At 30 June 2019		-	21,313	57,072	7,795	19,264	36,132	11,109	22,047	19,489	-	194,221
Adjustment upon application of IFRS 16 2.1		-	-	-	-	-	(10,051)	-	-	-	-	(10,051)
At 1 July 2019 (as restated)		-	21,313	57,072	7,795	19,264	26,081	11,109	22,047	19,489	-	184,170
Charge for the year		-	3,796	2,101	403	3,563	4,709	1,056	4,777	4,111	-	24,516
Disposals		-	-	-	-	-	(9,276)	-	-	(66)	-	(9,342)
Scrap		-	-	-	-	-	-	-	-	(37)	-	(37)
Eliminated on revaluation		-	(25,109)	(59,173)	-	-	-	-	-	-	-	(84,282)
At 30 June 2020		**-**	**-**	**-**	**8,198**	**22,827**	**21,514**	**12,165**	**26,824**	**23,497**	**-**	**115,025**
NET BOOK VALUE												
At 30 June 2020		**148,000**	**290,978**	**90,673**	**7,716**	**16,198**	**11,775**	**4,178**	**12,083**	**6,409**	**446**	**588,456**
At 30 June 2019		109,030	164,062	20,034	7,723	18,207	21,560	4,830	14,251	7,363	200	367,260

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 2020 were performed by Ramiah-Isabel Consultancy Ltd, an independent property valuer not related to the Group. Ramiah-Isabel Consultancy 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 Direct Market Comparison approach that reflects recent transaction prices for similar properties.

The Group's freehold land and buildings measured at fair value and information about the fair value hierarchy as at 30 June 2020 are as follows:

	THE GROUP Level 2 Rs '000	THE COMPANY Level 2 Rs '000
Freehold land	211,700	148,000
Buildings	561,439	381,651
	773,139	**529,651**

The fair value of the land is based on recent transactions for similar properties, adjusted for size, access and other attributes. The valuation of buildings take into account the type of buildings size, location and the buildings' structure and durability.

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

Price per square metre	THE GROUP Range Rs	THE COMPANY Range Rs
Land	1,882 - 7,106	5,205 - 7,106
Buildings	6,631 - 50,391	14,405 - 45,246

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

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

THE GROUP AND THE COMPANY (CONT'D)

If land and buldings were stated in the historical cost basis the amounts would be as follows:

THE COMPANY	THE GROUP 30 June 2020		THE COMPANY 30 June 2020	
	Freehold land Rs '000	Buildings Rs '000	Freehold land Rs '000	Buildings Rs '000
Cost	115,232	418,794	109,163	268,276
Accumulated depreciation	-	(100,211)	-	(84,282)
Net book value	**115,232**	**318,583**	**109,163**	**183,994**

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

Depreciation charge of Rs 6,314,958 (2019: Rs 5,829,587) has been charged to cost of sales and Rs 28,693,768 (2019: Rs 30,855,843) has been charged to administrative expenses for the Group and Rs 4,776,733 (2019: Rs 4,508,605) has been charged to cost of sales and Rs 19,739,285 (2019: Rs 22,568,597) has been charged to administrative expenses, for the Company.

Property and equipment included the following assets held under finance lease, secured by the lessor's title to the leased assets.

	30 June 2020		30 June 2019	
	Cost Rs '000	NBV Rs '000	Cost Rs '000	NBV Rs '000
Motor Vehicles	-	-	17,509	7,457

From 2020, leased assets are presented as a separate line items in the statement of financial position.

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

	THE GROUP		
	Land and buildings Rs '000	Motor Vehicles Rs '000	Total Rs '000
At 1 July 2019	-	-	-
Adjustment upon application of IFRS 16 (note 2.1)	76,777	27,363	104,140
At 1 July 2019 (as restated)	76,777	27,363	104,140
Additions	-	17,336	17,336
Depreciation	(12,396)	(11,806)	(24,202)
At 30 June 2020	**64,381**	**32,893**	**97,274**

	THE COMPANY		
	Land and buildings Rs '000	Motor Vehicles Rs '000	Total Rs '000
At 1 July 2019	-	-	-
Adjustment upon application of IFRS 16 (note 2.1)	48,174	22,312	70,486
At 1 July 2019 (as restated)	48,174	22,312	70,486
Additions	6,514	16,236	22,750
Depreciation	(6,479)	(10,007)	(16,486)
At 30 June 2020	**48,209**	**28,541**	**76,750**

6(b). LEASE LIABILITIES

	THE GROUP		
	Land and buildings Rs '000	Motor Vehicles Rs '000	Total Rs '000
At 1 July 2019	-	-	-
Adjustment upon application of IFRS 16 (note 2.1)	76,777	28,015	104,792
At 1 July 2019 (as restated)	76,777	28,015	104,792
Additions	-	17,336	17,336
Interest expense	4,677	2,050	6,727
Lease payments	(15,038)	(12,349)	(27,387)
At 30 June 2020	**66,416**	**35,052**	**101,468**
Current			21,856
Non-current			79,612
			101,468

	THE COMPANY		
	Land and buildings Rs '000	Motor Vehicles Rs '000	Total Rs '000
At 1 July 2019	-	-	-
Adjustment upon application of IFRS 16 (note 2.1)	48,174	22,964	71,138
At 1 July 2019 (as restated)	48,174	22,964	71,138
Additions	6,514	16,236	22,750
Interest expense	3,388	1,653	5,041
Lease payments	(8,688)	(10,512)	(19,200)
At 30 June 2020	**49,388**	**30,341**	**79,729**
Current			14,531
Non-current			65,198
			79,729

(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 the Company also lease motor vehicles which comprise only fixed payments over the lease terms.

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

(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, 2020	Lease Contracts Number	Fixed increase %	Variable payments %	Sensitivity Liabilities Rs.'000
Property leases with payments linked to inflation	14	-	65%	3,321
Vehicle leases	62	35%	-	-
	76	**35%**	**65%**	**3,321**

THE COMPANY 30 June, 2020	Lease Contracts Number	Fixed increase %	Variable payments %	Sensitivity Liabilities Rs'.000
Property leases with payments linked to inflation	6	-	62%	2,469
Vehicle leases	50	38%	-	-
	56	**38%**	**62%**	**2,469**

(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).

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

(iv) Lease term (Cont'd)

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 reassessed 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 theCompany 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 and showrooms do not provide for any residual value guarantee.

(vi) Amounts recognised in profit and loss

30 june 2020	THE GROUP Rs '000	THE COMPANY Rs '000
Interest expense (included in finance cost)	6,727	5,041
Expenses relating to short term leases (included in cost of sales and administrative expenses)	2,344	759

The total cash out flow for leases in 2020 for the group was Rs 27,387,380 and for the Company was Rs 19,199,651.

7. INVESTMENT PROPERTIES

	THE GROUP Rs '000	THE COMPANY Rs '000
COST OR VALUATION		
At 1 July 2018 (as previously stated)	132,145	132,145
Effects of prior year adjustments (note 39)	(130,440)	-
At 1 July 2018 (as restated)	1,705	132,145
Additions during the year	25,000	-
At 30 June 2019 (as restated)	26,705	132,145
At 1 July 2019 (as previously stated)	157,145	132,145
Effects of prior year adjustments (note 39)	(130,440)	-
At 1 July 2019 (as restated)	26,705	132,145
Additions during the year	-	580
Increase in fair value during the year	2,795	28,525
At 30 June 2020	**29,500**	**161,250**
ACCUMULATED DEPRECIATION		
At 1 July 2018 (as previously stated)	-	-
Effects of prior year adjustments (note 39)	34	-
At 1 July 2018 (as restated)	34	-
Charge for the year	34	2,643
At 30 June 2019 (as restated)	68	2,643
At 1 July 2019 (as previously stated)	2,643	2,643
Effects of prior year adjustments (note 39)	(2,575)	-
At 1 July 2019 (as restated)	68	2,643
Charge for the year	34	2,649
Eliminated on revaluation	(102)	(5,292)
At 30 June 2020	**-**	**-**
NET BOOK VALUE		
At 30 June 2020	**29,500**	**161,250**
At 30 June 2019	26,637	129,502

7. INVESTMENT PROPERTIES (CONT'D)

The investment properties are valued on 30 June 2020 at fair value by Ramiah-Isabel Consultancy Ltd, an independent professionally qualified valuer. The fair value was determined on an open-market basis using thec Direct Market Comparison approach. Sales prices of comparable buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach is price per square metre which ranges from Rs 50,391 to Rs 73,670.

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

	THE GROUP	THE COMPANY
30 June 2020	Level 2 Rs '000	Level 2 Rs '000
Buildings	29,500	161,250
30 June 2019	Level 2 Rs '000	Level 3 Rs '000
Buildings	26,637	129,502

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 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Rental Income	**861**	2,076	**2,100**	4,072
Direct operating expenses arising from investment properties	**(690)**	(476)	**(690)**	(476)

Leasing arrangements - Lessor

The investment properties are leased for a period of one year to related companies. The contract may be renewed with new terms acceptable by both parties. The annual rental is Rs 2.1m.

8. INTANGIBLE ASSETS

	THE GROUP	THE COMPANY
	Computer Software	
	Rs '000	Rs '000
COST		
At 1 July 2018 (as previously stated)	8,176	8,176
Effects of prior year adjustments (note 39)	729	-
At 1 July 2018 (as restated)	8,905	8,176
Additions during the year	99	99
At 30 June 2019 (as restated)	9,004	8,275
At 1 July 2019 (as previously stated)	8,275	8,275
Effects of prior year adjustments (note 39)	729	-
At 1 July 2019 (as restated)	9,004	8,275
Additions during the year	355	355
At 30 June 2020	**9,359**	**8,630**
ACCUMULATED AMORTISATION		
At 1 July 2018 (as previously stated)	7,697	7,697
Effects of prior year adjustments (note 39)	302	-
At 1 July 2018 (as restated)	7,999	7,697
Charge for the year	237	164
At 30 June 2019 (as restated)	8,236	7,861
At 1 July 2019 (as previously stated)	7,861	7,861
Effects of prior year adjustments (note 39)	375	-
At 1 July 2019 (as restated)	8,236	7,861
Charge for the year	326	253
At 30 June 2020	**8,562**	**8,114**
CARRYING AMOUNT		
At 30 June 2020	**797**	**516**
At 30 June 2019	768	414

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 2020 Rs '000	30 June 2019 Rs '000
At 1 July (as previously (stated)	**17,563**	17,563
Effects of prior year adjustments	**35,352**	35,352
At 1 July (as restated)	**52,915**	52,915
Additions	**490**	-
At 30 June	**53,405**	52,915

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

Details of subsidiaries	Activity	Stated capital Rs '000	Direct Holding % 30 June 2020	Direct Holding % 30 June 2019	Country of incorporation
ABC Properties Ltd	Property rental	25,100	**69.97%**	69.97%	Mauritius
ABC Autotech Ltd	Car dealers	42,000	**47.51%**	47.51%	Mauritius
ABC Marketing Ltd	Sale of tyres, car care products	10,000	**49.14%**	49.14%	Mauritius
Stuttgart Motors Ltd	Car dealers	24,000	**43.68%**	43.68%	Mauritius
GinMori Auto Ltd	Car dealers	1,000	**49.00%**	-	Mauritius

Prior year adjustments relate to reclassification of investments from investments in associates to investments in subsidiaries in line with requirements of IFRS 10 in respect of power to control these entities. Refer to note 39.

