Emcar Limited

Annual report

For the year ended

30 June 2024

EMCAR LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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EMCAR LIMITED

CORPORATE INFORMATION - 30 JUNE 2024

BOARD OF DIRECTORS	Reginald RAFFRAY ROGERS Marc ROGERS Jean Philippe Andre CHAUVEAU Georgina ROGERS Florence Claire DOUTEAU
COMPANY SECRETARY	ECS Secretaries Ltd 3rd floor Labama House Sir William Newton Street Port-Louis
AUDITOR	BDO Mauritius 10 Frère Félix de Valois Port Louis
MAIN BANKER	The Mauritius Commercial Bank Ltd MCB Head Office 9-15, Sir William Newton Street Port Louis
REGISTERED OFFICE	Old Moka Road Bell Village 11202 Tel: (230) 405 1000 Fax: (230) 212 5952
LEGAL ADVISOR	Me Herve Duval, Law Practitioner Ahnee-Duval, Legal Consultants & Law Practioners 5th St James Court St Denis Street Port Louis

EMCAR LIMITED
FOR THE YEAR ENDED 30 JUNE 2024
ANNUAL REPORT

The Directors are pleased to submit their Annual Report which includes the financial statements of the Group and the Company for the year ended 30 June 2024.

Principal Activities

The main activity of the Company and its subsidiaries (the "Group") is unchanged since last year. The Company sells motorcycles, autocycles, spare parts, sports, energy, accessories and act as a shipping agent. The main activities of subsidiaries are the sales of motorcycles as well as retreading and sale of tyres.

Results

The Group's total comprehensive income for the financial year under review amounted to Rs 106,7 million (2023: comprehensive Rs 30,3 million) and the Company's total comprehensive income amounted to Rs 107,5 million (2023: Rs 23,8 million).

The financial statements for the year ended 30 June 2024 are set out on pages 11 to 60. The independent auditor's report on these financial statements is on pages 7 to 10.

Directors

The directors of the Company during the year were:

For The Company

Marc ROGERS (Executive Director)
Philippe André CHAUVEAU (Non-Executive Director)
Georgina Marie-Therese ROGERS (Non-Executive Director)
Florence Claire DOUTEAU (Non-Executive Director) **as from May 2024**
Reginald Raffray ROGERS MARC (Non-Executive Director) **up to December 2023**

For The Subsidiaries

Wingfoot Co Ltd

Marc Rogers (Executive Director)
Philippe André Chauveau (Non-Executive Director)
Georgina Rogers (Non-Executive Director) **as from July 2023**
Reginald Raffray Rogers (Non-Executive Director)
up to December 2023

Maison de la moto Ltée

Marc Rogers (Executive Director)
Philippe André Chauveau (Non-Executive Director)
Georgina Rogers (Non-Executive Director)
as from July 2023
Reginald Raffray Rogers (Non-Executive Director)
up to December 2023

Directors' Service Contracts

There are no service contracts between the Group and its directors.

Directors' Remuneration and Benefits

Total remuneration and benefits received by the Directors from the Company and its subsidiaries are as follows:

	From the Company		From the Subsidiaries	
	2024	2023	**2024**	2023
	MUR	MUR	**MUR**	MUR
Marc Rogers	**3,637,100**	2,976,500	-	-
Sub-total-Executive Director	**3,637,100**	2,976,500	-	
Philippe André Chauveau	-	-	-	-
Florence Claire Douteau	-	-	-	-
Georgina Rogers	-	-	-	-
Reginald Raffray Rogers	**675,000**	767,067	-	-
Sub-total-Executive Director	**675,000**	767,067	-	

Donations

No donations were made by the Group and the Company for the year ended 30 June 2024 (2023: MUR Nil).

EMCAR LIMITED
FOR THE YEAR ENDED 30 JUNE 2024
ANNUAL REPORT (CONT'D)

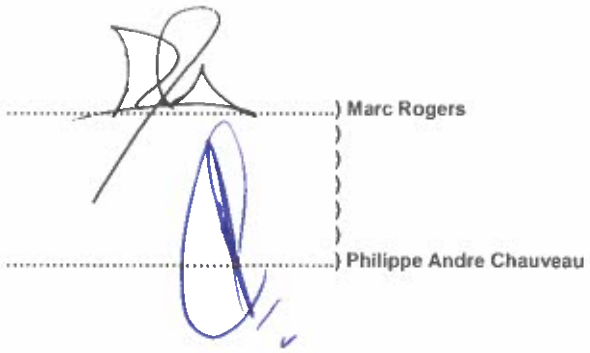
Auditor's Remuneration

The fees (excluding VAT) payable by the company and its Subsidiaries to the External Auditors paid were as follows:

	From the Company		From the Subsidiaries	
	2024	2023	2024	2023
	MUR	MUR	MUR	MUR
Audit Services :				
- Deloitte	-	682,500	-	-
- BDO Mauritius	715,000	-	-	-
Other firms:				
Wingfoot Co td				
- Deloitte	-		-	152,250
- BDO Mauritius		-	160,000	-
Maison de la Moto Ltée				
- Deloitte	-		-	89,250
- BDO Mauritius		-	95,000	-
	715,000	682,500	255,000	241,500

Messrs. BDO Mauritius, who have accepted to continue in office, will be automatically reappointed at the next Annual Meeting. During the year Arthur Andersen LLP has been reappointed as the tax advisor.

Approved by the Board of Directors on 17 JAN 2025



) Marc Rogers
)
)
)
)
) Philippe Andre Chauveau

EMCAR LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2024

The Directors acknowledge their responsibilities to:

(i) select suitable accounting policies and then apply them consistently;

(ii) make judgements and estimates that are reasonable and prudent;

(iii) maintain adequate accounting records and an effective system of internal controls and risk management;

(iv) state whether IFRS accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

(v) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business; and

(vi) state whether the Code of Corporate Governance has been adhered to, or if not, give reasons where there has been no compliance.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the group and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001 and the Financial Reporting Act 2004. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the above requirements in preparing the financial statements, except for requirements under Financial Reporting Act 2004 for presenting corporate governance report, which has been disclosed in the statement of compliance on page 5.

17 JAN 2025

Approved by the Board of Directors on ..... and signed on its behalf by:

Marc Rogers
Chairman

Philippe André Chauveau
Director

EMCAR LIMITED

CORPORATE GOVERNANCE STATEMENT

Emcar Limited, is a private company and at the date of the Annual Report has 5,950,000 shares in issue and 12 shareholders on its register of shareholders. Each of the shareholders are adequately represented atthe level of the Board which consist of four directors, including one Executive Director, all nominated by the shareholders according to their specific rights as provided in the constitution of the Company.

The Company is committed to the highest standard of integrity, transparency and professionalism in the performance of its business activities for the benefit of its shareholders and other stakeholders. The Board monitors regularly the effectiveness of management's actions and remains stringent in maintaining the same above-mentioned standard at management level.

Given the structure relating to its shareholding and management, the Company did not deem it necessary to comply with the Code of Corporate Governance for the reporting period ended 30 June 2024

However, the Board Meeting of 25 October 2024 has ratified the introduction of a formal Board Charter and the creation of both a Corporate Governance Committee and an Audit & Risk Committee which have as objective to promote the highest standards of Corporate Governance as recommended by the National Code of Corporate Governance of Mauritius across all the Companies of the Group.

As such, a Corporate Governance Report as required by the National Code of Corporate Governance of Mauritius, will be prepared and included in the Annual Report of the Company for the reporting period ending 30 June 2025.

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity: Emcar Limited

Reporting Period: 30 June 2024

We, the Directors of Emcar Limited confirm that to our best of our knowledge, Emcar Limited has not complied with the obligations and requirements under the Code of Corporate Governance.Reasons for non-compliance are as per the corporate governance statement above.

Signed by:

Marc Rogers
Chairman

Date: 17 JAN 2025

Philippe André Chauveau
Director

Date: 17 JAN 2025

SECRETARY'S CERTIFICATE

Section 166(d) of the Mauritius Companies Act 2001

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

.....

For & on behalf of
ECS Secretaries Ltd
Company Secretary

17 JAN 2025

ECS SECRETARIES LTD

BDO

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10, Frère Félix de Valois Street
Port Louis, Mauritius
P.O. Box 799

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Emcar Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Emcar Limited (the "Company") and its subsidiaries (together the "Group"), and the Company's separate financial statements set out on pages 11 to 60 which comprise the consolidated and separate statements of financial position as at 30 June 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and comply with the Mauritian Companies Act 2001.

Basis for Opinion

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

Other Matter relating to Corresponding Figures

The financial statements of the Group and the Company for the year ended 30 June 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 19 April 2024.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Corporate Information, Annual Report, Statement of Directors' Responsibilities, Corporate Governance Statement, Statement of Compliance and Secretary's Certificate but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)
To the Shareholders of Emcar Limited (Continued)

Other Information (Continued)

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

Responsibilities of Directors for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's 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/or the Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)
To the Shareholder of Emcar Limited (Continued)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

- 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's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated 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.

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

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

- We have no relationship with, or interests in, the Company and its subsidiaries, other than in our capacity as auditor and dealings in the ordinary course of business.
- We have obtained all information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)
To the Shareholder of Emcar Limited (Continued)

Report on Other Legal and Regulatory Requirements (Continued)

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the Annual Report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Annual Report, the Company has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, not complied with the requirements of the Code.

Other Matter

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

BDO & CO
Chartered Accountants

Pravesh Mogun, FCCA
Licensed by FRC

Port Louis,
Mauritius
21 JAN 2025

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EMCAR LIMITED
STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	THE GROUP		THE COMPANY	
		2024	2023	2024	2023
ASSETS		**Rs**	Rs	**Rs**	Rs
Non current assets					
Goodwill	10	**3,184,301**	3,184,301	**-**	-
Property, plant and equipment	5	**354,332,576**	285,903,951	**353,202,623**	284,509,493
Right-of-use assets	6	**12,424,635**	11,499,029	**10,908,966**	9,434,172
Intangible assets	7	**1,369,954**	1,115,304	**1,369,955**	1,101,196
Investments in subsidiaries	8	**-**	-	**32,910,000**	22,910,000
Financial assets at fair value through profit or loss	9	**12,685,498**	11,918,580	**12,685,498**	11,918,580
Deferred tax asset	11	**2,902,530**	3,166,535	**-**	-
		386,899,494	316,787,700	**411,077,042**	329,873,441
Current assets					
Inventories	13	**188,930,800**	196,711,725	**153,734,388**	164,198,742
Trade and other receivables	14	**139,272,727**	100,185,631	**108,780,274**	78,942,618
Tax receivable	11(b)	**-**	270,463	**-**	270,463
Amount due by group companies	27	**-**	-	**112,148**	2,605,323
Cash at bank and in hand		**17,988,988**	18,874,237	**16,170,938**	9,109,752
		346,192,515	316,042,056	**278,797,748**	255,126,898
Total assets		**733,092,009**	632,829,756	**689,874,790**	585,000,339
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	15	**17,000,000**	17,000,000	**17,000,000**	17,000,000
Non-convertible redeemable preference	25	**42,500,000**	42,500,000	**42,500,000**	42,500,000
Retained earnings		**108,223,952**	70,581,641	**105,106,861**	66,562,341
Revaluation surplus		**193,403,172**	131,192,394	**193,403,173**	131,192,394
Total equity attributable to owners of the Company		**361,127,124**	261,274,035	**358,010,034**	257,254,735
Non current liabilities					
Loans	16	**32,449,690**	52,598,212	**32,449,690**	52,598,212
Deferred tax liability	11(c)	**7,508,564**	2,662,569	**7,508,564**	2,662,569
Retirement benefit obligations	12	**62,533,164**	58,402,055	**60,769,685**	57,640,675
Lease liabilities	17	**6,715,590**	3,287,059	**5,631,659**	1,798,202
		109,207,008	116,949,895	**106,359,598**	114,699,658
Current liabilities					
Bank overdrafts	18	**83,405,349**	88,510,965	**71,009,316**	76,564,501
Loans	16	**60,604,560**	69,187,010	**51,455,026**	55,214,225
Trade and other payables	19	**104,926,477**	81,024,566	**89,874,001**	66,232,591
Lease liabilities	17	**4,237,542**	8,541,211	**3,872,308**	8,064,629
Tax payable	11	**2,798,949**	372,074	**2,509,507**	-
Dividend	20	**6,785,000**	3,400,000	**6,785,000**	6,970,000
		262,757,877	254,605,826	**225,505,158**	213,045,946
Total liabilities		**371,964,885**	371,555,721	**331,864,756**	327,745,604
Total equity and liabilities		**733,092,009**	632,829,756	**689,874,790**	585,000,339