The unquoted investments 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.

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(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 2020									
ABC Properties Ltd	11,469	121,924	9,817	21,773	6,622	15,816	20	15,837	709
ABC Autotech Ltd	158,864	50,536	172,915	16,916	297,519	(30,383)	(1,985)	(32,368)	-
ABC Marketing Ltd	68,741	13,371	60,854	4,316	93,252	1,295	(357)	938	1,272
Stuttgart Motors Ltd	128,186	13,033	117,447	1,936	239,027	(8,268)	143	(8,124)	-
30 June 2019									
ABC Properties Ltd (restated)	11,469	121,924	9,817	21,773	3,462	1,349	60	1,409	415
ABC Autotech Ltd	192,931	35,475	168,278	8,191	435,105	(5,453)	(559)	(6,013)	-
ABC Marketing Ltd	63,425	6,736	50,802	855	92,258	2,928	(177)	2,751	305
Stuttgart Motors Ltd	130,704	11,962	110,972	1,734	295,567	(5,307)	76	(5,231)	-

(ii) Summarised cash flow information:

	Operating Activities Rs '000	**Investing Activities Rs '000**	**Financing Activities Rs '000**	**Net increase/ (decrease) in cash and cash equipments Rs '000**
30 June 2020				
ABC Properties Ltd	4,433	(2,746)	(2,359)	(672)
ABC Autotech Ltd	20,572	(3,273)	(5,326)	11,972
ABC Marketing Ltd	(4,693)	(2,141)	(774)	(7,607)
Stuttgart Motors Ltd	22,751	(4,261)	(3,049)	15,441
30 June 2019				
ABC Properties Ltd (restated)	(207)	(15,792)	21,620	5,620
ABC Autotech Ltd	(39,396)	(4,944)	37,134	(7,206)
ABC Marketing Ltd	2,734	(1,554)	(1,005)	174
Stuttgart Motors Ltd	(7,008)	(2,984)	8,310	(1,682)

The summarised financial information above are amounts before intra-group eliminations.

10. INVESTMENTS IN ASSOCIATES

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000 (restated)	**30 June 2020 Rs '000**	30 June 2019 Rs '000 (restated)
At 1 July (as previously stated)	**331,509**	409,648	**148,738**	196,727
Effects of prior year adjustments (note 39)	**(48,741)**	(53,462)	**(35,352)**	(35,352)
At 1 July (as restated)	**282,768**	356,186	**113,386**	161,375
Additions	**-**	7,543	**-**	6,834
Disposal	**(8,842)**	(110,905)	**(4,100)**	(54,823)
Dividend received from associates, eliminated on consolidation	**(6,347)**	(10,492)	**-**	-
Share of profit of associates (net)	**13,470**	35,708	**-**	-
Items that may be reclassified subsequently to profit or loss :				
Share of fair value gain on investments in equity instruments designated as at FVTOCI	**(8,328)**	5,246	**-**	-
Share of remeasurement of defined benefit obligations, net of income tax	**(623)**	(518)	**-**	-
At 30 June	**272,098**	282,768	**109,286**	113,386

Prior year adjustments relate to reclassification of investments from investments in associates to investments in subsidiaries in line with requirements of IFRS 10 in respect of power to control these entities. Refer to note 39.

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

	Activity	Class of Share	Direct Holding %		Country of incorporation
			30 June 2020 Rs '000	30 June 2019 Rs '000	
ABC Banking Corporation Ltd	Banking	Ordinary	**9.507%**	9.999%	Mauritius
ABC Car Rental Limited	Car rental	Ordinary	**26.56%**	26.56%	Mauritius
Globe Freight Ltd	Freight and forwarding	Ordinary	**47.38%**	47.38%	Mauritius
Expert Leasing Ltd	Leasing	Ordinary	**33.84%**	33.84%	Mauritius

10. INVESTMENTS IN ASSOCIATES (CONT'D)

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 eight directors of ABC Banking Corporation Ltd reside on the board of directors of the Company.

The fair value of quoted associate based on the market price ruling on Development Entreprise Market (DEM) was Rs 145,020,860 (2019: Rs 194,464,097). 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.

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.

	30 June 2020 Rs '000	30 June 2019 Rs '000
ABC Banking Corporation Ltd		
Total assets	**19,705,104**	18,174,994
Total liabilities	**(17,868,347)**	(16,403,816)
Revenue	**906,078**	851,775
Profit for the year	**120,388**	223,888
Other comprehensive income for the year	**3,921**	60,830
Total comprehensive income for the year	**124,309**	284,719
Dividend received from the associate during the year	**5,872**	9,227

10. INVESTMENTS IN ASSOCIATES (CONT'D)

Summarised financial information of the material associate: (Cont'd)

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 2020 Rs '000	30 June 2019 Rs '000
Net assets of the associate	**1,836,757**	1,771,178
Proportion of the Group's ownership	**9.507%**	9.999%
Carrying amount of the Group's interest	**174,618**	177,091

Aggregate information of associates that are not individually material:

	30 June 2020 Rs '000	30 June 2019 Rs '000 (restated)
The Group's share of profit/(loss)	**2,218**	2,679
The Group's share of other comprehensive income/(loss)	**(9,338)**	(4,172)
The Group's share of total comprehensive income/(loss)	**(7,119)**	(1,493)
Aggregate carrying amount of the Group's interests in these associates	**88,722**	96,316

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 2020 Rs '000	30 June 2019 Rs '000 (restated)	30 June 2020 Rs '000	30 June 2019 Rs '000
Investments in equity instruments designated at FVTOCI				
Quoted shares	**100,474**	112,656	**100,474**	112,656
Unquoted shares	**139,768**	124,624	**130,186**	114,054
At 30 June	**240,242**	237,280	**230,660**	226,710

	THE GROUP		
	Quoted Shares Rs '000	Unquoted Shares Rs '000	Total Rs '000
Non-current			
At 1 July 2018 (as previously stated)	131,441	116,168	247,609
Effects of prior year adjustments (note 39)	-	5,670	5,670
At 1 July 2018 (as restated)	131,441	121,838	253,279
Additions	-	5,423	5,423
Disposal	-	(200)	(200)
Transfer of fair value gain to retained earnings upon disposal	-	(2,400)	(2,400)
Change in fair value recognised in OCI	(18,785)	(37)	(18,822)
At 30 June 2019	112,656	124,624	237,280
At 1 July 2019 (as previously stated)	112,656	119,963	232,619
Effects of prior year adjustments (note 39)	-	4,661	4,661
At 1 July 2019 (as restated)	112,656	124,624	237,280
Additions	-	5,127	5,127
Change in fair value recognised in OCI	(12,182)	10,017	(2,165)
At 30 June 2020	**100,474**	**139,768**	**240,242**

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
Non-current			
At 1 July 2018	131,441	110,318	241,759
Additions	-	4,634	4,634
Change in fair value recognised in OCI	(18,785)	(898)	(19,683)
At 30 June 2019	112,656	114,054	226,710
At 1 July 2019	112,656	114,054	226,710
Additions	-	5,127	5,127
Change in fair value recognised in OCI	(12,182)	11,005	(1,177)
At 30 June 2020	**100,474**	**130,186**	**230,660**

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Quoted:				
P.O.L.I.C.Y. Limited	**74,355**	90,547	**74,355**	90,547
MUA Ltd	**25,852**	21,733	**25,852**	21,733
Others	**267**	376	**267**	376
	100,474	112,656	**100,474**	112,656
Unquoted:				
The Stock Exchange of Mauritius Ltd	**20,247**	18,669	**20,247**	18,669
Devlin Investments Ltd	**74,824**	58,917	**74,824**	58,917
Jemlac Investments Ltd	**6,730**	8,501	**6,730**	8,501
ABC Coach Works Limited	**12,145**	11,069	**12,145**	11,069
Others	**25,822**	27,468	**16,240**	16,898
	139,768	124,624	**130,186**	114,054

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

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

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.

12. TAXATION

Income Tax

Income tax is calculated at 15% (2019: 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% (2019: 2%) of the chargeable income of the preceding year. In line with the current CSR Framework of ABC Group, the Group and the Company remit, on an annual basis, 50% (2019: 50%) 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 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Income tax				
Current tax provision	**813**	6,614	**-**	5,211
Under provision in income tax in respect of previous year	**685**	333	**938**	544
Deferred tax (release)/charge	**(5,408)**	(1,560)	**(7,151)**	73
Under provision in deferred tax assets in respect of previous year	**(398)**	(559)	**(398)**	(559)
Levy on Government Wage Assistance Scheme	**245**	-	**-**	-
Corporate Social Reponsibility	**921**	873	**783**	722
	(3,142)	5,701	**(5,828)**	5,991
Current tax liabilities/(assets)				
At 1 July (as previously stated)	**550**	(369)	**456**	(461)
Effects of prior year adjustments (note 39)	**441**	770	**-**	-
At 1 July (as restated)	**991**	401	**456**	(461)
Current tax provision	**813**	6,614	**-**	5,211
Under provision in income tax in respect of previous year	**685**	333	**938**	544
Levy on Government Wage Assistance Scheme	**245**	-	**-**	-
Corporate Social Responsibility	**921**	873	**783**	722
Paid during the year	**(5,670)**	(7,230)	**(4,304)**	(5,560)
At 30 June	**(2,015)**	991	**(2,127)**	456

12. TAXATION (CONT'D)

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 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
At 1 July (as previously stated)	**8,237**	5,848	**8,231**	5,840
Effects of prior year adjustments (note 39)	**2,224**	457	**-**	-
At 1 July (as restated)	**10,461**	6,305	**8,231**	5,840
Movement recognised in profit or loss	**5,806**	2,119	**7,549**	486
Movement recognised in other comprehensive income	**(41,406)**	2,037	**(33,744)**	1,905
At 30 June	**(25,139)**	10,461	**(17,964)**	8,231
Disclosed as:				
Deferred tax assets	**549**	10,461	**-**	8,231
Deferred tax liabilities	**(25,688)**	-	**(17,964)**	-
	(25,139)	(10,461)	**(17,964)**	8,231

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

THE GROUP	Accelerated capital allowances Rs '000	Revaluation of assets Rs '000	Right-of-use assets Rs '000	Total Rs '000
At 1 July 2018 (as previously stated)	(9,025)	-	-	(9,025)
Effects of prior year adjustments (note 39)	(987)	-	-	(987)
At 1 July 2018 (as restated)	(10,012)	-	-	(10,012)
Charged to profit or loss	(845)	-	-	(845)
At 30 June 2019	(10,857)	-	-	(10,857)
At 1 July 2019 (as previously stated)	(9,939)	-	-	(9,939)
Effects of prior year adjustments (note 39)	(975)	57	-	(918)
Effect of adopting IFRS 16 (note 2.1)	-	-	(14,964)	(14,964)
At 1 July 2019 (restated)	(10,914)	57	(14,964)	(25,821)
Charged to profit or loss	(752)	-	175	(577)
Charged to other comprehensive income	-	(41,286)	-	(41,286)
At 30 June 2020	**(11,666)**	**(41,229)**	**(14,789)**	**(67,684)**