17 JAN 2025

Approved by the Board of Directors and authorised for issue on .....

.....) **Marc Rogers**
)
)
)
.....) **Philippe Andre Chauveau**

The notes on pages 16 to 60 form an integral part of the financial statements.
Independent auditor's report on pages 7 to 10.

EMCAR LIMITED
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	THE GROUP		THE COMPANY	
		2024	2023	**2024**	2023
		Rs	Rs	**Rs**	Rs
Revenue	21	**676,295,775**	555,705,023	**570,978,402**	455,175,438
Profit from operations	22	**51,048,161**	30,047,641	**36,156,877**	14,903,518
Other income	23	**16,021,222**	20,052,825	**27,079,787**	28,052,905
Loss allowance on trade receivables	14	**(2,268,042)**	(4,250,524)	**(2,159,934)**	(4,044,201)
Finance costs	24	**(13,798,435)**	(13,286,551)	**(11,529,314)**	(10,783,747)
Profit before taxation		**51,002,907**	32,563,391	**49,547,416**	28,128,474
Taxation	11(a)	**(9,023,757)**	(529,618)	**(7,303,033)**	(2,309,260)
Profit for the year, attributable to the owners of the Company		**41,979,150**	32,033,773	**42,244,383**	25,819,214
Other comprehensive income for the year					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of retirement benefit obligations	12	**(2,813,692)**	(2,069,994)	**(2,046,251)**	(2,420,420)
Deferred tax on retirement benefit obligations	11(c)	**478,328**	351,899	**347,863**	411,471
Revaluation gain on land and buildings	5	**72,807,956**	-	**72,807,956**	-
Deferred tax on revaluation of land and buildings	11(c)	**(5,813,652)**	-	**(5,813,652)**	-
		64,658,940	(1,718,095)	**65,295,916**	(2,008,949)
Total comprehensive income net of tax for the year, attributable to the owners of the Company		**106,638,089**	30,315,678	**107,540,299**	23,810,265

EMCAR LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

THE GROUP	Note	Stated capital Rs	Non-Convertible redeemable Preference Shares Rs	Property revaluation reserve Rs	Retained earnings Rs	Total equity Rs
At 1 July 2022		17,000,000	42,500,000	134,640,112	42,003,245	236,143,357
Profit for the year		-	-	-	32,033,773	32,033,773
Other comprehensive loss for the year		-	-	-	(1,718,095)	(1,718,095)
Total comprehensive income for the year		-	-	-	30,315,678	30,315,678
Transfer from property revaluation reserve to retained earnings		-	-	(3,447,718)	3,447,718	-
Dividend payable to :	20					
Ordinary Shares					(3,400,000)	(3,400,000)
Preference shares		-	-	-	(1,785,000)	(1,785,000)
At 30 June 2023		17,000,000	42,500,000	131,192,394	70,581,641	261,274,035
At 1 July 2023		17,000,000	42,500,000	131,192,394	70,581,641	261,274,035
Profit for the year		-	-	-	41,979,150	41,979,150
Other comprehensive profit for the year		-	-	66,994,304	(2,335,364)	64,658,940
Total comprehensive income for the year		-	-	66,994,304	39,643,785	106,638,089
revaluation reserve to retained earnings		-	-	(4,783,526)	4,783,526	-
Dividend payable to :	20					
Ordinary Shares					(5,000,000)	(5,000,000)
Preference shares		-	-	-	(1,785,000)	(1,785,000)
At 30 June 2024		**17,000,000**	**42,500,000**	**193,403,172**	**108,223,952**	**361,127,124**

The notes on pages 16 to 60 form an integral part of the financial statements.
Independent auditor's report on pages 7 to 10.

EMCAR LIMITED
STATEMENT OF CHANGES IN EQUITY (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2024

THE COMPANY	Note	Stated capital Rs	Non-Convertible redeemable Preference Shares Rs	Property revaluation reserve Rs	Retained earnings Rs	Total equity Rs
At 1 July 2022		17,000,000	42,500,000	134,640,112	44,489,358	238,629,470
Profit for the year		-	-	-	25,819,214	25,819,214
Other comprehensive loss for the year		-	-	-	(2,008,949)	(2,008,949)
Total comprehensive loss for the year		-	-	-	23,810,265	23,810,265
Transfer from property revaluation reserve to retained earnings		-	-	(3,447,718)	3,447,718	-
Dividend attributable to :	20	-	-	-		
Ordinary Shares					(3,400,000)	(3,400,000)
Preference shares					(1,785,000)	(1,785,000)
At 30 June 2023		17,000,000	42,500,000	131,192,394	66,562,341	257,254,735
At 1 July 2023		17,000,000	42,500,000	131,192,394	66,562,341	257,254,735
Profit for the year		-	-	-	42,244,383	42,244,383
Other comprehensive profit for the year		-	-	66,994,304	(1,698,388)	65,295,916
Total comprehensive income for the year		-	-	66,994,304	40,545,995	107,540,299
Transfer from property revaluation reserve to retained earnings		-	-	(4,783,526)	4,783,526	-
Dividend attributable to :	20	-	-	-		-
Ordinary Shares					(5,000,000)	(5,000,000)
Preference shares					(1,785,000)	(1,785,000)
At 30 June 2024		**17,000,000**	**42,500,000**	**193,403,173**	**105,106,861**	**358,010,034**

The notes on pages 16 to 60 form an integral part of the financial statements.
Independent auditor's report on pages 7 to 10.

EMCAR LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	THE GROUP 2024 Rs	THE GROUP 2023 Rs	THE COMPANY 2024 Rs	THE COMPANY 2023 Rs
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		**51,002,907**	32,563,391	**49,547,416**	28,128,474
Adjustments for:					
Depreciation on property, plant and equipment	5	**9,096,641**	9,412,669	**8,546,128**	8,686,551
Depreciation on right-of-use assets	6	**7,007,261**	6,872,323	**6,293,073**	6,318,666
Amortisation on intangible assets	7	**963,382**	618,173	**949,273**	594,144
Profit on sale of investment		**-**	(97,031)	**-**	(97,031)
Profit on sale of plant and equipment	23	**(1,060,870)**	(1,437,975)	**(1,060,870)**	(1,144,414)
Interest receivable	23	**-**	-	**(89,014)**	(166,783)
Fair value adjustment	23	**-**	(11,732,688)	**-**	(11,732,688)
Expected credit loss		**2,268,042**	4,250,524	**2,159,934**	4,044,201
Interest payable	24	**13,798,435**	13,000,101	**11,529,314**	10,497,297
Difference between pension funding contribution paid and the pension cost charge	12	**1,317,417**	(403,027)	**1,082,759**	-
Operating profit before working capital changes		**84,393,214**	53,046,460	**78,958,013**	45,128,418
Decrease/(Increase) in inventories		**7,780,925**	(30,858,418)	**10,464,354**	(28,667,798)
Decrease in trade and other receivables		**(41,355,136)**	(26,438,011)	**(31,997,588)**	(27,037,351)
Increase in trade and other payables		**23,901,908**	17,826,410	**23,641,410**	19,584,470
Decrease/(Increase) in amount due by group companies		**-**	-	**2,493,175**	(306,507)
		(9,672,303)	(35,219,495)	**4,601,351**	(32,382,985)
Cash generated from operations		**74,720,911**	13,541,441	**83,559,364**	8,666,231
Interest paid		**(13,124,701)**	(12,321,490)	**(11,076,745)**	(9,953,200)
Interest paid on lease liabilities	24	**(673,734)**	(678,611)	**(452,569)**	(544,097)
Tax refund	11(b)	**207,172**	240,369	**207,172**	240,369
Tax paid	11(b)	**(6,758,915)**	(1,365,055)	**(5,350,029)**	-
		(20,350,178)	(15,874,787)	**(16,672,171)**	(12,006,928)
Net cash generated from/(used in) from operating activities		**54,370,733**	(2,333,346)	**66,887,193**	(3,340,697)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of intangible assets	7	**(1,218,032)**	(270,855)	**(1,218,032)**	(270,855)
Acquisition of right of use assets		**(2,119,932)**	-	**(2,066,504)**	-
Purchase of property, plant and equipment	5	**(4,717,310)**	(3,945,108)	**(4,431,303)**	(3,423,751)
Proceeds from sale of plant and equipment		**1,060,870**	1,503,262	**1,060,870**	1,205,654
Proceeds from sale of investment		**-**	1,126,140	**-**	1,126,140
Purchase of investment in subsidiaries	8	**-**	-	**(10,000,000)**	(10,000)
Purchase of financial assets at fair value	9	**(766,918)**	-	**(766,918)**	-
Interest received	23	**-**	-	**89,014**	166,783
Net cash used in investing activities		**(7,761,323)**	(1,586,561)	**(17,332,872)**	(1,206,029)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of lease payments	30	**(6,688,073)**	(7,978,011)	**(6,060,229)**	(7,373,856)
Proceeds from loans		**33,172,665**	28,809,074	**31,588,826**	26,324,819
Repayment of loans		**(61,903,636)**	(25,325,549)	**(55,496,547)**	(25,325,549)
Dividend paid	20	**(6,970,000)**	-	**(6,970,000)**	-
Net cash used in financing activities		**(42,389,044)**	(4,494,486)	**(36,937,950)**	(6,374,586)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**4,220,367**	(8,414,392)	**12,616,371**	(10,921,312)
CASH AND CASH EQUIVALENTS AT 1 JULY		**(69,636,728)**	(61,222,336)	**(67,454,749)**	(56,533,437)
CASH AND CASH EQUIVALENTS AT 30 JUNE		**(65,416,361)**	(69,636,728)	**(54,838,378)**	(67,454,749)
Represented by:					
Cash at bank and in hand		**17,988,988**	18,874,237	**16,170,938**	9,109,752
Bank overdrafts		**(83,405,349)**	(88,510,965)	**(71,009,316)**	(76,564,501)
		(65,416,361)	(69,636,728)	**(54,838,378)**	(67,454,749)

The notes on pages 16 to 60 form an integral part of the financial statements.
Independent auditor's report on pages 7 to 10.

EMCAR LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. **INCORPORATION AND ACTIVITIES**

Emcar Limited (the "Company") is a private company incorporated in Mauritius with its registered office situated at Old Moka Road, Bell Village. The principal activities of the Company and its subsidiaries (the "Group") are the sales of motorcycles, autocycles, spare parts sports, energy, accessories and act as a shipping agent . The subsidiaries of the company are engaged in activities related to the retreading and sale of tires. The retail shops of the Company are at Flacq, Rodrigues, Bell Village, Forbach and Mont Choisy.

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

IFRS 17 Insurance contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS Accounting Standards. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4 – Insurance Contracts. The amendments have no impact on the Group's financial statements.

IAS 1 Presentation of Financial Statements & IFRS Practice Statement 2 Making Materiality Judgements

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

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged. The amendments have no impact on the Group's financial statements.

IAS 12 *Income Taxes*

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged. The amendments have no impact on the Group's financial statements.

International Tax Reform — Pillar Two Model Rules: The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. The amendments have no impact on the Group's financial statements.

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2024 or later periods, but which the Group has not early adopted.

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

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

Effective date January 1, 2024

IAS 1 *Presentation of Financial Statements*

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

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

IFRS 16 *Leases*
Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

IAS 7 *Statement of Cash Flows* & IFRS 7 *Financial Instruments: Disclosures*
Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

Effective date January 1, 2025

IAS 21 *The Effects of Changes in Foreign Exchange Rates*
Lack of Exchangeability: The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Effective date January 1, 2026

IFRS 9 *Financial Instruments* & IFRS 7 *Financial Instruments: Disclosures*
Classification and Measurement of Financial Instruments: The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Also, additional disclosures have been introduced for financial instruments with contingent features and equity instruments designated at fair value through other comprehensive income.

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

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

Effective date January 1, 2027

IFRS 18 *Presentation and Disclosure in Financial Statements*

Presentation and disclosure in financial statements: IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals presented within the statement of profit or loss within one of the following five categories – operating, investing, financing, income taxes, and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, it brings about consequential amendments to other accounting standards. This standard replaces IAS 1 - Presentation of Financial Statements.

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Subsidiaries without Public Accountability: Disclosures: IFRS 19 is a non-mandatory standard. It specifies the disclosure requirements that eligible subsidiaries are permitted to apply instead of the disclosure requirements in other IFRS accounting standards. It allows eligible entities to benefit from reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent, intermediate parent or ultimate parent company produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The effective date of this amendment has been deferred indefinitely until further notice

IFRS 10 *Consolidated Financial Statements*

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 *Investments in Associates and Joint Ventures*

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

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

3. ACCOUNTING POLICIES

The principal accounting policies adopted by the Group and the Company are as follows:

(i) Statement of compliance

The financial statements comply with the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 (except for presenting Corporate Governance Report) and have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

(ii) Basis of preparation

The financial statements are prepared under the historical cost convention, except for revaluation of freehold land and buildings and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period 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 Company takes into account the characteristics of the asset or 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 financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

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

(iii) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

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

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

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

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

When the Group loses control of a subsidiary, the profit or loss on disposal 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 assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS standards) in the same manner as would be required if the relevant assets or liabilities were disposed of. 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 or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

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

3. ACCOUNTING POLICIES (CONT'D)

(iv) 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, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with IFRS 2 at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

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 the liabilities assumed. If, after reassessment, 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.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(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 (or groups of 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 allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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

The Group's policy for goodwill arising on the acquisition of an associate is described below.

(vi) Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services for rental to others, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. The revaluations are performed by an independent Land Surveyor.

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. All repair and maintenance are charged to profit or loss during the financial period in which they are incurred."

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

3. ACCOUNTING POLICIES (CONT'D)

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

It is the group policy to revalue the land and buildings every three years. Revaluations are done more frequently if after the review of Directors, there is any indication that the carrying amount differs materially from its fair value.Any revaluation increase arising on the revaluation of such land and buildings, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit or loss. A transfer is made from the revaluation reserve to retained earnings as the asset is used. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Freehold land is not depreciated.

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method, on the following bases:

Building on leasehold land	- 2% straight line
Improvement to premises on leasehold lar	- 2% -10% straight line
Freehold buildings	- 2% straight line
Improvement to premises	- 20% straight line
Plant and Machinery	- 10% straight line
Electrical Equipment	- 10%- 33.33% straight line
Computer Equipment and Installations	- 20% straight line
Office Furniture and Fittings	- 10% straight line
Tools and Equipment	- 10% - 20% straight line
Motor Vehicles	- 20% straight line

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(vii) Intangible assets

Computer software

Computer software that is not considered to form an integral part of any hardware equipment is recorded as intangible assets. The software is capitalised at cost and amortised over its estimated useful lives of 5 years.

Intangible assets with finite useful lives are initially recorded at cost and amortised using the straight-line method over their estimated useful lives.

The carrying amount of intangible assets is reviewed annually and adjusted for impairment where it is considered necessary.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. ACCOUNTING POLICIES (CONT'D)

(viii) Impairment of property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the Group and the Company review the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

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 and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

(ix) Revenue recognition

Revenue is measured 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 it transfers 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 and discounts.

Sale of motorcycles

The Group and the Company sell motorcycles directly to customers through retail outlets.

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue is net of Value Added Tax, rebates and discounts. Revenue is recognised at a point in time upon delivery of products and customer acceptance. Payment of the transaction price is due immediately at the point the customer purchases the goods.

Sale of spare parts, sport equipment, outboards and power products

The Group and the Company sell spare parts, sport equipment, outboards and power products directly to customers through its own retail outlets.

Revenue is recognised by the Group and the Company at a point in time in line with the policy outlined above for the sale of motorcycles.

3. ACCOUNTING POLICIES (CONT'D)

(ix) Revenue recognition (cont'd)

Rendering of services

Services include the service and maintenance of vehicles, other after sales services to the customers and acting as shipping agent. 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.

Other revenue

Other revenues earned are recognised on the following basis:

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

- Dividend income is recognised when the shareholder's right to receive payment is established.

- Commission income and other income are recognised on an accrual basis.

(x) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average price basis. Cost of finished goods comprises all costs of purchase, cost of conversion and other costs incurred in bringing such inventories to their present condition. Net realisable value represents the estimated of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Inventory obsolescence

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.

(xi) Foreign currencies

(a) *Functional and presentation currency*

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

(b) *Transaction and balances*

Transactions in foreign currencies are translated at the exchange rates prevailing at the dates of the transactions or subsequent payments where known. Monetary assets and liabilities expressed in foreign currencies have been translated at the rate of exchange ruling at the reporting date. Any exchange difference arising is taken to the statements of profit or loss and other comprehensive income.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated 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.

3. ACCOUNTING POLICIES (CONT'D)

(xii) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) *Current tax*

The tax currently payable is based on taxable profit which differs from profit as reported in the statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

(b) *Deferred taxation*

Deferred taxation is provided on the comprehensive basis using the liability method.

Deferred tax liabilities are recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is possible that taxable profit will be available against which the deductible temporary differences can be utilised.

(xiii) Leases

The Group and the Company as a lessee

The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable:

- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated and separate statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

3. ACCOUNTING POLICIES (CONT'D)

(xiii) Leases (Cont'd)

The Group and the Company as a lessee (Cont'd)

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group and the Company incur an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The right-of-use assets are presented as a separate line in the consolidated and separate statements of financial position.

The Group and the Company apply IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3(viii).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss (see Note 22).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group and the Company have not used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the Group and the Company allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group and the Company as lessor

Leases for which the Group and the Company are a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group and the Company are an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

3. ACCOUNTING POLICIES (CONT'D)

(xiii) Leases (Cont'd)

The Group and the Company as lessor (cont'd)

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.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's and the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's and the Company's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group and the Company apply IFRS 15 to allocate the consideration under the contract to each component.

(xiv) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank and bank overdraft. 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 overdrafts are shown in current liabilities in consolidated and separate statements of financial position.

(xv) Retirement benefit obligations

(a) Defined benefit pension plan

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 statements 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
- 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 obligation recognised in the consolidated and separate statement of financial position represents the actual deficit or surplus in the Group's and the Company's 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.

(b) Defined contribution pension plan

The Group's and the Company's contributions to the defined contribution pension plan are charged to the statements of comprehensive income in the year to which they relate, when the employees have rendered service entitling them to the contribution.

(c) Retirement Gratuity under the Workers Rights Act 2019

For employees whose benefits are not expected to be fully offset by the Group's and the Company's defined benefit plan, the net present value of gratuity on retirement payable under the Workers Rights Act 2019 is calculated by a qualified actuary and provided for. The obligations arising under those items are not funded.

3. ACCOUNTING POLICIES (CONT'D)

(xvi) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) resulting from past events and it is probable that an outflow of economic benefits will be required to settle that obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate at reporting date, taking into account the risks and obligations surrounding the obligations.

(xvii) Financial instruments

Financial assets

Financial assets and financial liabilities are recognised in the Group's and the Company's consolidated and separate statement of financial position when the Group and the Company becomes a party to the contractual provisions of the instrument.

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.

Classification of financial assets

Debt instrument 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).

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, 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 loss 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 interests 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.

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

3. ACCOUNTING POLICIES (CONT'D)

(xvii) Financial instruments (Cont'd)

Financial assets (Cont'd)

Classification of financial assets (Cont'd)

Amortised cost and effective interest method (cont'd)

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 (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss.

Foreign exchange gains and losses

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

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 and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company recognise lifetime ECL for other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical loss experience, adjusted for factors specific to the financial assets as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

(i) *Significant increase in credit risk*

In assessing whether the credit risk on a financial instruments 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.

Despite the foregoing, the Company assumes 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:

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

3. ACCOUNTING POLICIES (CONT'D)

(xvii) Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (cont'd)

(i) *Significant increase in credit risk (cont'd)*

The Group and the Company consider a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group and the Company regularly monitor the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes part due.

(ii) *Definition of default*

The Group and the Company consider the following as a 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 considers 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 pf 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
(d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; o
(e) The disappearance of an active market for that financial asset because of financial difficulties.

(iv) *Write off policy*

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

(v) *Measurement and recognition of expected credit losses*

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group and the Company in accordance with the contract and all the cash flows that the Group and the Company expects 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.

3. ACCOUNTING POLICIES (CONT'D)

(xvii) Financial instruments (Cont'd)

Financial assets (Cont'd)

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 it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial assets 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.

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 assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised 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.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss.

Derecognition of financial liabilities
The Group and the Company derecognise financial liabilities when, and only when, 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.