12. TAXATION (CONT'D)

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

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 2018 (as previously stated)	11,959	2,914	-	-	14,873
Effects of prior year adjustments (note 39)	547	897	-	-	1,444
At 1 July 2018 (as restated)	12,506	3,811	-	-	16,317
Charged to profit or loss	984	915	-	1,065	2,964
Charged to other comprehensive income	2,037	-	-	-	2,037
At 30 June 2019	15,527	4,726	-	1,065	21,318
At 1 July 2019 (as previously stated)	14,520	3,656	-	-	18,176
Effects of prior year adjustments (note 39)	1,007	1,070	-	1,065	3,142
Effect of adopting IFRS 16 (note 2.1)	-	-	14,964	-	14,964
At 1 July 2019 (restated)	15,527	4,726	14,964	1,065	36,282
Charged to profit or loss	(1,172)	1,070	(178)	6,663	6,383
Charged to other comprehensive income	(120)	-	-	-	(120)
At 30 June 2020	**14,235**	**5,796**	**14,786**	**7,728**	**42,545**

THE COMPANY	Accelerated capital allowances Rs '000	Revaluation of assets Rs '000	Right-of-use assets Rs '000	Total Rs '000
At 1 July 2018	(9,033)	-	-	(9,033)
Charged to profit or loss	(912)	-	-	(912)
At 30 June 2019	(9,945)	-	-	(9,945)
Effect of adopting IFRS 16 (note 2.1)	-	-	(10,715)	(10,715)
At 1 July 2019 (restated)	(9,945)	-	(10,715)	(20,660)
Charged to profit or loss	(1,483)	-	(1,588)	(3,071)
Charged to other comprehensive income	-	(33,602)	-	(33,602)
At 30 June 2020	**(11,428)**	**(33,602)**	**(12,303)**	**(57,333)**

12. TAXATION (CONT'D)

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

THE COMPANY	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 2018	11,959	2914	-	-	14,873
Charged to profit or loss	656	742	-	-	1,398
Charged to other comprehensive income	1,905	-	-	-	1,905
At 30 June 2019	14,520	3,656	-	-	18,176
Effect of adopting IFRS 16 (note 2.1)	-	-	10,715	-	10,715
At 1 July 2019 (restated)	14,520	3,656	10,715	-	28,891
Charged to profit or loss	(708)	2,140	1,460	7,728	10,620
Charged to other comprehensive income	(142)	-	-	-	(142)
At 30 June 2020	**13,670**	**5,796**	**12,175**	**7,728**	**39,369**

Tax reconciliation

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Profit before tax	**(58,471)**	60,200	**3,189**	99,703
Tax at 15% (2019:15%)	**(8,771)**	9,030	**478**	14,955
Tax effect of:				
- Non taxable income	**(4,011)**	(3,668)	**(9,172)**	(13,036)
- Non deductible expenses	**2,872**	4,753	**1,543**	3,365
- Depreciation on assets not eligible for capital allowances	**-**	36	**-**	-
- Under provision of income tax in prior year	**685**	576	**938**	544
- Under provision deferred tax asset in prior year	**154**	(559)	**(398)**	(559)
- Deferred tax asset not recognised	**6,783**	15	**-**	-
- Levy on Government Wages Assistance Scheme	**245**	-	**-**	-
- Corporate Social Responsibility	**921**	873	**783**	722
- Share of results of associates	**(2,020)**	(5,355)	**-**	-
	(3,142)	5,701	**(5,828)**	5,991

13. INVENTORIES

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000 (restated)	30 June 2020 Rs '000	30 June 2019 Rs '000
Motor vehicles	**611,426**	537,960	**474,286**	345,792
Spare parts	**123,958**	115,493	**59,595**	53,960
Work in progress	**11,004**	12,161	**6,570**	7,568
	746,388	665,614	**540,451**	407,320
Goods in transit	**46,639**	94,001	**33,662**	86,213
	793,027	759,615	**574,113**	493,533

Included in the above are inventories of motor vehicles, spare parts and work in progress amounting to Rs 48,246,625 (2019: Rs 49,528,450) for the Group and Rs 29,084,409 (2019: Rs 21,725,725) for the Company stated at net realisable value.

The cost of inventories recognised as an expense during the year is disclosed in note 23. It includes Rs 9,534,580 (2019: Rs 8,570,173) and Rs 4,275,832 (2019: Rs 4,581,224) in respect of write-downs of inventory to net realisable value for the year and has been reduced by Rs 2,027,797(2019: Rs 2,785,535) and Rs 1,861,645 (2019: Rs 2,279,134) in respect of the reversal of such write-downs, for the Group and the Company respectively.

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 2020 Rs '000	30 June 2019 Rs '000 (restated)	30 June 2020 Rs '000	30 June 2019 Rs '000
Trade receivables (i)	**264,100**	317,779	**188,709**	245,932
Loss allowance (ii)	**(14,821)**	(9,710)	**(11,227)**	(6,876)
	249,279	308,069	**177,482**	239,056
Advances to related parties (iii)	**31,848**	39,805	**124,936**	150,895
Loan to associate (iii)	**-**	11,500	**-**	11,500
Other receivables from related parties (iii)	**10,725**	10,856	**20,802**	27,190
Other receivables and prepayments	**52,527**	62,828	**19,435**	37,407
	344,379	433,058	**342,655**	466,048

14. TRADE AND OTHER RECEIVABLES (CONT'D)

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.

(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 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
At 1 July (as previously stated)	**6,876**	5,647	**6,876**	5,647
Effects of prior year adjustments	**2,834**	3,098	**-**	-
At 1 July (as restated)	**9,710**	8,745	**6,876**	5,647
Movement in loss allowance	**5,690**	1,062	**4,930**	1,326
Written off	**(579)**	(97)	**(579)**	(97)
At 30 June	**14,821**	9,710	**11,227**	6,876

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

14. TRADE AND OTHER RECEIVABLES (CONT'D)

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

The following table details the risk profile of trade receivables 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			
	Not past due	31-60	61-90	>90 days	Total
30 June 2020					
Motor vehicles					
Expected credit loss rate	0.00%	0.00%	0.00%	8.49%	3.34%
Estimated total gross carrying amount at default (Rs'000)	66,321	17,088	212	54,236	137,857
Lifetime ECL (Rs'000)	-	-	-	4,606	4,606
Aftersales					
Expected credit loss rate	0.18%	1.16%	0.00%	17.42%	8.09%
Estimated total gross carrying amount at default (Rs'000)	49,303	14,773	5,740	56,427	126,243
Lifetime ECL (Rs'000)	91	172	124	9,828	10,215

	THE COMPANY				
		Local trade receivables - past due			
	Not past due	31-60	61-90	>90 days	Total
30 June 2020					
Motor vehicles					
Expected credit loss rate	0.00%	0.00%	0.00%	8.79%	3.47%
Estimated total gross carrying amount at default (Rs'000)	60,271	7,605	-	44,195	112,071
Lifetime ECL (Rs'000)	-	-	-	3,885	3,885
Aftersales					
Expected credit loss rate	0.29%	1.98%	0.92%	20.24%	9.58%
Estimated total gross carrying amount at default (Rs'000)	31,307	8,629	1,792	34,910	76,638
Lifetime ECL (Rs'000)	91	171	16	7,064	7,342

14. TRADE AND OTHER RECEIVABLES (CONT'D)

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

	THE GROUP				
		Local trade receivables - past due			
	Not past due	31-60	61-90	>90 days	Total
30 June 2019					
Motor vehicles					
Expected credit loss rate	0.00%	0.00%	0.00%	9.01%	1.48%
Estimated total gross carrying amount at default (Rs'000)	93,403	39,188	48,491	35,491	216,574
Lifetime ECL (Rs'000)	-	-	-	3,196	3,196
Aftersales					
Expected credit loss rate	0.13%	1.20%	3.59%	17.93%	6.44%
Estimated total gross carrying amount at default (Rs'000)	34,272	23,507	11,152	32,274	101,205
Lifetime ECL (Rs'000)	46	282	400	5,786	6,514

	THE COMPANY				
		Local trade receivables - past due			
	Not past due	31-60	61-90	>90 days	Total
30 June 2019					
Motor vehicles					
Expected credit loss rate	0.00%	0.00%	0.00%	7.85%	1.58%
Estimated total gross carrying amount at default (Rs'000)	69,145	29,139	36,201	33,761	168,246
Lifetime ECL (Rs'000)	-	-	-	2,651	2,651
Aftersales					
Expected credit loss rate	0.00%	0.69%	0.67%	13.57%	5.44%
Estimated total gross carrying amount at default (Rs'000)	24,673	15,464	7,576	29,973	77,686
Lifetime ECL (Rs'000)	-	107	51	4,067	4,225

(iii) Other related party receivables

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Advances to related parties	**48,649**	55,489	**141,737**	166,579
Other receivables from related parties	**13,875**	12,884	**23,952**	29,218
Loan to associate	**-**	11,500	**-**	11,500
Loss allowance	**(19,951)**	(17,712)	**(19,951)**	(17,712)
	42,573	62,161	**145,738**	189,585

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(iii) Other related party receivables (Cont'd)

Loan to associate was unsecured, bearing fixed interest of 6.75% per annum and has been fully paid during the year.

Trade and other receivable balances with related parties, including terms and conditions, are disclosed under Note 31: Related party transactions.

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. A loss allowance of Rs 2,239,141 (2019: Rs 4,909,658) has been recognised during the year against those related parties receivable balances.

15. STATED CAPITAL

	THE GROUP AND THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 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.

16. OTHER RESERVES

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	**30 June 2020 Rs '000**	30 June 2019 Rs '000
Regulatory reserve	**15,644**	14,648	**-**	-
Investments revaluation reserve	**85,590**	95,815	**49,604**	50,781
Cash flow hedge reserve	**-**	13,706	**-**	13,706
Properties revaluation reserve	**277,895**	-	**202,892**	-
	379,129	124,169	**252,496**	64,487

16. OTHER RESERVES (CONT'D)

(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) Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative amounts of gains or losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gains or losses on the hedging instruments is recognised in profit or loss only when the hedged transactions impact the profit or loss.