(xviii) Related parties

Parties are considered to be related to the Group and the Company if they have the ability directly or indirectly, to control the Company and/or or exercise significant influence over the Company in making financial and operating decisions, or where the Company is subject to common significant influence. Related parties may be individual or other entities.

3. ACCOUNTING POLICIES (CONT'D)

(xix) Stated capital

Ordinary shares are classified as equity.

(xx) Preference shares

Preference shares are classified as as equity.

(xxi) Dividend

The Company recognises a liability to pay dividend when the distribution is authorised by the shareholders. A corresponding amount is recognised directly in equity.

(xxii) Comparatives

Where applicable, comparative figures have been reclassified or regrouped to conform with the current year's presentation. There is neither any effect on the result for the year in the comparative statement of profit or loss and other comprehensive income nor on the assets and liabilities in the comparative statement of financial position.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's and the 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 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 and the Company'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 the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

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 discussed below.

Pension benefits

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

The Group's and the Company's actuary determines the appropriate discount rate at the end of each year in consultation with the management of the Group and the Company. This is the interest rate that should be used to determine the present value of estimated future cash outflows required to settle the retirement benefit obligations. In determining the appropriate discount rate, the Group and the Company consider the interest rates of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

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

Key sources of estimation uncertainty (Cont'd)

Pension benefits *(Cont'd)*

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 12.

Calculation of loss allowance

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.

Loss given default is an estimate of the loans arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive would expect to receive, taking account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Revaluation of property, plant and equipment

The Group carries land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. Land and buildings have been revalued as at June 30, 2024 by an external valuer. Revaluation includes various inputs which requires judgements and assumptions as disclosed in note 5.

Impairment of non- financial assets

Property, plant and equipment, intangible assets and Right-of-Use Assets, investments in subsidiaries are reviewed for impairment whenever there is an indication impairment. An impairment loss is recognised if the carrying amount of the asset exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). . Additional information is disclosed in Note 12.

Valuation of stock

Stock is valued at the lower of cost and net realisable value. Determining the realisable value involves a degree of judgment and is based on the most reliable evidence available at the time the estimates are made, of the amount the stock is expected to realise.

Impairment of Goodwill

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

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

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

	Note	Freehold land	Freehold buildings including improvements to buildings on leasehold land	Improvements to premises	Plant and machinery	Capital expenditure in progress	Electrical equipment & installation	Computer equipment & installation	Office furniture & fittings	Tools & equipment	Motor vehicles	Total
		Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST/VALUATION												
At 01 July 2022		138,850,000	169,155,973	11,753,424	8,400,642	108,491	15,135,917	17,133,208	15,307,528	17,219,496	20,653,805	388,095,498
Additions		-	-	141,000	-	599,729	723,418	1,204,735	242,020	450,572	583,634	3,945,108
Transfer from right of use assets	6	-	-	-	-	-	-	-	-	903,570	4,353,337	5,256,907
Disposals		-	-	-	-	-	-	-	-	-	(5,824,880)	(5,824,880)
Reclassification adjustment		-	-	-	-	(33,491)	-	-	-	-	33,491	-
At 30 June 2023		138,850,000	169,155,973	11,894,424	8,400,642	674,729	15,859,335	18,337,943	15,549,548	18,573,638	19,799,387	391,472,633
Additions		-	-	911,235	-	-	1,293,233	549,035	825,392	1,283,129	105,015	4,967,039
Revaluation adjustment		38,610,000	111,121,097	-	-	-	-	-	-	-	-	149,731,097
Disposals		-	-	-	-	-	-	-	-	-	(3,764,972)	(3,764,972)
Transfer from right of use assets	6	-	-	-	-	-	-	-	-	-	3,175,020	3,175,020
Transfer from assets in progress		-	-	-	-	(249,729)	-	-	-	-	-	(249,729)
At 30 June 2024		177,460,000	280,277,070	12,805,659	8,400,642	425,000	17,152,568	18,886,978	16,374,940	19,856,767	19,314,450	545,331,088
DEPRECIATION												
At 01 July 2022		-	31,904,715	6,224,728	7,821,471	-	11,409,774	15,360,365	12,940,648	15,966,179	20,653,805	96,658,699
Charge for the year		-	4,642,970	905,792	92,306	-	1,064,365	1,117,704	764,126	575,489	249,917	9,412,669
Transfer from right of use assets	6	-	-	-	-	-	-	-	-	903,570	4,353,337	5,256,907
Disposals		-	-	-	-	-	-	-	-	-	(5,759,593)	(5,759,593)
At 30 June 2023		-	36,547,685	7,130,520	7,913,777	-	12,474,139	16,478,069	13,704,774	17,445,238	19,497,466	105,568,682
Charge for the year		-	4,650,306	892,707	92,304	-	1,079,953	800,613	853,602	536,880	190,276	9,096,641
Revalution adjustment		-	76,923,141	-	-	-	-	-	-	-	-	76,923,141
Transfer from right of use assets	6	-	-	-	-	-	-	-	-	-	3,175,020	3,175,020
Disposals		-	-	-	-	-	-	-	-	-	(3,764,972)	(3,764,972)
At 30 June 2024		-	118,121,132	8,023,227	8,006,081	-	13,554,092	17,278,682	14,558,376	17,982,118	19,097,790	190,998,512
NET BOOK VALUE												
At 30 June 2024		**177,460,000**	**162,155,938**	**4,782,432**	**394,561**	**425,000**	**3,598,476**	**1,608,296**	**1,816,564**	**1,874,649**	**216,660**	**354,332,576**
At 30 June 2023		138,850,000	132,608,288	4,763,904	486,865	674,729	3,385,196	1,859,874	1,844,774	1,128,400	301,921	285,903,951

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

(b) THE COMPANY

	Note	Freehold land	Buildings including improvements on leasehold property	Improvement to premises	Plant and machinery	Capital expenditure in progress	Electrical equipment & installation	Computer equipment & installation	Office furniture & fittings	Tools & equipment	Motor vehicles	Total
		Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST/VALUATION												
At 01 July 2022		138,850,000	168,374,165	11,753,426	2,073,013	108,491	13,961,203	16,194,732	14,433,398	8,246,714	16,305,236	364,677,392
Additions		-	-	141,000	-	599,729	535,929	1,178,745	242,020	199,816	526,512	3,423,751
Transfer from right of use assets	6	-	-	-	-	-	-	-	-	903,570	4,353,337	5,256,907
Disposals		-	-	-	-	-	-	-	-	-	(4,823,278)	(4,823,278)
Transfer from assets in progress		-	-	-	-	(33,491)	-	-	-	-	33,491	-
At 30 June 2023		138,850,000	168,374,165	11,894,426	2,073,013	674,729	14,497,132	17,373,478	14,675,418	9,350,100	16,395,299	368,534,772
Additions		-	-	744,087	-	-	1,293,233	497,278	758,292	1,283,129	105,015	4,681,032
Revaluation adjustment		38,610,000	111,121,097	-		-	-	-	-	-	-	149,731,096
Transfer from right of use assets	6	-	-	-	-	-	-	-	-	-	3,175,020	3,175,020
Disposals		-	-	-	-	-	-	-	-	-	(2,767,419)	(2,767,419)
Transfer from assets in progress		-	-	-	-	(249,729)	-	-	-	-	-	(249,729)
At 30 June 2024		177,460,000	279,495,262	12,638,513	2,073,013	425,000	15,790,365	17,870,754	15,433,710	10,633,229	16,907,914	523,104,771
DEPRECIATION												
At 01 July 2022		-	31,321,298	6,224,728	1,908,655	-	10,529,599	14,467,760	12,234,534	7,785,865	15,994,408	74,843,861
Charge for the year		-	4,589,816	905,792	32,332	-	951,642	1,089,946	707,398	176,949	232,674	8,686,551
Disposals		-	-	-	-	-	-	-	-	-	(4,762,040)	(4,762,040)
Transfer from right of use assets	6	-	-	-	-	-	-	-	-	903,570	4,353,337	5,256,907
At 30 June 2023		-	35,911,114	7,130,520	1,940,987	-	11,481,241	15,557,706	12,941,932	8,866,384	15,818,379	84,025,279
Charge for the year		-	4,591,007	892,707	32,331	-	953,870	771,241	806,624	319,496	178,852	8,546,128
Disposals		-	-	-	-	-	-	-	-	-	(2,767,419)	(2,767,419)
Revaluation adjustment			76,923,141	-	-	-	-	-	-	-		76,923,141
Transfer from right of use assets	6	-	-	-	-		-	-	-	-	3,175,020	3,175,020
At 30 June 2024		-	117,425,262	8,023,227	1,973,318	-	12,435,111	16,328,947	13,748,555	9,185,880	16,404,834	169,902,149
NET BOOK VALUE												
At 30 June 2024		**177,460,000**	**162,070,000**	**4,615,286**	**99,695**	**425,000**	**3,355,254**	**1,541,808**	**1,685,155**	**1,447,349**	**503,080**	**353,202,623**
At 30 June 2023		138,850,000	132,463,051	4,763,906	132,024	674,729	3,015,891	1,815,771	1,733,486	483,716	576,919	284,509,493

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

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

(c) It is the group policy to revalue the land and buildings every three years. Revaluations are done more frequently if after the review of Directors, there is any indication that the carrying amount differs materially from its fair value. The Company's land was revalued on a sales comparison approach. Buildings were revalued on the depreciated replacement costs basis. The Group's and Company's land and buildings revalued amounts are based on revaluation performed as at June 30, 2024 by independent qualified valuers namely CDDS, Land Surveyor & Property Valuer.

(b) Property, plant and equipment for the Group and the Company have been pledged for bank overdraft and loan facilities.

(c) The valuation method is the open market value approach. The valuation consideration takes into account two broad valuation methodologies, namely the sales comparison approach and the depreciated replacement cost approach.

(d) Buildings: The cost approach used for revaluation of buildings reflects the cost to a market participant to construct assets of comparable utility and age and is adjusted for obsolescence and physical deterioration.

(e) For land, the sales comparison approach involves comparing sales prices of comparable land in close proximity.

(f) The revaluation surplus/deficit net of deferred income taxes was credited/charged to revaluation reserve in shareholders' equity.

If the land and building were stated on historial cost basis the amounts would have been as follows :

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs	Rs	**Rs**	Rs
Cost of land	**57,052,456**	57,052,456	**57,052,456**	57,052,456
Cost of buildings	**134,390,532**	134,390,532	**69,193,804**	69,193,804
Accumulated depreciation on buildings	**(14,149,733)**	(13,623,733)	**(13,558,533)**	(13,295,533)
Net book value	**177,293,255**	177,819,255	**112,687,727**	112,950,727

Fair value measurement

Details of the Group's and the Company's freehold land and buildings and information about the fair value hierarchy as at 30 June 2024 and 2023 are as follows:

	THE GROUP	
	Fair value at 30 June	
	2024	2023
	Rs	Rs
Freehold land (Level 2)	**177,460,000**	138,850,000
Buildings including improvements on leasehold property	**162,155,938**	132,608,288
	339,615,938	271,458,288

	THE COMPANY	
	Fair value at 30 June	
	2024	2023
	Rs	Rs
Freehold land (Level 2)	**177,460,000**	138,850,000
Buildings including improvements on leasehold property	**162,070,000**	132,463,051
Fair value of freehold land and buildings	**339,530,000**	271,313,051

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

	THE GROUP AND THE COMPANY
Price per square meter	Range (Rs)
Land	1,877- 21,384
Buildings	6,070- 46,910

Depreciation charge of Rs 9,096,641 (2023: Rs 9,412,669) has been charged to administrative expenses for the Group and Rs 8,546,128 (2023: Rs 8,686,551) has been charged to administrative expenses, for the Company.