(d) 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 2020 Rs '000	30 June 2019 Rs '000
At 1 July (as previously stated)	**8,597**	8,692
Effects of prior year adjustments (note 39)	**48,269**	52,468
At 1 July (as restated)	**56,866**	61,160
Additions	**510**	-
Share of (loss)/profit for the year	**(17,303)**	(3,637)
Share of other comprehensive income for the year	**19,565**	62
Dividend paid	**(1,980)**	(719)
At 30 June	**57,658**	56,866

18. LOANS

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	**30 June 2020 Rs '000**	30 June 2019 Rs '000
Non-current				
Bank and other borrowings (Note a)	**237,330**	248,762	**215,630**	225,762
Current				
Bank and other borrowings (Note a)	**695,360**	588,707	**602,770**	518,110
Total	**932,690**	837,469	**818,400**	743,872

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	**30 June 2020 Rs '000**	30 June 2019 Rs '000
Repayable within one year				
Loans repayable with interest ranging between 2.30% - 7.00% p.a (2019: 0.25% - 7.00%)	**695,360**	588,707	**602,770**	518,110
Repayable between two to five years				
Loans repayable with interest ranging between 4.10 % - 4.85% p.a (2019: 5.75% - 6.25%)	**106,747**	107,884	**100,347**	100,184
Repayable after five years				
Loans repayable with interest ranging between 4.10 % - 4.60% p.a (2019: 5.75% - 6.25%)	**130,583**	140,878	**115,283**	125,578
	237,330	248,762	**215,630**	225,762
	932,690	837,469	**818,400**	743,872

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. Bank loans raised by the Group in 2019 with a carrying amount of Rs 23M had a one year moratorium on capital repayment as from drawdown date (11 June 2019).

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

19. OBLIGATIONS UNDER FINANCE LEASES

	THE GROUP			
	Minimum lease payments		Present value of minimum lease payments	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Amount payable under finance leases:				
Within one year	-	3,688	-	3,519
In the second to fifth years inclusive	-	4,939	-	4,614
	-	8,627	-	8,133
Less: future finance charges	-	(494)	-	-
Present value of minimum lease obligations	-	8,133	-	8,133

	THE COMPANY			
	Minimum lease payments		Present value of minimum lease payments	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Amount payable under finance leases:				
Within one year	-	3,664	-	3,495
In the second to fifth years inclusive	-	4,939	-	4,614
	-	8,603	-	8,109
Less: future finance charges	-	(494)	-	-
Present value of minimum lease obligations	-	8,109	-	8,109

Finance leases relate to motor vehicles with lease term of 5 years. The Group and the Company have an option to purchase the assets for a nominal amount at the conclusion of the lease arrangements. The Group and the Company's obligations under finance leases are secured by the lessor's title to the assets.

Interest rate underlying all obligations under finance leases are fixed at respective contract dates ranged from 7.25% to 8.00% p.a.

The fair value of the finance lease liabilities is approximately equal to their carrying amounts.

20. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Amount recognised in Statements of financial position				
Defined benefit plan (Note a)	**44,411**	47,553	**44,411**	47,553
Other Retirement benefits (Note b)	**42,444**	38,267	**36,002**	31,487
	86,855	85,820	**80,413**	79,040
Amount recognised in Statements of profit or loss and other comprehensive income				
Amount recognised in profit or loss	**11,548**	8,727	**12,017**	6,690
Amount recognised in other comprehensive income	**(704)**	12,054	**(835)**	11,203

(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 dated 14 August 2020 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 2020 Rs '000	30 June 2019 Rs '000
Present value of funded defined benefit obligations	**81,470**	74,302
Fair value of planned assets	**(37,059)**	(26,749)
	44,411	47,553

20. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined benefit plan (Cont'd)

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

Pension expense components	THE GROUP AND THE COMPANY 30 June 2020 Rs '000	30 June 2019 Rs '000
Current service cost	**3,282**	3,322
Cost of insuring risk benefits	**526**	487
Scheme expenses	**372**	326
Net interest cost	**2,115**	2,277
Net periodic pension cost per IAS 19	**6,295**	6,412

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

	THE GROUP AND THE COMPANY 30 June 2020 Rs '000	30 June 2019 Rs '000
At 1 July	**47,553**	43,300
Total expenses as per above	**6,295**	6,412
Actuarial losses recognised in other comprehensive income	**372**	6,867
Employer's contributions	**(9,809)**	(9,026)
	(3,142)	4,253
At 30 June	**44,411**	47,553

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

	THE GROUP AND THE COMPANY 30 June 2020 Rs '000	30 June 2019 Rs '000
At 1 July	**74,302**	61,710
Current service cost	**3,282**	3,322
Interest cost	**3,641**	3,561
Net actuarial losses	**245**	6,349
Benefits paid	**-**	(640)
At 30 June	**81,470**	74,302

20. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined benefit plan (Cont'd)

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

	THE GROUP AND THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000
At 1 July	**26,749**	18,410
Interest income	**1,526**	1,284
Employer's contribution	**9,809**	9,026
Scheme expenses	**(372)**	(326)
Cost of insuring risk benefits	**(526)**	(487)
Actuarial losses	**(127)**	(518)
Benefits paid	**-**	(640)
At 30 June	**37,059**	26,749

Analysis of amount recognised in Other comprehensive income

	THE GROUP AND THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000
Losses on pension scheme assets	**127**	518
Experience losses on the liabilities	**892**	1,944
Changes in assumptions underlying the present value of the scheme	**(647)**	4,405
Actual losses recognised in Other comprehensive income	**372**	6,867

Cumulative actuarial losses recognised

	THE GROUP AND THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000
Cumulative actuarial losses at start of year	**33,985**	27,118
Actuarial losses recognised this year	**372**	6,867
Cumulative actuarial losses at end of year	**34,357**	33,985

20. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined benefit plan (Cont'd)

Cumulative actuarial losses recognised (Cont'd)

Amounts for the current and previous periods	THE GROUP AND THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000
Defined benefit obligation	**(81,470)**	(74,302)
Plan assets	**37,059**	26,749
Deficit	**(44,411)**	(47,553)
Experience losses on plan liabilities	**245**	6,349
Experience losses on plan assets	**127**	518

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 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.

20. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined benefit plan (Cont'd)

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

	THE GROUP AND THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000
Increase in defined benefit obligations due to 1% decrease in discount rate	**4,726**	5,358
Decrease in defined benefit obligations due to 1% increase in discount rate	**4,670**	4,871
Increase in defined benefit obligations due to 1% increase in future long-term salary assumption	**4,897**	5,222
Decrease in defined benefit obligations due to 1% decrease in future long-term salary assumption	**4,553**	4,831

20. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined benefit plan (Cont'd)

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.

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 2020 is 6 years.

	THE GROUP AND THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000
Expected employer contributions for next financial year	**10,400**	9,800

The principal accounting assumption used for accounting purposes were:

	THE GROUP AND THE COMPANY	
	30 June 2020 %	30 June 2019 %
Discount rate	**2.90**	4.90
Future long-term salary increase	**1.50**	4.50
Post retirement mortality tables increases	**Swan Annuity rates 2020**	Swan Annuity rates 2017

Actual return on plan assets:

The notional return on plan assets was Rs 1,399,091 for the year ended 30 June 2020 (2019: Rs 766,100).

(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 dated 14 August 2020 issued by MUA Pension Ltd.

20. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other retirement benefits (Cont'd)

Amount recognised in Statements of financial position:

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Present value of obligations	**42,444**	38,267	**36,002**	31,487

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

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Current service cost	**3,255**	2,963	**2,640**	2,345
Net interest cost	**2,127**	1,812	**1,819**	1,487
Past service cost	**1,495**	-	**1,263**	-
Curtailment / settlement gain	**(1,624)**	(2,460)	**-**	(3,554)
Net cost for the year recognised in profit or loss	**5,253**	2,315	**5,722**	278
Remeasurement recognised in Other Comprehensive Income	**(1,076)**	5,187	**(1,207)**	4,336
Net cost for the year	**4,177**	7,502	**4,515**	4,614
Net interest cost for the year:				
Interest on obligations	**2,127**	1,812	**1,819**	1,487
Remeasurement recognised in Other Comprehensive Income for the year:				
Actuarial (gains)/losses on the obligations	**(1,076)**	5,187	**(1,207)**	4,336

20. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other retirement benefits (Cont'd)

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Changes in the present value of the obligation				
At 1 July (as previously stated)	**31,487**	27,048	**31,487**	27,048
Effects of prior year adjustments	**6,780**	3,892	**-**	-
At 1 July (as restated)	**38,267**	30,940	**31,487**	27,048
Interest cost	**2,127**	1,812	**1,819**	1,487
Current service cost	**3,255**	2,963	**2,640**	2,345
Past service cost	**1,495**	-	**1,263**	-
Benefits paid	**-**	(175)	**-**	(175)
Curtailment / settlement gain	**(1,624)**	(2,460)	**-**	(3,554)
Expected obligation at end of the year	**43,520**	33,080	**37,209**	27,151
Remeasurement (gains)/losses recognised in Other Comprehensive Income at end of the year	**(1,076)**	5,187	**(1,207)**	4,336
Present value of obligation at end of the year	**42,444**	38,267	**36,002**	31,487
Principal actuarial assumptions at end of the year:				
Normal retirement age	**65**	65	**65**	65
Discount rate	**2.14%-3.12%**	4.34%-6.01%	**2.14%-3.12%**	4.34%-6.01%
Future salary increases	**1.50%**	4.50%	**1.50%**	4.50%
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.

20. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other retirement benefits (Cont'd)

Sensitivity (Cont'd)

Effect on present value of obligations:	THE GROUP 30 June 2020	THE GROUP 30 June 2019	THE COMPANY 30 June 2020	THE COMPANY 30 June 2019
1% increase in discount rate	**(10,563)**	(9,961)	**(8,685)**	(7,902)
1% decrease in discount rate	**13,267**	12,780	**10,853**	10,040
1% increase in salaries	**11,610**	11,118	**9,492**	8,728
1% decrease in salaries	**(9,256)**	(8,746)	**(7,609)**	(6,928)
Effect of changing longevity - rate up	**(654)**	(600)	**(536)**	(475)
Effect of changing longevity - rate down	**614**	567	**504**	449

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 sentivity 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 30 June 2020	THE GROUP 30 June 2019	THE COMPANY 30 June 2020	THE COMPANY 30 June 2019
Average duration of the retirement benefits (years)	**18.10-22.50**	18.16-22.50	**18.10**	18.16
This can be analysed a follows:				
- Members: (years)	**17.87 - 22.08**	17.46 - 22.25	**17.87**	17.95
- Non-members: (years)	**22.47 - 39.30**	22.57 - 40.68	**22.47**	22.57

Experience adjustments on:	THE GROUP 30 June 2020 Rs '000	THE GROUP 30 June 2019 Rs '000	THE COMPANY 30 June 2020 Rs '000	THE COMPANY 30 June 2019 Rs '000
Plan liabilities	**4,594**	98	**3,982**	(104)

20. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(c) State pension plan

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
National pension scheme contribution charges	**11,873**	10,972	**9,028**	8,530

21. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Cash at banks and in hand	**133,133**	53,314	**114,482**	45,664
Bank overdrafts	**(292,915)**	(255,938)	**(221,064)**	(174,564)
	(159,782)	(202,624)	**(106,582)**	(128,900)

The bank overdrafts are secured by floating charges on assets of the Group an the Company. The interest rate profile is disclosed in note 32.

While cash and cash equivalents are also subject to impairment requirements of IFRS9, there is no evidence of impairment loss.

22. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Trade payables	**111,097**	148,681	**85,893**	135,949
Other payables and accruals	**65,171**	78,142	**53,040**	67,466
	176,268	226,823	**138,933**	203,415

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 31: Related party transactions.