Property, plant and equipment for the Group and the Company have been pledged for bank overdraft and loan facilities.

6. RIGHT-Of-USE ASSETS

The Group and the Company have lease contracts for buildings, plant and equipment and motor vehicles which contain lease components used in their operations. Buildings have lease terms between 1 and 5 years, plant and equipment have lease terms of 5 years, motor vehicles have lease terms of 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Set out below are the carrying amounts of right of use assets recognised and the movements during the year.

(a) **THE GROUP**

		Buildings	Tools & Equipment	Motor Vehicles	Total
		Rs	Rs	Rs	Rs
COST					
At 1 July 2022		14,753,985	903,570	16,279,089	31,936,644
Additions		961,701	-	2,174,691	3,136,392
Remeasurement of lease		6,734,750	-	-	6,734,750
Termination of lease		(695,379)	-	-	(695,379)
Transfer to property, plant and equipment	5	-	(903,570)	(4,353,337)	(5,256,907)
At 30 June 2023		**21,755,057**	**-**	**14,100,443**	**35,855,500**
Additions		**-**	**-**	**7,932,867**	**7,932,867**
Transfer to property, plant and equipment	5	-	-	**(3,175,020)**	**(3,175,020)**
At 30 June 2024		**21,755,057**	**-**	**18,858,291**	**40,613,347**
DEPRECIATION					
At 1 July 2022		10,527,977	842,311	11,370,766	22,741,054
Charge for the year		4,588,143	61,259	2,222,921	6,872,323
Transfer to property, plant and equipment		-	(903,570)	(4,353,337)	(5,256,907)
At 30 June 2023		**15,116,120**	**-**	**9,240,350**	**24,356,470**
Charge for the year		**4,239,851**	**-**	**2,767,410**	**7,007,261**
Transfer to property, plant and equipment	5	-	-	**(3,175,020)**	**(3,175,020)**
At 30 June 2024		**19,355,971**	**-**	**8,832,740**	**28,188,711**
CARRYING AMOUNT					
At 30 June 2024		**2,399,086**	**-**	**10,025,550**	**12,424,635**
At 30 June 2023		6,638,937	-	4,860,092	11,499,029

6. RIGHT-Of-USE ASSETS (CONT'D)

(b) THE COMPANY

		Buildings	Tools & Equipment	Motor Vehicles	Total
		Rs	Rs	Rs	Rs
COST					
At 1 July 2022		14,058,606	903,570	12,289,431	27,251,607
Acquisitions		-	-	1,443,706	1,443,706
Remeasurement of lease		6,734,750	-	-	6,734,750
Termination		-	(903,570)	(4,353,337)	(5,256,907)
At 30 June 2023		**20,793,356**	**-**	**9,379,800**	**30,173,157**
Acquisitions		**-**	**-**	**7,767,867**	**7,767,867**
Transfer to property, plant and equipment	5	**-**	**-**	**(3,175,020)**	**(3,175,020)**
At 30 June 2024		**20,793,356**	**-**	**13,972,648**	**34,766,003**
DEPRECIATION					
At 1 July 2022		10,367,694	842,311	8,467,220	19,677,225
Charge for the year		4,267,573	61,259	1,989,834	6,318,666
Transfer to property, plant and equipment	5	-	(903,570)	(4,353,337)	(5,256,907)
At 30 June 2023		**14,635,267**	**-**	**6,103,717**	**20,738,984**
Charge for the year		**3,919,282**	**-**	**2,373,791**	**6,293,073**
Transfer to property, plant and equipment	5	**-**	**-**	**(3,175,020)**	**(3,175,020)**
At 30 June 2024		**18,554,549**	**-**	**5,302,488**	**23,857,037**
CARRYING AMOUNT					
At 30 June 2024		**2,238,806**	**-**	**8,670,160**	**10,908,966**
At 30 June 2023		6,158,089	-	3,276,083	9,434,172

7. INTANGIBLE ASSETS

(a) THE GROUP

	Computer software
	Rs
COST	
At 1 July 2022	17,108,550
Acquisition	270,855
At 30 June 2023	**17,379,405**
Acquisition	**1,218,032**
At 30 June 2024	**18,597,437**
AMORTISATION	
At 1 July 2022	15,645,928
Charge for the year	618,173
At 30 June 2023	**16,264,101**
Charge for the year	**963,382**
At 30 June 2024	**17,227,483**
CARRYING AMOUNT	
At 30 June 2024	**1,369,954**
At 30 June 2023	1,115,304

7. INTANGIBLE ASSETS (CONT'D)

(b) **THE COMPANY**

	Computer software Rs
COST	
At 1 July 2022	16,625,888
Acquisitions	270,855
At 30 June 2023	**16,896,743**
Acquisitions	**1,218,032**
At 30 June 2024	**18,114,775**
AMORTISATION	
At 1 July 2022	15,201,403
Charge for the year	594,144
At 30 June 2023	**15,795,547**
Charge for the year	**949,273**
At 30 June 2024	**16,744,820**
CARRYING AMOUNT	
At 30 June 2024	**1,369,955**
At 30 June 2023	1,101,196

At the reporting date, the directors reviewed the carrying amount of intangible assets and are of the opinion that there has not been any objective evidence of impairment (2023: Rs nil).

Amortisation charge of Rs 963,382 (2023: Rs618,173) has been charged to administrative expenses for the Group and Rs 949,273 (2023: Rs 594,144) has been charged to administrative expenses, for the Company

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

8. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries	THE COMPANY	
	2024	2023
	Rs	Rs
Unquoted at		
As at 1 July	**22,910,000**	22,900,000
Additions	**10,000,000**	10,000
At 30 June	**32,910,000**	22,910,000

Details of investments in subsidiaries:

Company	Place of Business	Country of incorporation	Activity	Carrying amount		No of shares		Type of shares	Effective holding 2024 & 2023	
				2024	2023	**2024**	2023		Direct	Indirect
				Rs	Rs					
Sud Ocean Limited	None	Mauritius	Dormant	**-**	-	**4,998**	4,998	Ordinary shares	99.96%	-
Emcar Africa Ltd	Kenya	Kenya	Other professional technical activities	**10,000**	10,000	100	100	Ordinary shares	100.00%	-
Wingfoot Company Limited	Roche-Bois	Mauritius	Sale and retreading of tyres	**18,400,000**	8,400,000	10,459,404	10,459,404	Ordinary shares	100.00%	-
Maison de la Moto Ltee	Port-Louis	Mauritius	Sale of motor cycles and accessories	**14,500,000**	14,500,000	300	300	Ordinary shares	100.00%	-
				32,910,000	22,910,000	**10,464,802**	10,464,802			

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

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

At 30 June 2021, the Group had recognised loss in respect of investment in Wingfoot Co Ltd of Rs 3.6 million due to recoverable amounts being lower than the carrying value.

Investments in subsidiaries are stated at cost less impairment.

The directors have examined the carrying value of the investments in Wingfoot Company Limited and Maison de la Moto Ltee. They have concluded that, there is no identifiable evidence suggesting a need for additional impairment to the recorded value of these investments. (2023: Rs nil)

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

FOR THE GROUP AND THE COMPANY

Details of investments at fair value through profit or loss:

Company	Activity	Carrying amount		No of shares		Type of shares	Effective holding	
		2024	2023	2024	2023		Direct	Indirect
Unquoted		Rs	Rs	Rs	Rs			
Investment in Ariva Ltee	Logistic provider	12,685,498	11,918,580	17,166	11,418	Ordinary shares	12.01%	-
		12,685,498	11,918,580	17,166	11,418			

The investment in Ariva Ltée measured and reported at fair value are classified and disclosed in of the following categories:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observation market data (unobservable inputs).

There has been no movements among the levels during the year.

(i) *At fair value through profit or loss*

	THE GROUP AND THE COMPANY			
	Level 3	2024	Level 3	2023
	Rs	Rs		Rs
At 1 July	11,918,580	11,918,580	1,215,001	1,215,001
Additions	766,918	766,918	-	-
Disposal	-	-	(1,029,109)	(1,029,109)
Change in fair value recognised in Profit and Loss	-	-	11,732,688	11,732,688
At 1 July and 30 June	12,685,498	12,685,498	11,918,580	11,918,580

The fair value of the investment in financial assets is derived using the last transaction price on the acquisition of the investment. Given the time period between the transaction date and the year-end, the directors have considered the last transaction price of the investment to be a reliable measure of fair value as at 30 June 2024.

10. GOODWILL

	THE GROUP	
	2024	2023
Carrying value	Rs	Rs
At 30 June	3,184,301	3,184,301

Goodwill is allocated to the cash generating units (CGUs), Maison de la Moto Ltée. The goodwill associated with Maison de la Moto Ltée arose when that business was acquired by the Group on 01 February 2013 .

10. GOODWILL (CONT'D)

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired. In such case, the recoverable amount of a CGU is determined based on value in use calculations. These calculations use 5 year cashflow projections based on financial budgets approved by management. The main assumptions used in arriving the recoverable amount are as follows

	2024	2023
Discount rate	10%	10%
Sales growth rate	8%- 10%	8%- 10%

The business has continued to operate on a satifactory basis and the directors have reviewed the carrying amount of goodwill and are of the opinion that it has not been impaired and there is no indication of impairment on the reporting date.

11. TAXATION

(a) **Income tax**

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Tax liability - current year	9,067,310	1,299,992	7,912,583	13,539
Corporate social responsibility	181,772	153,994	10,244	-
	9,249,082	1,453,986	7,922,827	13,539
Deferred tax movement	(225,325)	(924,368)	(619,794)	2,295,721
Charge to statement of profit or loss	9,023,757	529,618	7,303,033	2,309,260

Provision for income tax has been calculated at the rates of 15% (2023: 15%) for the Group and the Company on the profit for the year as adjusted for income tax purposes.