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

23. PROFIT FROM OPERATIONS

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

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Cost of operations	**1,643,364**	2,247,546	**1,173,028**	1,623,059
Depreciation of property, plant and equipment	**35,010**	36,685	**24,516**	27,077
Depreciation of investment properties	**34**	34	**2,649**	2,643
Depreciation of leased assets	**24,202**	-	**16,486**	-
Amortisation of intangible assets	**326**	237	**253**	164
Selling and marketing costs	**98,294**	118,454	**66,184**	77,832
Administrative costs	**44,317**	58,135	**27,687**	38,738
Other operating costs	**42,482**	61,667	**38,391**	48,030
Loss on forward contracts	**690**	(13,906)	**690**	2,523
Net exchange gain	**(27,653)**	(23,667)	**(24,888)**	(31,495)
Other income	**(57,482)**	(44,153)	**(76,570)**	(123,352)
<u>Included in cost of operations:</u>				
Cost of inventories expensed	**1,516,962**	2,099,165	**1,056,465**	1,490,766
<u>Other Income</u>				
Interest receivable	**(5,729)**	(5,546)	**(9,977)**	(11,630)
Rental income	**(5,872)**	(3,929)	**(7,734)**	(9,511)
Sundry income	**(9,046)**	(5,268)	**(13,780)**	(5,572)
Profit on disposal of property, plant and equipment	**(2,333)**	(501)	**(2,198)**	(472)
Profit on disposal of investments	**(1,417)**	(16,198)	**(6,159)**	(72,280)
Refund GWAS	**(23,161)**	-	**(17,690)**	-
Dividend received	**(9,924)**	(12,711)	**(19,032)**	(23,887)
	(57,482)	(44,153)	**(76,570)**	(123,352)
<u>Staff costs</u>				
Wages and salaries, including gratuity	**259,944**	273,706	**202,016**	215,381
Social security costs	**11,839**	11,592	**9,028**	8,530
Pension and other post retirement benefits	**24,445**	21,434	**24,453**	18,350
	296,228	306,732	**235,497**	242,261

23. PROFIT FROM OPERATIONS (CONT'D)

Staff costs (Cont'd)

Allocated as follows:	THE GROUP 30 June 2020 Rs '000	THE GROUP 30 June 2019 Rs '000	THE COMPANY 30 June 2020 Rs '000	THE COMPANY 30 June 2019 Rs '000
Direct overheads	**96,700**	96,433	**85,675**	87,112
Administrative expenses	**199,528**	210,299	**149,822**	155,149
	296,228	306,732	**235,497**	242,261
Loss allowance on financial assets				
Loss allowance on other receivables from related parties	**2,239**	4,910	**2,239**	4,910
Movement in loss allowance on trade receivables	**5,690**	1,062	**4,930**	1,326

24. FINANCE COSTS

	THE GROUP 30 June 2020 Rs '000	THE GROUP 30 June 2019 Rs '000	THE COMPANY 30 June 2020 Rs '000	THE COMPANY 30 June 2019 Rs '000
Interest on:				
- Bank and other borrowings	**29,666**	37,758	**30,113**	38,426
- Bills payable	**12,161**	10,517	**7,875**	6,416
- Lease obligations	**6,727**	760	**5,041**	738
- Bank overdrafts	**15,376**	9,050	**10,193**	5,329
	63,930	58,085	**53,222**	50,909

25. 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 2020	THE GROUP 30 June 2019
(Loss)/profit for the year attributable to owners of the Company (Rs '000)	**(38,026)**	58,136
Number of ordinary shares	**6,175,680**	6,175,680
Earnings per share (Rs)	**(6.16)**	9.41

26. NOTES TO THE STATEMENTS OF CASH FLOWS

Purchase of property and equipment

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Additions to property, plant and equipment (note 5)	**30,244**	43,245	**17,372**	29,297
Financed as follows:				
Cash	**28,932**	43,245	**16,060**	29,297
Included under other payables	**1,312**	-	**1,312**	-
	30,244	43,245	**17,372**	29,297
Cash disbursed	**28,932**	43,245	**16,060**	29,297

Non-cash transactions

During the current financial year, the Group and the Company have entered in the following non-cash investing and financing activities which are not reflected in the statements of cash flows:

(i) Acquisition of right-of-use assets as disclosed in note 2.1

(ii) Conversion of advances to related parties converted into preference shares as disclosed in note 28.

27. 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					
	Opening balance Rs '000	Effects of prior year adjustments Rs '000	Adjustment upon application of IFRS 16 Rs '000	Financing Cash flows Rs '000	Non-cash movement Rs '000	Closing balance Rs '000
30 June 2020						
Loans	766,872	70,597	-	95,221	-	932,690
Obligations under finance leases	8,109	24	(8,109)	(24)	-	-
Lease liabilities	-	-	104,792	(27,387)	24,063	101,468
	774,981	**70,621**	**96,683**	**67,810**	**24,063**	**1,034,158**

27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	THE COMPANY				
	Opening balance Rs '000	Adjustment upon application of IFRS 16 Rs '000	Financing Cash flows Rs '000	Non-cash movements Rs '000	Closing balance Rs '000
30 June 2020					
Loans	743,872	-	74,528	-	818,400
Obligations under finance leases	8,109	(8,109)	-	-	-
Lease liabilities	-	71,138	(19,200)	27,791	79,729
	751,981	**63,029**	**55,328**	**27,791**	**898,129**

	THE GROUP				
	Opening balance Rs '000	Effects of prior year adjustments Rs '000	Financing Cash flows Rs '000	Non-cash movements Rs '000	Closing balance Rs '000
30 June 2019					
Loans	832,659	84,168	(79,772)	414	837,469
Obligations under finance leases	11,094	596	(3,557)	-	8,133
	843,753	84,764	(83,329)	414	845,602

	THE COMPANY			
	Opening balance Rs '000	Financing Cash flows Rs '000	Non-cash movements	Closing balance Rs '000
30 June 2019				
Loans	832,659	(89,201)	414	743,872
Lease liabilities	11,094	(2,985)	-	8,109
	843,753	(92,186)	414	751,981

The cash flows from loans and obligations under finance leases represent the net amount of proceeds and repayments in the statements of cash flows.

28. OTHER FINANCIAL ASSETS/(LIABILITIES)

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000 (restated)	30 June 2020 Rs '000	30 June 2019 Rs '000
Financial assets measured at amortised cost (note (a))	**1,161**	161	**4,861**	3,861
Financial liabilities measured at amortised cost	**(300)**	(300)	**-**	-
Other financial (liabilities)/assets (note (c))	**(690)**	13,906	**(690)**	13,906
At 30 June	**171**	13,767	**4,171**	17,767

(a) Financial assets measured at amortised cost

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
At 1 July	**1,161**	161	**3,861**	161
Additions	**1,000**	-	**1,000**	3,700
	1,161	161	**4,861**	3,861

Additions for the year represents advances to related parties converted into 10 preference shares, with a nominal value of Rs 100,000 each.

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. Rs 1 m matures on or before 30 June 2022.

The directors have assessed that the above financial assets at amortised cost have low credit risk and, as such, the Group and the Company did not account for any loss allowance.

(b) Financial liabilities measured at amortised cost

	THE GROUP	
	30 June 2020 Rs '000	30 June 2019 Rs '000
At 1 July	**300**	-
Additions	**-**	300
	300	300

The financial liabilities carry interest at 6% p.a. payable on an annual basis.

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

(c) Other financial (liabilities)/assets

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.

The following table details the forward foreign currency contracts outstanding at reporting date:-

30 June 2020		Average exchange rate	Foreign currency '000	Currency notional value '000	Fair value assets/ (liabilities) Rs '000
Forward exchange contract - buy	ZAR:MUR	2.35	ZAR 7,108	MUR 16,593	130
Forward exchange contract - sell	USD:ZAR	17.18	USD 1,700	ZAR 28,841	2,152
Forward exchange contract - sell/buy	USD:ZAR	17.29	USD 700	ZAR 10,908	(2,972)
					(690)

30 June 2019		Average exchange rate	Foreign currency '000	Currency notional value '000	Fair value assets/ (liabilities) Rs '000
Forward exchange contract - buy	ZAR:MUR	2.48	ZAR 48,500	MUR 111,846	8,188
Forward exchange contract - buy	JPY:MUR	0.33	JPY 30,000	MUR 9,849	-
Forward exchange contract - buy	USD:MUR	35.35	USD 800	MUR 28,295	(15)
Forward exchange contract - sell	USD:ZAR	14.71	USD 1,000	ZAR 15,164	1,132
Forward exchange contract - sell/buy	USD:ZAR	14.82	USD 2,300	ZAR 34,949	4,601
					13,906

The above forward exchange contracts are classified under Level 2 of the fair value hierachy. The foreign currency risk management is disclosed in note 32.

29. DIVIDENDS

	THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000
Final dividend paid of Rs 2.50 per share (2019: Rs 2.24 per share)	**15,439**	13,834

On 26 September 2019, the directors approved the payment of a dividend of Rs 2.50 per share in respect of the year ended 30 June 2019. The dividends were paid in December 2019.

30. CONTINGENT LIABILITIES

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000 (restated)	30 June 2020 Rs '000	30 June 2019 Rs '000
Contingent liabilities	**202,578**	236,289	**183,779**	214,889
Group's share of associates' contingent liabilities	**172,021**	144,320		

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.

31. RELATED PARTY TRANSACTIONS

During the year, the following significant transactions were carried out with related parties:

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000 (restated)	30 June 2020 Rs '000	30 June 2019 Rs '000 (restated)
Transactions during the year				
Subsidiaries				
Rendering of services	-	-	**22,367**	24,769
Receipts of goods and services	-	-	**3,774**	39,147
Interest expense on advances	-	-	**586**	965
Interest received	-	-	**6,360**	6,171
Dividend received	-	-	**2,879**	1,261
Advances granted	-	-	**6,000**	102,562
Refund of advances granted to subsidiaries	-	-	**24,002**	50,246
Advances repaid to subsidiaries	-	-	**-**	10,000
Purchase of investments	-	-	**490**	1,500
Purchase/(redemption) of preference shares	-	-	**-**	3,700

31. RELATED PARTY TRANSACTIONS (CONT'D)

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000 (restated)	30 June 2020 Rs '000	30 June 2019 Rs '000 (restated)
Transactions during the year (Cont'd)				
Associates				
Rendering of goods and services	**46,191**	37,593	**35,626**	14,374
Receipts of goods and services	**13,526**	20,964	**8,007**	15,769
Dividend received	**6,465**	10,930	**6,347**	10,491
Advances granted	**-**	18,448	**-**	18,448
Advances repaid	**10,500**	6,500	**10,500**	6,500
Refund of loan from associate	**11,500**	53,500	**11,500**	53,500
Leases repaid	**2,927**	2,618	**2,927**	2,618
Purchase of investments	**-**	7,543	**-**	6,834
Interest paid	**5,141**	2,940	**5,141**	2,940
Interest received	**1,559**	4,044	**1,559**	4,044
Investment activities with associates have been disclosed in notes 10.				
Enterprises that have a member of key management / directors in common				
Rendering of goods and services	**70,837**	74,366	**40,236**	43,881
Receipts of goods and services	**101,444**	135,477	**79,116**	106,128
Dividend received	**1,119**	1,505	**1,119**	1,103
Advances granted	**11,145**	23,704	**11,145**	23,704
Advances repaid	**6,486**	16,869	**6,486**	16,869
Conversion of advances into preference shares	**1,000**	-	**1,000**	-
Loan received	**-**	7,000	**-**	7,000
Loan repaid	**-**	21,000	**-**	21,000
Redemption of unsecured notes	**-**	750	**-**	750
Interest paid	**-**	573	**-**	573
Interest received	**1,602**	1,122	**1,602**	1,122
Purchase of other investments	**4,377**	2,512	**4,377**	1,875
Loss allowance on other receivables	**2,239**	4,910	**2,239**	4,910
Corporate social responsibility	**396**	451	**391**	361

31. RELATED PARTY TRANSACTIONS (CONT'D)

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000 (restated)	30 June 2020 Rs '000	30 June 2019 Rs '000
Transactions during the year (Cont'd)				
Transactions with key management personnel				
Interest paid	-	299	-	299
Redemption of unsecured notes	-	4,975	-	4,975
Outstanding balances with related parties				
Subsidiaries				
Advances and loans	-	-	**93,088**	111,090
Receivables	-	-	**13,807**	23,907
Advances from subsidiaries	-	-	**9,500**	9,500
Payables	-	-	**7,881**	6,881
Associates				
Advances and loans	**16,059**	52,399	**10,000**	46,800
Receivables	**6,071**	15,366	**4,753**	13,903
Bank overdraft	**122,547**	77,111	**98,325**	53,181
Payables	**2,252**	3,887	**787**	3,328
Obligations under finance leases	**5,182**	7,653	**5,182**	7,653
Enterprises that have a member of key management / directors in common				
Advances receivables	**27,073**	9,730	**21,848**	4,505
Advances payables	-	1,500	-	-
Receivables	**40,106**	31,484	**20,333**	21,774
Payables	**25,637**	14,670	**18,808**	9,715

The outstanding balances with related parties (as disclosed above) bear an average interest rate of 5.00% - 7.25% p.a (2019: 4.75% - 8.00%). These balances are unsecured and do not have any fixed terms of repayment unless stated otherwise.

Compensation of Key Management personnel

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

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Short term benefits	**90,126**	97,248	**82,618**	88,183

32. 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 2019.

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 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Debt	**1,327,073**	1,101,540	**1,128,693**	936,045
Cash in hand and at bank	**(133,133)**	(53,314)	**(114,482)**	(45,664)
Net debt	**1,193,940**	1,048,226	**1,014,211**	890,381
Total equity	**1,123,182**	921,620	**873,332**	691,052
Net debt to equity ratio	**1.06**	1.14	**1.16**	1.29
Net debt to equity ratio (excluding Impact of IFRS16)	**0.98**	1.14	**1.08**	1.29

(i) Debt is defined as long and short term borrowings as described in notes 6(b), 18, 19, 21 and 31.

(ii) Equity includes all capital and reserves of the Group and the Company.

Significant accounting policies

Details of the significant 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.

32. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments

30 June 2020	THE GROUP Financial assets Rs '000	THE GROUP Financial liabilities Rs '000	THE COMPANY Financial assets Rs '000	THE COMPANY Financial liabilities Rs '000
At amortised cost				
Trade and other receivables	317,896	-	335,174	-
Other financial assets	1,161	-	4,861	-
Cash and cash equivalents	133,133	-	114,482	-
Loans	-	932,990	-	818,400
Bank overdrafts	-	292,915	-	221,064
Lease liabilities	-	101,468	-	79,729
Trade and other payables	-	169,848	-	134,344
Amount due to subsidiary	-	-	-	9,500
Financial assets at fair value through other comprehensive income	240,242	-	230,660	-
Derivative financial assets/liabilities	-	990	-	690
	692,432	**1,497,911**	**685,177**	**1,263,727**

30 June 2019	THE GROUP Financial assets Rs '000	THE GROUP Financial liabilities Rs '000	THE COMPANY Financial assets Rs '000	THE COMPANY Financial liabilities Rs '000
At amortised cost				
Trade and other receivables	386,811	-	437,110	-
Loan to associate	11,500	-	11,500	-
Other financial assets	161	-	3,861	-
Cash and cash equivalents	53,314	-	45,664	-
Loans	-	837,469	-	743,872
Bank overdrafts	-	255,938	-	174,564
Obligations under finance lease	-	8,133	-	8,109
Trade and other payables	-	216,330	-	194,799
Amount due to subsidiary	-	-	-	9,500
Financial assets at fair value through other comprehensive income	237,280	-	226,710	-
Derivative financial assets/liabilities	13,906	300	13,906	-
	702,972	1,318,170	738,751	1,130,844

32. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instrument (Cont'd)

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	**30 June 2020 Rs '000**	30 June 2019 Rs '000
(i) Financial assets exclude the following:				
Prepayments	**25,430**	33,202	**7,404**	16,611
Valued added tax	**976**	717	**-**	-
Income taxes withheld under tax deduction at source	**77**	828	**77**	828
	26,483	34,747	**7,481**	17,439
(ii) Financial liabilities exclude the following:				
Valued added tax	**4,686**	8,568	**2,861**	6,692
Contract Liabilities	**44,716**	25,067	**18,536**	11,422
National Pension Funds/Income taxes retained	**1,657**	1,807	**1,657**	1,807
Tax deduction at source	**77**	119	**71**	117
	51,136	35,561	**23,125**	20,038

Financial risk management

Market risk

The Group's and the Company's activities expose them primarily to the financial risk 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.

32. 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 2020				
Currency				
Mauritian Rupee	597,754	1,315,373	603,617	1,112,693
US Dollar	39,524	20,855	34,376	17,847
South African Rand	35,379	13,560	35,379	13,557
Japanese Yen	229	7,177	229	335
Euro	19,129	140,731	11,163	119,081
Great Britain Pound	417	17	413	16
Singapore Dollar	-	198	-	198
	692,432	**1,497,911**	**685,177**	**1,263,727**

	THE GROUP		THE COMPANY	
	Financial assets Rs '000	Financial liabilities Rs '000	Financial assets Rs '000	Financial liabilities Rs '000
30 June 2019				
Currency				
Mauritian Rupee	661,695	1,048,605	699,837	917,445
US Dollar	17,027	57,087	15,204	57,087
South African Rand	13,099	24,806	13,099	24,805
Japanese Yen	2,353	47,506	2,092	22,685
Euro	8,378	140,039	8,106	108,695
Great Britain Pound	420	-	413	-
Singapore Dollar	-	127	-	127
	702,972	**1,318,170**	**738,751**	**1,130,844**

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 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.

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (Cont'd))

Foreign currency risk management (Cont'd)

	Impact on profit or THE GROUP		Impact on profit or THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
US Dollar	**775**	(1,662)	**686**	(1,738)
Japanese Yen	**(288)**	(1,874)	**(4)**	(855)
South African Rand	**905**	(486)	**906**	(486)
Euro	**(5,046)**	(5,464)	**(4,479)**	(4,174)

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.

Currency derivatives - foreign currency forward contracts

It is the Group's and the Company's policy to enter into foreign currency forward contracts to cover specific foreign currency payments. The Group and the Company enter into foreign currency forward contracts to manage the risks associated with purchase transactions. Exchange rate exposures are managed within approved policy parameters utilising foreign currency forward contracts. The instruments purchased are primarily denominated in the currency of the Group's and the Company's principal market.

The Group and the Company perform a qualitative assessment of the effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movement in the underlying exchange rates.

The following table details the effectiveness of the hedge relationships and the amounts reclassified from hedging reserve to profit or loss:

Cash flow hedges	30 June	Changes in fair value of hedging instrument recognised in OCI	Hedges ineffectiveness recognised in profit or loss	Amount reclassified from cost of hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Forecast purchases	**2020**	**-**	**(690)**	**(13,706)**	**Profit from operations**
Forecast purchases	2019	13,706	-	(2,523)	Profit from operations

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (Cont'd)

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 2020 was:

		THE GROUP		THE COMPANY	
		30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Financial Assets					
Non-interest bearing	N/A	**527,290**	637,997	**560,241**	566,636
Fixed interest bearing	5.00%-7.25%	**1,161**	20,161	**-**	23,861
Variable interest rate instruments	5.00%	**163,981**	44,814	**124,936**	148,254
		692,432	702,972	**685,177**	738,751

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

		THE GROUP		THE COMPANY	
		30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Financial liabilities					
Non-interest bearing	N/A	**169,847**	216,329	**134,343**	194,799
Lease liabilities	6.00%-8.00%	**101,468**	8,133	**79,729**	8,109
Fixed interest bearing	3.15%-3.80%	**412,825**	347,625	**412,525**	347,325
Variable interest rate instruments	2.30%-7.00%	**813,081**	746,083	**636,440**	580,611
Derivative financial instruments	N/A	**690**	-	**690**	-
		1,497,911	1,318,170	**1,263,727**	1,130,844

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.

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (Cont'd)

Interest rate sensitivity analysis (Cont'd)

If interest rates had been 50 basis points 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 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Profit or Loss	**3,246**	3,506	**2,558**	2,133

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:

- Profit for the year ended 30 June 2020 and 30 June 2019 would have been unaffected as the quoted equity investments are classified as FVTOCI; and

- Other comprehensive income would have increased/decreased by Rs11,144,962 (2019: Rs 18,001,051) for the Group and by Rs 5,023,606 (2019: Rs 5,632,701) for the Company as a result of the changes in fair value of the investments in 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.

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (Cont'd)

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.

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.

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (Cont'd)

Liquidity risk management (Cont'd)

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 interest and principal cash flows.

	THE GROUP			
	<1year Rs '000	1-5 years Rs '000	>5years Rs '000	Total Rs '000
30 June 2020				
Non-interest bearing	169,847	-	-	169,847
Lease liabilities	21,856	79,294	318	101,468
Fixed interest bearing	412,825	-	-	412,825
Variable interest rate instruments	575,750	125,349	111,982	813,081
Derivative financial instruments	690	-	-	690
	1,180,968	**204 643**	**112,300**	**1,502,394**
30 June 2019				
Non-interest bearing	216,330	-	-	216,330
Obligations under finance leases	3,495	4,638	-	8,133
Fixed interest bearing	347,325	300	-	347,625
Variable interest rate instruments	497,320	107,884	140,878	746,082
	1,064,470	112,822	140,878	1,318,170

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (Cont'd)

Liquidity risk tables (Cont'd)

	THE COMPANY			
	<1 year Rs '000	1 - 5 years Rs '000	>5 years Rs '000	Total Rs '000
30 June 2020				
Non-interest bearing	134,343	-	-	134,343
Lease liabilities	14,531	65,198	-	79,729
Fixed interest bearing	412,525	-	-	412,525
Variable interest rate instruments	420,809	118,949	96,682	636,440
Derivative financial instruments	690	-	-	690
	982,898	**184,147**	**96,682**	**1,263,727**
30 June 2019				
Non-interest bearing	194,799	-	-	194,799
Obligations under financial leases	3,495	4,614	-	8,109
Fixed interest bearing	347,325	-	-	347,325
Variable interest rate instruments	354, 849	100,184	125,578	580,611
	900,468	**104,798**	**125,578**	**1,130,844**

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.