(b) **Tax liability/(asset)**

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Tax payable	2,798,949	372,074	2,509,507	-
Tax receivable	-	(270,463)	-	(270,463)
Net tax at 30 June	2,798,949	101,611	2,509,507	(270,463)

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
At 1 July	101,611	56,313	(270,463)	(240,369)
Tax provision for the current year	9,067,310	1,299,992	7,912,583	13,539
CSR/TDS provision	(321,085)	(130,008)	(492,612)	(284,002)
Tax (paid)/refund	(169,785)	240,369	207,172	240,369
APS tax paid	(5,784,273)	(1,365,055)	(4,847,173)	-
CSR paid	(96,483)	-	-	-
Under provision of tax	1,654	-	-	-
At 30 June	2,798,949	101,611	2,509,507	(270,463)

(c) **Deferred tax (asset)/liability**

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Deferred tax liability	7,508,564	2,662,569	7,508,564	2,662,569
Deferred tax asset	(2,902,530)	(3,166,535)	-	-
Net deferred tax at 30 June	4,606,034	(503,966)	7,508,564	2,662,569

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

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Balance at 1 July	(503,966)	772,301	2,662,569	778,319
Amounts recognised in the statements of profit or loss	(225,326)	(924,368)	(619,794)	2,295,721
Amounts recognised in OCI- revalaution of Land and	5,813,652	-	5,813,652	-
Amounts recognised in OCI - RBO	(478,328)	(351,899)	(347,863)	(411,471)
	5,109,998	(1,276,267)	4,845,995	1,884,250
At 30 June	4,606,033	(503,966)	7,508,564	2,662,569

11. TAXATION (CONT'D)

(c) **Deferred tax (asset)/ liability (cont'd)**

Disclosed as follows:	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Capital allowance	12,836,212	13,681,023	12,690,831	13,445,729
Provision for expected credit losses	(920,125)	(610,443)	(903,923)	(572,775)
Retirement Benefit obligation	(10,461,311)	(10,339,821)	(10,330,846)	(10,210,386)
Right of Use Assets	1,854,524	-	1,854,524	-
Lease liabilities	(1,615,674)	-	(1,615,674)	-
Revaluation of Land and building	5,813,652	-	5,813,652	-
Tax loss	(2,901,244)	(3,234,725)	-	-
	4,606,034	(503,966)	7,508,564	2,662,568

The Company is required to set up a Corporate Social Responsibility ("CSR") fund equivalent to 2% of its chargeable income of the preceeding year to implement a CSR programme in accordance with its own CSR framework. Where the amount paid out of the CSR fund is less than the amount provided under the fund, the difference shall be remitted to the Director-General of the MRA at the time of submission of the income tax return for the year under review.

(d) **Tax reconciliation**

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Profit before tax	51,002,907	32,563,391	49,547,416	28,128,474
Applicable tax rate 17% (2023: 17%)	8,670,494	5,232,326	8,423,061	4,478,391
Tax effects of:				
- Non allowable expenses	6,287,669	7,261,356	4,171,141	5,793,694
- Non-taxable income	(5,728,653)	(7,325,948)	(5,034,766)	(6,352,884)
- CSR adjustment	48,996	(7,775)	-	-
- Tax losses utilised	-	(6,926,550)	-	(3,903,857)
- (Over)/under provision - deferred tax	(256,403)	2,295,721	(256,403)	2,295,721
- Over/(under) provision - income tax	1,654	488	-	(1,805)
	9,023,757	529,618	7,303,033	2,309,260

12. RETIREMENT BENEFIT OBLIGATIONS

Amounts recognised in the Statements of financial position:

		THE GROUP		THE COMPANY	
		2024	2023	2024	2023
		Rs	Rs	Rs	Rs
(a)	Defined benefit pension plan	56,554,197	56,020,388	56,231,186	55,961,004
(b)	Other retirement benefits	5,978,967	2,381,667	4,538,499	1,679,671
		62,533,164	58,402,055	60,769,685	57,640,675

(a) Defined benefit pension plan

The pension plan is a final salary defined plan and is wholly funded. The assets of the funded plan are held independently and administered by The Swan Life Ltd.

General description of the plan

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

Sensitivity analysis

The sensitivity analyses 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.

12. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined benefit pension plan (cont'd)

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs	Rs	**Rs**	Rs
Total market value of assets	**20,392,305**	17,595,904	**16,227,858**	13,681,857
Present value of obligation	**(76,946,503)**	(73,616,293)	**(72,459,044)**	(69,642,861)
Net liability at 30 June	**(56,554,197)**	(56,020,389)	**56,231,186**	(55,961,004)

Change in defined benefit obligation

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs	Rs	**Rs**	Rs
Present value of defined benefit obligation at 1 July	**(73,616,293)**	(76,881,092)	**(69,642,861)**	(72,770,705)
Current service cost	**(1,794,333)**	(1,969,511)	**(1,730,585)**	(1,897,267)
Interest cost	**(3,862,867)**	(2,888,095)	**(3,640,355)**	(2,703,765)
Benefits paid	**1,938,863**	10,484,314	**1,938,863**	10,455,690
Actuarial losses	**388,127**	(2,361,909)	**615,894**	(2,726,814)
Present value of obligation at 30 June	**(76,946,503)**	(73,616,293)	**(72,459,044)**	(69,642,861)

Change in plan assets

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs	Rs	**Rs**	Rs
Fair value of plan assets at 1 July	**17,595,904**	24,118,169	**13,681,857**	21,025,101
Actuarial gains	**131,036**	547,644	**95,864**	478,718
Interest Income	**988,191**	825,304	**769,111**	672,775
Employer contributions	**4,000,000**	2,589,102	**4,000,000**	1,960,954
Scheme expenses	**(152,492)**	(67,153)	**(152,392)**	(67,153)
Cost of insuring risk benefits	**(227,720)**	(277,215)	**(227,720)**	(277,215)
Actuarial gains	**(3,752)**	-	**-**	-
Benefits paid	**(1,938,862)**	(10,139,946)	**(1,938,863)**	(10,111,322)
Fair value of plan assets at 30 June	**20,392,305**	17,595,904	**16,227,857**	13,681,857

Expected return on assets

The assets of the plan are invested in Swan Life's deposit administration fund. The latter is expected to produce a smooth progression of return from one year to the next. The breakdown of the assets above corresponds to a notional allocation of the underlying investments based on the long term strategy of the fund.

As the fund is expected to produce a smooth return, a fairly reasonable indication of future returns can be obtained by looking at historical ones. Therefore, the long term expected return on asset assumption has been based on historical performance of the fund.

In terms of the individual expected returns, the expected return on equity has been based on an equity risk premium above a risk free rate. The risk free rate has been measured in accordance to the yields on government at the measurement date.

The fixed interest portfolio includes government bonds, debentures, mortgages and cash. The expected return for this asset class has been based on yields of government bonds at the measurement date.

The pension plans typically expose the Group and the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

12. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined benefit pension plan (cont'd)

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.
Interest risk	If the Bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.
Longevity risk	The liabilities disclosed are based on the mortality tables A 67/70 and PA(92). Should the experience of the pension plans be less favourable than the standard mortality tables, the liabilities will increase.
Salary risk	If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

THE GROUP	2024 Rs	2023 Rs
Present value of funded defined benefit obligation	**(76,946,502)**	(73,616,292)
Fair value of plan assets	**20,392,304**	17,595,904
Net liability arising from defined benefit obligation	**(56,554,198)**	(56,020,388)

THE COMPANY	2024 Rs	2023 Rs
Present value of funded defined benefit obligation	**(72,459,044)**	(69,642,861)
Fair value of plan assets	**16,227,857**	13,681,857
Net liability arising from defined benefit obligation	**(56,231,187)**	(55,961,004)

Amounts recognised in the statements of profit or loss:

	THE GROUP		THE COMPANY	
	2024 Rs	2023 Rs	2024 Rs	2023 Rs
Current service cost	**1,741,426**	1,563,740	**1,730,585**	1,552,899
Scheme expenses	**191,454**	106,216	**152,391**	67,153
Cost of insuring risk benefits	**230,924**	280,419	**227,720**	277,215
Interest cost	**3,787,576**	2,850,986	**3,640,355**	2,703,765
Interest Income	**(878,123)**	(781,787)	**(769,111)**	(672,775)
Total included in staff cost (Note 22)	**5,073,257**	4,019,574	**4,981,940**	3,928,257

Amounts recognised in other comprehensive income:

	THE GROUP		THE COMPANY	
	2024 Rs	2023 Rs	2024 Rs	2023 Rs
Experience losses on plan liabilities	**2,738,011**	(8,269,626)	**2,669,085**	(8,338,552)
Experience gains on plan assets	**(27,050)**	355,804	**95,864**	478,718
Changes in assumptions underlying the present value of the scheme	**(2,191,798)**	6,099,558	**(2,053,191)**	5,611,738
	519,163	(1,814,264)	**711,758**	(2,248,096)

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

12. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) *Defined benefit pension plan (Cont'd)*

Future cash flows

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs	Rs	**Rs**	Rs
Weighted average duration of the defined benefit obligation	**6-9 Years**	6-9 Years	**6 Years**	6 Years

	THE GROUP		THE COMPANY	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
Expected employer contribution for the next year (Rs 000)	**1,870**	2,148	**1,070**	1,500

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs	Rs	**Rs**	Rs
At 1 July	**(56,000,104)**	(52,843,843)	**(55,961,004)**	(51,745,604)
Amount recognised in profit or loss	**(5,073,257)**	(3,931,099)	**(4,981,940)**	(3,928,257)
Amount recognised in other comprehensive	**519,163**	(1,814,264)	**711,758**	(2,248,096)
Employer Contributions	**4,000,000**	2,589,102	**4,000,000**	1,960,954
At 30 June	**(56,554,198)**	(56,000,104)	**(56,231,186)**	(55,961,004)

The principal actuarial assumptions used were:

	THE GROUP AND THE COMPANY	
	2024	2023
	%	%
Discount rate	**4.80**	4.0-4.5
Future long-term salary increases	**3.20**	3.20
Future expected pension increases	**Swan current**	Swan current
Post retirement mortality tables	**Annuity Rate**	Annuity Rate

No allowance has been made for early retirement on the grounds of ill health or otherwise, or for late

Sensitivity analysis on the defined benefit plan at 30 June 2024:
Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	THE GROUP	**THE COMPAN**
Discount rate	Rs	Rs
Increase due to 1% decrease in discount rate	4,840,929	4,526,566
Decrease due to 1% increase in discount rate	(4,267,791)	(3,979,871)
Increase in due to 1% increase in Future long-term Salary assumption	4,691,154	4,527,174
Decrease in due to 1% decrease in Future long-term Salary assumption	(4,178,820)	(4,039,367)

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

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

The above figures are based on actuarial valuation carried out by Swan Ltd.

12. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other retirement benefits

Other post retirement benefits comprise retirement gratuities payable under the Workers' Rights Act 2019.