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (Cont'd)

Fair value of financial instruments (Cont'd)

Fair value hierarchy

The following table provides an analysis of financial assets that are measured subsequently to initial recognition at fair value.

	THE GROUP			
	Level 1 Rs '000	Level 2 Rs '000	Level 3 Rs '000	Total Rs '000
30 June 2020				
Quoted shares	100,474	-	-	100,474
Unquoted shares	-	-	139,768	139,768
Forward foreign exchange contracts	-	-	-	-
	100,474	**-**	**139,768**	**240,242**
30 June 2019				
Quoted shares	112,656	-	-	112,656
Unquoted shares	-	-	124,624	124,624
Forward foreign exchange contracts	-	13,906	-	13,906
	112,656	**13,906**	**124,624**	**251,186**

	THE COMPANY			
	Level 1 Rs '000	Level 2 Rs '000	Level 3 Rs '000	Total Rs '000
30 June 2020				
Quoted shares	100,474	-	-	100,474
Unquoted shares	-	-	130,186	130,186
Forward foreign exchange contracts	-	(690)	-	(690)
	100,474	**(690)**	**130,186**	**229,970**
30 June 2019				
Quoted shares	112,656	-	-	112,656
Unquoted shares	-	-	114,054	114,054
Forward foreign exchange contracts	-	13,906	-	13,906
	112,656	**13,906**	**114,054**	**240,616**

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (Cont'd)

Fair value of financial instruments (Cont'd)

Fair value hierarchy (Cont'd)

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	N/A	N/A
Forward foreign exchange contracts	Future cash flows are estimated based on forward exchange rates and contract forward rates.	N/A	N/A

33. OPERATING LEASE ARRANGEMENTS

Leasing arrangements

THE GROUP AS LESSEE

Operating leases relate to lease of land and buildings with lease terms ranging from 3 - 60 years with an option to renew and operating lease arrangements up to five years on motor vehicles.

The Group and the Company do not have an option to purchase the leased assets at the expiry of the lease period.

	30 June 2020 Rs '000	30 June 2019 Rs '000
Payments recognised as expense:		
Minimum lease payments	-	19,879
Non-cancellable operating lease commitments		
Payable in next twelve months	-	27,412
Payable 2 - 5 years	-	50,306
Payable thereafter	-	87,982
	-	165,700

34. COMMITMENTS FOR EXPENDITURE

	THE GROUP AND THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000
Commitments for the acquisition of property and equipment	-	3,497

35. 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, except for the share of profits from ABC Banking Corporation Ltd which amounts to Rs 11,854,233 (2019: Rs32,750,679). The directors thus consider that there is no relevance in disclosing segmental information at this level.

Secondary segment-business

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

36. 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 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
Sale of goods	**1,865,089**	2,583,980	**1,323,481**	1,854,870
Rendering of services	**129,921**	140,464	**92,911**	104,810
	1,995,010	2,724,444	**1,416,392**	1,959,680
Timing of revenue recognition				
At a point in time	**1,995,010**	2,724,444	**1,416,392**	1,959,680

(b) Contract liabilities related to contracts with customers

	THE GROUP		THE COMPANY	
	30 June 2020 Rs '000	30 June 2019 Rs '000	30 June 2020 Rs '000	30 June 2019 Rs '000
At 1 July	**25,067**	30,338	**11,422**	17,886
Amount included in contract liabilities that was recognised as revenue during the period net of expenses	**(25,067)**	(30,338)	**(11,422)**	(17,886)
Cash received in advance of performance or amount due and not recognised as revenue during the period	**44,716**	25,067	**18,536**	11,422
At 30 June	**44,716**	25,067	**18,536**	11,422

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

37. BUSINESS COMBINATION

Acquisition of subsidiary

On 3rd April 2019, the subsidiary, ABC Properties Ltd, acquired 100% of the issued share capital and obtain control of STAMFORD THIRD LTD, a land promoter and property developer registered as a Private Company under the laws of Mauritius. This acquisition was made to consolidate its real estate line of business

Details of the purchase consideration, the net asset acquired is as follows:

	30 june 2019 Rs '000
Purchase consideration:	
Cash Paid	7,420

The fair value of the 10,000 shares issued as whole of the consideration paid for STAMFORD THIRD LTD (Rs 7,420,300) was based on its net asset value on 28th February 2019.

The amount recognised in respect of the identifiable assets acquired and liabilities accrued are as follows:

	Fair Value Rs '000
Cash and cash equivalents	13
Other receivables	702
Investment property	25,000
Trade payables	(18,295)
Net assets acquired	**7,420**
Net cash outflow arising on acquisition	
Cash consideration	7,420
Less: cash and cash equivalents balances acquired	(13)
	7,407

STAMFORD THIRD LTD did not contribute to the revenue of the Group and the additional administrative cost incurred was Rs 102,406 for the period between the date of acquisition and 30 June 2019.

If the acquisition of STAMFORD THIRD LTD was completed as of 1 July 2018, the Group's revenue would have been unchanged and the Group's profit would have been Rs 54.4m.

38. EFFECT OF CHANGE IN ACCOUNTING POLICY

In prior years, the Group's and the Company's accounting policy in relation to properties falling under 'Property, Plant and Equipment' and 'Investment Property' was to state them at cost less accumulated depreciation and any accumulated impairment losses.

The Group and the Company have changed their accounting policies to adopt the revaluation model and the fair value model for properties falling under 'Property, Plant and Equipment' and 'Investment Property' respectively. Refer to notes 3 (f) and 3 (g) for further details of the new accounting policies.

The directors are of opinion that reflecting the properties at their fair value in the financial statements gives a better picture of the value of the net assets of the Group and the Company.

In line with IAS 8 pragraph 17, the initial application of a policy to revalue assets in accoradnce with IAS 16 is a change in an accounting policy to be dealt with as a revaluation in accordance with IAS 16. The effect of the change in accounting policy for properties falling under Property, Plant and Equipment (IAS 16) has been accounted for in other comprehensive income in the current year. The effect of the change in accounting policy for Investment Property need to be accounted for retrospectively. However, the directors are of opinion that the carrying amount of the Investment Properties at Company level of Rs 129.5m and at the Group level Rs26.6m as at 30 June 2019 approximated their fair values, therefore the effect of any retrospective application is not considered material and the fair value gain was accounted for in the profit or loss.

The effect on the statement of financial position as at 30 June 2020 is as follows:

	THE GROUP Rs 000	THE COMPANY Rs 000
Property and Equipment - revaluation gain	339,324	236,494
Investment Property - fair value gain	2,897	33,817
Deferred tax liability - effect of revaluation gain	(41,286)	(33,602)
Retained Earnings - fair value gain	2,897	33,817
Revaluation reserves - revaluation gain net of deferred tax effect	298,038	202,892

The effect on the statement of profit or loss and other comprehensive income for the year ended 30 June 2020 is as follows:

	THE GROUP Rs 000	THE COMPANY Rs 000
Effect on the loss for the year		
Gain on revaluation of investment properties	2,897	33,817
Effect on other comprehensive income for the year		
Gain on revaluation of land and buildings	339,324	236,494
Income tax relating to gain on revaluation of buildings	(41,286)	(33,602))

38. EFFECT OF CHANGE IN ACCOUNTING POLICY (CONT'D)

The effect on the Earnings per share for the year ended 30 June 2020 is as follows:

	THE GROUP Rs 000	THE COMPANY Rs 000
Increase due to the change in accounting policies	0.47	5.48

39. PRIOR YEAR ADJUSTMENTS

In prior years, the Group's investments in ABC Marketing Ltd, ABC Autotech Ltd and Stuttgart Motors Ltd were treated as 'investment in associates'.

Following a reassessment of all the investments, the directors are of opinion that the Group exercises control over these investees and should have been treated as subsidiaries instead of associates. This prior period error has been corrected retrospectively in compliance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The accounting policies in respect of investments in subsidiaries and investments in associates are disclosed in notes 3(b), 3(c) and 3(d).

The Company controls the above investees by virtue of the following:

1) power over the investees as it has existing rights that give it the current ability to direct the relevant activities i.e. the activities that significantly affect the investees' returns, including strategic, financial and operational decisions. The entities have common key management personnel and the Company has rights that can direct the investees to enter into material transactions.

2) exposure to and rights to variable returns from its involvement with the investees Variable returns result from dividends, interest on related party loans given for liquidity support and combination of operating functions amongst other things.

3) the ability to use its power over the investees to affect the amount of returns as it is a principal when exercising its decision-making rights

39. PRIOR YEAR ADJUSTMENTS (CONT'D)

	Direct % holding	Classification in prior years	Classification after prior year adjustment	Amount Rs '000
ABC Marketing Ltd	49.14%	Associate	Subsidiary	4,914
ABC Autotech Ltd	49.51%	Associate	Subsidiary	19,955
Stuttgart Motors Ltd	43.68%	Associate	Subsidiary	10,483
				35,352

The effect on the statement of financial position is as follows:

THE COMPANY	Investment in subsidiaries Rs '000	Investment in associates Rs '000
Balance at 1 July 2018		
- as previously reported	17,563	196,727
- prior year adjustment	35,352	(35,352)
- as restated	52,915	161,375
Balance at 30 June 2019		
- as previously reported	17,563	148,738
- prior year adjustment	35,352	(35,352)
- as restated	52,915	113,386

39. PRIOR YEAR ADJUSTMENTS (CONT'D)

	At 1 July 2018		
	As previously stated Rs '000	Prior year adjustment Rs '000	As restated Rs '000
Non-current assets			
Property, plant and equipment	383,222	156,248	539,470
Investment properties	132,145	(130,474)	1,671
Intangible assets	479	427	906
Investment in subsidiaries	-	-	-
Investment in associates	409,648	(53,462)	356,186
Other investments	247,609	5,670	253,279
Other financial assets	161	-	161
Deferred tax assets	5,848	457	6,305
	1,179,112	(21,134)	1,157,978
Current assets			
Inventories	388,494	235,066	623,560
Trade and other receivables	405,406	16,144	421,550
Loan to associates	65,000	-	65,000
Other financial assets	2,361	-	2,361
Tax asset	369	(369)	-
Cash and bank balances	39,035	4,425	43,460
	900,665	255,266	1,155,931
	2,079,777	234,132	2,313,909
Total assets			
Equity and liabilities			
Stated capital	61,904	-	61,904
Other reserves	130,248	1,038	131,286
Retained earnings	649,914	(12,185)	637,729
	842,066	(11,147)	830,919
Non-controlling interest	8,692	52,468	61,160
	850,758	41,321	892,079
Non current liabilities			
Loans	252,841	-	252,841
Obligations under finance lease	8,114	(8,114)	-
Retirement benefit obligations	70,349	3,892	74,241
	331,304	(4,222)	327,082
Current liabilities			
Bank overdrafts	75,119	63,667	138,786
Trade and other payables	239,798	12,714	252,512
Contract liabilities	-	30,338	30,338
Amount due to subsidiary	-	-	-
Loans	579,818	81,204	661,022
Obligations under finance lease	2,980	595	3,575
Tax liabilities	-	401	401
	897,715	188,919	1,086,634
Total equity and liabilities	2,079,777	226,018	2,305,795