Change in post retirement benefits:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs	Rs	**Rs**	Rs
Present value of defined benefit obligation at 1 July	**(2,381,667)**	(1,869,920)	**(1,679,671)**	(1,372,406)
Current service cost	**(462,824)**	(377,969)	**(339,212)**	(281,271)
Interest cost	**(126,621)**	(91,531)	**(86,607)**	(67,153)
Acturial losses	**(3,332,855)**	(255,730)	**(2,758,009)**	(172,324)
Benefits paid	**325,000**	213,483	**325,000**	213,483
Present value of defined benefit obligations at 30 June	**(5,978,967)**	(2,381,667)	**(4,538,499)**	(1,679,671)

Amounts recognised in the statements of profit or loss:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs	Rs	**Rs**	Rs
Current service cost	**462,824**	377,969	**339,212**	281,271
Interest cost	**126,621**	91,531	**86,607**	67,153
Total included in staff cost (Note 22)	**589,445**	469,500	**425,819**	348,424

Amounts recognised in other comprehensive income:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs	Rs	**Rs**	Rs
Experience losses/(gains) on liabilities	**2,845,166**	(479,610)	**2,367,764**	(277,216)
Changes in assumptions underlying the present value of the scheme	**487,689**	223,879	**390,245**	104,891
	3,332,855	(255,731)	**2,758,009**	(172,325)

Movement in the liability recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs	Rs	**Rs**	Rs
At 1 July	**(2,381,667)**	(1,869,920)	**(1,679,671)**	(1,372,406)
Amount recognised in profit or loss	**(589,445)**	(469,500)	**(425,819)**	(348,424)
Amount recognised in other comprehensive income	**(3,332,855)**	(255,730)	**(2,758,009)**	(172,325)
Employer Contributions and benefit payments	**325,000**	213,483	**325,000**	213,483
At 30 June	**(5,978,967)**	(2,381,667)	**(4,538,499)**	(1,679,671)

The calculation of gratuity on retirement as at 30 June 2024 has been performed by an independent actuary, namely Swan Actuarial Services Ltd, based on the following assumptions:

	2024	**2023**
	%	%
Discount rate	**5.40%**	5.3-5.7%
Future Long-term salary increase	**3.20**	3.20

12. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) *Other retirement benefits (cont'd)*

Sensitivity analysis on defined benefit obligation at end of period :

	THE GROUP	THE COMPAN
Discount rate	Rs	Rs
Increase due to 1% decrease in discount rate	1,719,605	1,496,613
Decrease due to 1% increase in discount rate	(1,395,901)	(1,209,139)
Future long-term Salary assumption		
Increase due to 1% decrease in future long-term Salary assumption	1,715,694	1,501,445
Increase due to 1% decrease in future long-term Salary assumption	(1,408,899)	(1,223,531)

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

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
(c) *Defined contribution pension plan*				
Contribution paid	**4,000,000**	2,589,102	**4,000,000**	1,960,954
(d) *State pension plan*				
National Pension Scheme Contributions	**3,140,955**	2,873,785	**2,852,162**	2,600,973

13. INVENTORIES

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
At cost or NRV:				
Raw materials	**4,460,482**	7,815,530	**-**	-
Stock in trade	**9,808,527**	8,599,998	**-**	-
Spare parts	**34,630,804**	39,269,772	**32,807,504**	36,413,570
Finished goods	**122,451,158**	120,772,209	**112,774,848**	111,705,802
Goods in transit	**22,637,612**	25,325,252	**12,888,472**	20,859,320
	193,988,583	201,782,761	**158,470,824**	168,978,692
Provision for slow moving inventories	**(5,057,783)**	(5,071,036)	**(4,736,436)**	(4,779,950)
	188,930,800	196,711,725	**153,734,388**	164,198,742

Inventories are pledged in favour of banking facilities granted to the Group.

The cost of inventories recognised as an expense for the Group and the Company amounts to Rs 424,357,392 (2023: Rs 352,710,561) and Rs 347,483,805 (2023: Rs 281,602,682) respectively. There has been write down in cost of inventories with respect to obsolete inventory in the current year for the Group and Company amounting to Rs 4,681,092 (2023: Rs 5,504,682) and Rs 3,856,398 (2023: Rs 4,679,988) respectively. Also, an amount of Rs 5,093,659 (2023: Rs 5,050,918) for the Group and Rs 3,899,912 (Rs 4,807,738) for the Company has been written off at year end.

14. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Trade receivables	**79,359,570**	69,158,474	**49,292,288**	49,418,617
Less: Allowance for expected credit loss	**(5,676,727)**	(3,620,688)	**(5,317,193)**	(3,369,262)
	73,682,843	65,537,786	**43,975,095**	46,049,355
Other receivables and prepayments	**65,589,885**	34,647,845	**64,805,181**	32,893,263
	139,272,727	100,185,631	**108,780,275**	78,942,618

14. TRADE AND OTHER RECEIVABLES

(i) Trade receivables for the company include an amount of Rs 346,764 (2023: Rs 4,040,322) due by subsidiaries.

The average credit period on sales of goods is 30 days. A loss allowance is calculated as per IFRS 9 ECL model. No interest is charged on the trade receivables other than those due by subsidiaries.

Included in the Group's and Company's trade receivables balances are debtors with a carrying amount of Rs 25,490,202 and Rs 13,038,469 respectively (2023: Rs 24,854,726 and Rs 18,832,109 respectively) which are past due at the reporting date for which the Group and Company has not provided as there has not been a significant change in credit quality and the amounts are still considered as fully recoverable. The Group and the Company does not hold any collateral over these balances.

Ageing of past due but not impaired

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs	Rs	**Rs**	Rs
31-60 days	**11,173,798**	8,286,363	**3,758,496**	5,847,333
60-90 days	**3,399,636**	4,618,554	**623,300**	3,030,737
90-120 days	**3,013,463**	3,542,454	**1,045,587**	2,681,063
>120 days	**7,903,305**	8,407,355	**7,616,086**	7,272,976
	25,490,202	24,854,726	**13,043,469**	18,832,109

The Group and the Company measure the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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	**Collectively assessed**	**Individually assessed**	**Total**
	Rs	**Rs**	**Rs**
At 1 July 2022	158,075	(9,891)	148,184
Increase in loss allowance	215,558	3,008,024	3,223,582
At 30 June 2023	**375,325**	**3,245,363**	**3,620,688**
Increase in loss allowance	**195,638**	**1,860,401**	**2,056,039**
At 30 June 2024	**570,963**	**5,105,764**	**5,676,727**

THE COMPANY	**Collectively assessed**	**Individually assessed**	**Total**
	Rs	**Rs**	**Rs**
At 1 July 2022	133,600	-	27,200
Increase in loss allowance	189,677	3,045,985	3,235,662
At 30 June 2023	**323,277**	**3,045,985**	**3,369,262**
Increase in loss allowance	**136,732**	**1,811,199**	**1,947,931**
At 30 June 2024	**460,009**	**4,857,184**	**5,317,193**

Movement in the provision for expected credit loss:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs	Rs	**Rs**	Rs
At 1 July	**(3,620,688)**	(178,703)	**(3,369,262)**	(133,600)
year	**(2,268,042)**	(4,250,524)	**(2,159,934)**	(4,044,201)
Bad debts written off against provision	**212,003**	808,539	**212,003**	808,539
At 30 June	**(5,676,727)**	(3,620,688)	**(5,317,193)**	(3,369,262)

14. TRADE AND OTHER RECEIVABLES (CONT'D)

In determining the recoverability of a trade receivable, the Group and Company consider any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

At the reporting date, the directors have assessed the loss allowance as per ECL model. Further to the assessment, the directors are of the opinion that a loss allowance of Rs 5,676,727 and Rs 5,317,193 are required for the Group and the Company respectively (2023: Rs 3,620,688 and Rs 3,369,262).

At the date of authorisation of these financial statements, 90% in value of the trade receivables have already been settled. Accordingly, the directors believe that there is no further credit provision required in excess of the provision for ECL.

	THE GROUP						
	Current	<30 days	31-60 days	61-90 days	91-365 days	>365 days	Total
30 June 2024	%	%	%	%	%	%	%
Expected loss rate	-	0.40%	0.38%	0.25%	40.40%	3.84%	7.15%
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Trade receivables	29,655,970	23,471,178	9,225,425	6,090,229	3,013,463	7,903,305	79,359,569
Expected loss	-	92,884	35,494	14,986	1,217,387	4,315,976	5,676,727

	THE GROUP						
	Current	<30 days	31-60 days	61-90 days	91-365 days	>365 days	Total
30 June 2023	%	%	%	%	%	%	%
Expected loss rate	-	0.13%	0.45%	0.59%	1.07%	3.84%	0.32%
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Trade receivables	23,361,290	14,690,112	10,782,941	7,966,080	9,496,887	2,861,164	69,158,473
Expected loss allowance	-	24,002	64,230	42,129	1,892,049	1,598,278	3,620,688

	THE COMPANY						
	Current	<30 days	31-60 days	61-90 days	91-365 days	>365 days	Total
30 June 2024	%	%	%	%	%	%	%
Expected loss rate	-	0.14%	0.35%	0.39%	0.48%	0.54%	1.90%
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Trade receivables	19,923,088	16,325,731	3,758,496	623,300	1,045,587	7,616,086	49,292,288
Expected loss	-	75,137	13,029	2,446	1,204,999	4,021,582	5,317,193

	THE COMPANY						
	Current	<30 days	31-60 days	61-90 days	91-365 days	>365 days	Total
30 June 2023	%	%	%	%	%	%	%
Expected loss rate	-	0.11%	0.75%	1.09%	1.99%	27.78%	1.95%
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Trade receivables	21,226,524	9,394,221	5,847,598	3,030,737	7,285,695	2,633,843	49,418,617
Expected loss allowance	-	10,138	43,981	33,165	1,876,753	1,405,225	3,369,262

(ii) Other receivables

Other receivables are repayable on demand, unsecured and interest free. No ECL provision has been recognised in respect of these amounts, as the amounts are not material.

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
Prepayments	**53,569,664**	28,783,527	**52,828,620**	27,132,913
Sundry debtors and prepayments	**4,536,062**	1,984,897	**4,536,062**	1,984,897
Other receivables	**7,123,261**	3,520,522	**7,079,601**	3,416,554
Deposits	**360,898**	358,899	**360,898**	358,899
	65,589,885	34,647,845	**64,805,181**	32,893,263

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

15. STATED CAPITAL

	THE GROUP AND THE COMPANY	
	2024	2023
	Rs	Rs
Issued and fully paid		
1,700,000 ordinary shares of Rs10 each	17,000,000	17,000,000

Each share confers to its holder the following rights:
(a) the right to vote on poll for every share held at a meeting of the Company on any resolution; and
(b) the right to an equal share in dividends authorised by the Board.

16. LOANS

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
Loans repayable by instalments, the last of which falls due	Rs	Rs	Rs	Rs
- Within one year				
Secured loans	60,013,432	68,622,377	50,863,898	54,649,592
Unsecured loans	591,128	564,633	591,128	564,633
	60,604,560	69,187,010	51,455,026	55,214,225
- Within two to five years				
Secured loan	32,449,690	52,598,212	32,449,690	52,598,212
	93,054,251	121,785,222	83,904,716	107,812,437

The bank loans are secured by floating charges totalling Rs. 205,200,000 on the assets of the Group and Company and bear interest rate at 1.5 % (2023: 1.5 %) for short term loan, 8.5 % (2023: 8.5 %) for medium term, and 8.25 % (2023: 8.25 %) for long term loan.The unsecured loan is interest free and has no fixed term of repayment.

Loans are denominated in Mauritian rupees.

17. LEASE LIABILITIES

The Group have leases on buildings and motor vehicles used in its operations. The buildings have a lease term between 1 - 5 years and the motor vehicles have a lease term of 5 years. The Groups's obligations under its leases are secured by the lessor's title to the leased assets.