39. PRIOR YEAR ADJUSTMENTS (CONT'D)

Payments recognised as expense:	At 30 June 2019 As previously stated Rs '000	Prior year adjustment Rs '000	As restated Rs '000
Non-current assets			
Property, plant and equipment	384,327	159,866	544,193
Investment properties	154,502	(127,865)	26,637
Intangible assets	414	354	768
Investment in subsidiaries	-	-	-
Investment in associates	331,509	(48,741)	282,768
Other investments	232,619	4,661	237,280
Other financial assets	3,861	(3,700)	161
Deferred tax assets	8,237	2,224	10,461
	1,115,469	(13,201)	1,102,268
Current assets			
Inventories	493,533	266,082	759,615
Trade and other receivables	455,356	(33,798)	421,558
Loan to associates	11,500	-	11,500
Other financial assets	13,906	-	13,906
Tax asset	-	-	-
Cash and bank balances	45,780	7,534	53,314
	1,020,075	239,818	1,259,893
Total assets	2,135,544	226,617	2,362,161
Equity and liabilities			
Stated capital	61,904	-	61,904
Other reserves	122,777	1,392	124,169
Retained earnings	691,614	(12,933)	678,681
	876,295	(11,541)	864,754
Non-controlling interest	8,597	48,269	56,866
	884,892	36,728	921,620
Non current liabilities			
Loans	248,762	-	248,762
Other financial liabilities	4,614	-	4,614
Retirement benefit obligations	-	300	300
	79,040	6,780	85,820
	332,416	7,080	339,496
Current liabilities			
Bank overdrafts	180,498	75,440	255,938
Trade and other payables	124,457	102,366	226,823
Bills payable	91,126	(91,126)	-
Contract liabilities	-	25,067	25,067
Amount due to subsidiary	-	-	-
Loans	518,110	70,597	588,707
Obligations under finance lease	3,495	24	3,519
Tax liabilities	550	441	991
	918,236	182,809	1,101,045
Total equity and liabilities	2,135,544	226,617	2,362,161

39. PRIOR YEAR ADJUSTMENTS (CONT'D)

The effect on the statement of profit or loss and other comprehensive income is as follows:

THE GROUP	At 30 June 2019 As previously stated Rs '000	Prior year adjustment Rs '000	As restated Rs '000
Revenue	1,959,680	764,764	2,724,444
Profit from operations	88,785	(1,298)	87,487
Loss allowance on financial assets	(4,910)	-	(4,910)
Finance costs	(50,521)	(7,564)	(58,085)
	33,354	(8,862)	24,492
Share of results of asociates	32,312	3,396	35,708
Profit before tax	65,666	(5,466)	60,200
Tax expense	(6,476)	775	(5,701)
Profit for the year	59,190	(4,691)	54,499
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Net fair value gains arising on hedging instruments	13,706	-	13,706
Items that will not be subsequently reclassfied to profit or loss:			
Fair value loss on investment in equity instruments designated as at FVTOCI	(19,624)	802	(18,822)
Share of fair value gains on investments in equity instruments designated at FVTOCI of associates	5,272	(26)	5,246
Remeasurement of defined benefit obligations	(11,203)	(851)	(12,054)
Share of remeasurement of defined benefit obligations of associates	(864)	346	(518)
Income tax relating to items that will not be reclassified to profit or loss	1,905	132	2,037
Other comprehensive income, net of tax	(10,808)	403	(10,405)
Total comprehensive income for the year	48,382	(4,288)	44,094
(Loss)/profit for the year attributable to:			
Owners of the Company	58,889	(753)	58,136
Non-controlling interests	301	(3,938)	(3,637)
	59,190	(4,691)	54,499
Total comprehensive income attributable to:			
Owners of the Company	48,063	(394)	47,669
Non-controlling interests	319	(3,894)	(3,575)
	48,382	(4,288)	44,094

39. PRIOR YEAR ADJUSTMENTS (CONT'D)

THE GROUP EARNINGS PER SHARE	As previously stated Rs '000	Prior year adjustment Rs '000	As restated Rs '000
2018			
Profit for the year attributable to owners	76,786	375	77,161
Number of ordinary shares	6,175,680	-	6,175,680
Earnings per share (Rs.)	12.42	0.07	12.49
2019			
Profit for the year attributable to owners	58,889	(753)	58,136
Number of ordinary shares	6,175,680	-	6,175,680
Earnings per share (Rs.)	9.54	(0.12)	9.41

The effect on the statement of cash flows is as follows:

THE GROUP	Year ended 30 June 2019 As previously stated Rs '000	Prior year adjustment Rs '000	As restated Rs '000
Cash flows from operating activities	(147,018)	20,343	(126,675)
Cash flows from investing activities	149,172	(13,856)	135,316
Cash flows from financing activities	(100,788)	(15,151)	(115,939)
Net decrease in cash and cash equivalents	(98,634)	(8,664)	(107,298)

40. SIGNIFICANT EVENTS

The outbreak of the pandemic COVID-19 virus had negatively impacted all countries, resulting in lockdowns, border closures, travel bans, quarantines, and other emergency public safety measures.

The magnitude of the spread of the virus and its highly contagious nature had not only led to an unprecedented sanitary crisis but had also severe implications on the economic conditions regionally as well as globally, disrupting drastically operations situated in countries particularly exposed to the contagion.

The lockdown imposed by the Mauritian Government for a period of approximately two months had impacted the Company in the form of reduced sales, cancelled orders and delay in the purchase decisions from customers.

40. SIGNIFICANT EVENTS (CONT'D)

It is still unclear how the economic situation will evolve in the future but it is quite obvious that there will be a contraction of the economic state worldwide, characterised by low demand and acute job losses if the pandemic persist and no vaccine is discovered.

The Company's financial position and performance may therefore be adversely affected.

In that context, the management of ABC Motors has taken immediate actions in preserving its cash flow and devising marketing strategies to reduce significantly its stock level of vehicles, the objective of which is to have a lean stock level of vehicles which are essential in times of economic crisis.

On the other hand, with the closing of borders and disruption in the world supply chains, immediate countermeasures to increase the safety stock level of spare parts and consumables have already been deployed since June 2020. It is considered that though the current context may occasion some uncertainties as regards to the sale of vehicles, it is expected that there would still be market opportunities on the aftersales business activities. To that effect, it is crucial to consolidate the stock level of Spare parts and consumables.

Necessary sanitary protocols and clear contingency plans have been implemented to ensure a safe working place for the company's stakeholders and business continuity.

Moreover, actions have already been initiated to realign the company's cost structure to the expected new level of activity. This is effective since the beginning of July 2020. Indeed, effective execution of strategies and agility are primordial in any crisis, and all the aforesaid measures are expected to reinforce the degree of resilience of the company. The company has currently a very strong asset base and equity that allows it to have the necessary liquidity facilities to meet its financial and contractual obligations as they fall due in the foreseeable future, and to face any upcoming challenges with serenity and invest in any opportunities that confers the new context or the new normal. As at 30 June 2020, the Group and the company's financial position remains strong with a positive equity of Rs 1,123,183,310 and Rs 873,332,414 respectively.

Post lockdown, the performance of the company is very encouraging with continued demand for small passenger cars and commercial vehicles, and consistent positive performance both on the vehicles and aftersales business activities. The company has also been successful to have a leaner stock of vehicles, reducing its stock by more than 50% at the end of October 2020.

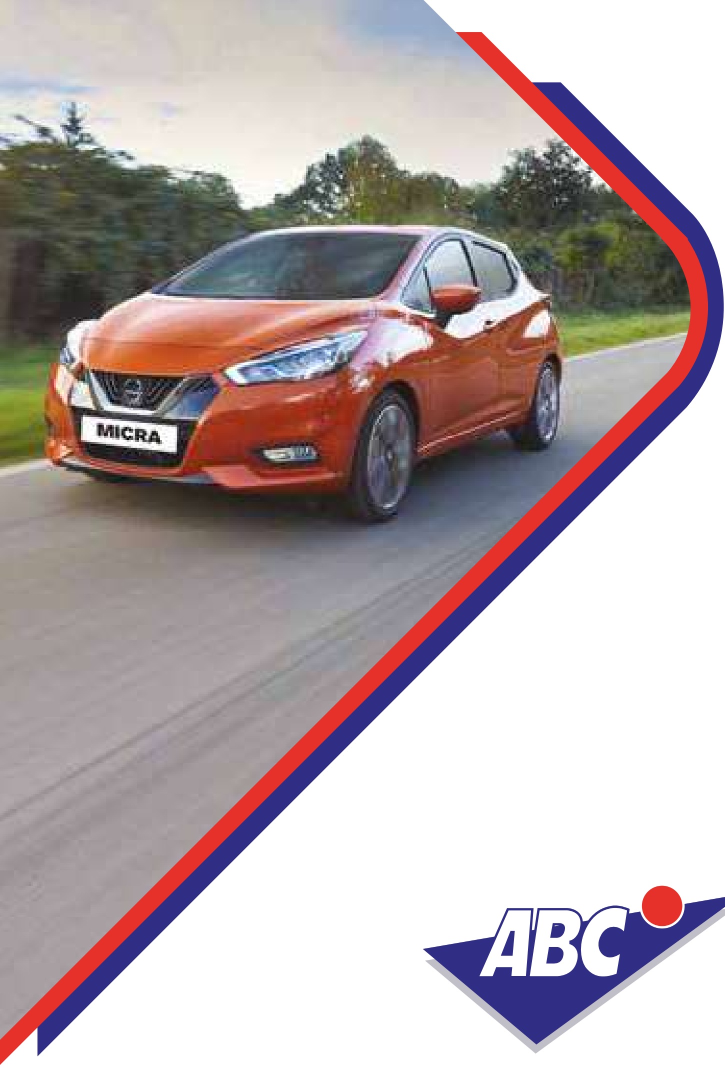
The company has evaluated subsequent events up to 27 November 2020, the date the financial statements were available for issuance and has determined that no subsequent events have occurred that would require disclosure in the financial statements or accompanying notes.

Cautionary note

The report contains several forward-looking statements with respect to the financial position and business strategy of ABC MOTORS COMPANY LIMITED. By their very nature, forward-looking statements are based on a number of assumptions and management's current views; thus subject to inherent risks and uncertainties. Hence, there is a significant risk that the statements contained herein may not prove to be accurate.

Readers of this report are thus cautioned not to place undue reliance on the forward-looking statements as numerous factors could cause future results and actions to differ materially from the declarations of future expectations expressed herein. A number of factors ranging from the evolution of the economic and political landscape to technological headway, regulatory, developments, interest rate and currency value fluctuations, management actions, level of competition in the local and global industry are bound to influence the future outcomes that relate to forward-looking statements.

ABC MOTORS COMPANY LIMITED does not undertake to update any forward-looking statement that may be made from time to time by the organisation or on its behalf.



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