(a) **Disclosure required by IFRS 16**

	THE GROUP		THE COMPANY	
The Group	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
At 1 July	11,828,270	9,315,083	9,862,832	7,476,474
Additions for the year	5,812,935	8,791,735	5,701,363	8,060,751
Interest expense	673,734	799,066	452,569	544,097
Proceeds	-	1,699,463	-	1,699,463
Lease payment	(7,361,807)	(8,777,077)	(6,512,798)	(7,917,953)
At 30 June	10,953,132	11,828,270	9,503,966	9,862,832
Analysed as:				
Non-current	6,715,590	3,287,059	5,631,659	1,798,202
Current	4,237,542	8,541,211	3,872,308	8,064,629
	10,953,132	11,828,270	9,503,966	9,862,831
Analysed as:				
Motor vehicles	8,554,046	6,158,089	7,058,027	3,275,276
Buildings	2,399,086	5,670,181	2,445,939	6,587,555
	10,953,132	11,828,270	9,503,966	9,862,831
Maturity analysis				
Year 1	4,237,542	8,595,026	3,872,308	8,118,444
Year 2	4,089,743	1,349,173	2,880,404	696,704
Year 3	991,468	898,242	1,135,032	506,905
Year 4	988,422	740,377	952,963	349,040
Year 5	645,957	245,452	663,260	191,738
	10,953,132	11,828,270	9,503,966	9,862,831
	10,953,132	11,828,270	9,503,966	9,862,831

The incremental rate of borrowings used for computation of the present value of the lease obligations were as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
Motor Vehicles	6.6-8.75	6.6-8.75	6.6-8.75	6.6-8.75
Buildings	7.75	6.10	7.75	6.10

18. BANK OVERDRAFTS

The bank overdrafts are secured by floating charges on the assets of the Group and Company bear interest at the rate of 6.6% - 8.75% p.a. (2023: 6.6% -8.75% p.a.)

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

19. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Trade payables	31,207,021	30,445,794	25,254,907	16,756,889
Provisions	22,028,242	14,766,068	15,148,242	14,766,068
Advance from customers	40,533,981	29,253,268	40,533,981	29,253,268
Other payables and accruals	11,157,233	6,559,436	8,926,871	5,456,366
Amount due to group companies	-	-	10,000	-
	104,926,477	81,024,566	89,874,001	66,232,591

Trade payables include an amount of Rs 9,768 (2023: 1,079,335) due to subsidiaries, Wingfoot Company Limited and Maison De La Moto Ltee. The carrying amounts of trade and other payables approximate their fair values and bear no interest.

20. DIVIDEND

	THE GROUP AND THE COMPANY	
	2024	2023
	Rs	Rs
At 1 July	6,970,000	-
Proposed during the year :		
Ordinary shareholders	5,000,000	3,400,000
Preference shareholders (note 25)	1,785,000	3,570,000
Dividend paid during the year	(6,970,000)	-
At 30 June	6,785,000	6,970,000

By written resolution dated 30 June 2024,the directors declared a final dividend of Rs 2.94 (2023 Rs 2.00) per share for ordinary shareholders in respect of the year ended 30 June 2024. The Company had a dividend payable of Rs 5 million at 30 June 2024 (2023: Rs 3.4 m).

21. TURNOVER

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Sales of goods	655,761,893	524,525,453	550,444,520	431,352,231
Rendering of services	20,533,882	31,179,570	20,533,882	23,823,207
	676,295,775	555,705,023	570,978,402	455,175,438

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
Timing of revenue recognition	Rs	Rs	Rs	Rs
At a point in time	676,295,775	555,705,023	570,978,402	455,175,438

22. PROFIT FROM OPERATIONS

This is arrived at after charging:-

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Distribution costs	13,547,682	14,912,359	12,263,738	12,961,175
Administrative expenses	155,940,166	137,713,266	145,726,907	128,369,638
Provision for expected credit losses	2,268,042	4,250,524	2,159,934	4,044,201
Direct expenses	26,480,501	24,948,170	30,279,695	21,704,076
Included in administrative expenses are:				
Depreciation of property, plant and equipment	9,096,641	9,412,669	8,546,128	8,686,551
Depreciation of Right of use assets	7,007,261	6,872,323	6,293,073	6,318,666
Amortisation on intangible assets	963,382	618,173	949,273	594,144
Staff costs	92,870,418	81,628,517	87,635,692	77,554,039
Cost of sales	424,357,392	352,710,561	347,483,805	281,602,682

The cost of sales as disclosed in the statements of profit or loss and other comprehensive income represents the cost of inventories recognised as an expense during the year.

Staff costs				
Wages and Salaries	85,290,260	76,387,225	79,997,017	71,965,426
Social security costs	1,917,456	752,218	2,230,916	1,311,932
Pension cost- Defined benefit pension plan	5,073,257	4,019,574	4,981,940	3,928,257
Pension cost- Other retirement benefits	589,445	469,500	425,819	348,424
	92,870,418	81,628,517	87,635,692	77,554,039

23. OTHER INCOME

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Interest receivable	-	-	89,014	166,783
Management fees receivable	-	-	1,560,000	960,000
Gain on exchange	193,662	14,251	-	-
Profit on disposal of plant and equipment	1,060,870	1,437,975	1,060,870	1,144,415
Shipping income	7,568,287	3,911,535	7,568,287	3,672,833
Gain on fair value of investment	-	11,732,688	-	11,732,688
Dividend received	3,323,391	-	9,823,391	6,500,000
Others	3,875,012	2,956,376	6,978,226	3,876,186
	16,021,222	20,052,825	27,079,787	28,052,905

24. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Interest on loans	4,114,732	5,035,797	4,114,732	5,035,796
Interest on bank overdrafts and other loans	7,782,655	7,130,239	5,734,699	4,882,404
Interest on import loan	1,227,314	321,450	1,227,314	321,450
Interest on lease liabilities	673,734	799,066	452,569	544,097
	13,798,435	13,286,551	11,529,314	10,783,747

25. NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES

	THE GROUP AND THE COMPANY	
	2024	2023
	Rs	Rs
4,250,000 non-convertible redeemable preference shares of Rs10 each	42,500,000	42,500,000

The Company has authorised, issued and fully paid 4,250,000 non-convertible redeemable preference shares of Rs10 each, classified as equity. The preference shareholder shall receive an annual preference dividend of Rs0.420 per preference share for the first ten years and an annual preference dividend of Rs0.5 thereafter at the discretion of the board. If the Group fails to pay a preference dividend, that amount will be an arrear preference dividend and shall accumulate and remain payable in full. The preference shareholders has the right to participate in any distribution of the assets or capital of the Company on a 'pari passu' basis with ordinary shares. The shares are redeemable (a) at the option of the Company at any time; or (b) at the option of the preference shareholder at any time after the 10th anniversary of the issue date of 25 June 2021 but subject to the approval of the Board. The shares cannot be converted into Ordinary Shares of the Company.

26. CONTINGENT LIABILITIES

There are contingent liabilities not provided for in these financial statements in respect of:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Bank guarantees in favour of third parties	3,443,650	4,823,459	3,443,650	4,823,459
	3,443,650	4,823,459	3,443,650	4,823,459

The directors consider that no liabilities will arise as the probability for default in respect of the guarantees is remote.

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27. RELATED PARTY TRANSACTIONS

		THE COMPANY	
		2024	2023
		Rs	Rs
(i)	Sales of goods:		
	- Subsidiaries	**957,914**	1,074,869
	Management services		
	- Subsidiaries	**1,560,000**	960,000
	Rental income		
	- Subsidiaries	**2,812,080**	1,959,952
	Assembling fees		
	- Subsidiaries	**1,003,670**	395,000
	Retirement benefit obligation**		
	- Subsidiaries	**78,852**	78,852

*The RBO is transferred from Maison de la Moto Ltee, the subsidiary entity, as the Company pays and accounts for RBO on behalf of the subsidiary.

(ii)	Purchases of goods		
	- Subsidiaries	**6,595,907**	6,181,630
(iii)	Outstanding balances:		
	(a) Due by related companies		
	- Amount due from subsidiaries	**74,782**	4,040,322
	- Loan to subsidiaries	**112,148**	2,605,323
		186,930	6,645,645
	(b) Due to related companies		
	- Subsidiaries	**9,768**	1,079,335

The loan to subsidiaries are unsecured, interest free and has no fixed repayment terms.

Amounts due to/ from subsidiaries are unsecured, bear interest at 6.75% p.a. (2023: 6.6 - 6.75% p.a.) and have no fixed repayment terms.

		THE GROUP AND THE COMPANY	
		2024	2023
		Rs	Rs
(iv)	Compensation to key management personnel		
	- Short term benefits	**4,312,100**	3,743,567

28. FINANCIAL INSTRUMENTS

Gearing ratio

The gearing ratio at the year end was as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Debt (i)	**187,412,733**	222,124,456	**164,417,999**	194,239,769
Cash and cash equivalents	**(17,988,988)**	(18,874,237)	**(16,170,938)**	(9,109,752)
Net debt	**169,423,745**	203,250,219	**148,247,061**	185,130,017
Equity	**361,127,124**	261,274,035	**358,010,034**	257,254,735
Net debt to equity ratio	**46.92%**	77.79%	**41.41%**	71.96%

(i) Debt is defined as long and short term borrowings.
(ii) Equity includes all capital and reserves.

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.

Categories of financial instruments

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Financial assets at amortised cost				
Trade and other receivables	**81,908,044**	69,058,308	**51,415,591**	49,464,908
Cash at bank and in hand	**17,988,988**	18,874,237	**16,170,938**	9,109,752
Amount due by Subsidiaries	**-**	-	**112,148**	2,605,323
	99,897,032	87,932,545	**67,698,677**	61,179,983
Financial assets at fair value through profit and loss	**12,685,498**	11,918,580	**12,685,498**	11,918,580
	112,582,530	99,851,125	**80,384,175**	73,098,563
Financial liabiltiies at amortised cost				
Bank overdrafts	**83,405,349**	88,510,965	**71,009,316**	76,564,501
Loans	**93,054,250**	121,785,222	**83,904,716**	107,812,437
Lease liabilities	**10,953,132**	11,828,270	**9,503,966**	9,862,831
Trade and other payables	**104,926,477**	81,024,566	**89,874,001**	66,232,591
	292,339,208	305,360,176	**254,292,000**	264,042,360

Financial risk management

In its ordinary operations, the Group and Company is exposed to various financial risks such as foreign currency risk, interest rate risk, credit risk and liquidity risk.

Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency).

EMCAR LIMITED
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FOR THE YEAR ENDED 30 JUNE 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (Cont'd)

Currency profile

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

	THE GROUP			
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	2024	2024	2023	2023
Currency	Rs	Rs	Rs	Rs
Mauritian Rupee	105,721,568	227,143,775	93,281,214	245,760,003
United States Dollar	4,868,420	33,693,611	4,808,451	28,202,632
Euro	1,755,472	10,697,247	1,755,472	11,368,631
Pound Sterling	231,364	244	282	244
Japanese Yen	4,029	20,804,331	4,029	20,028,666
South African Rand	1,677	-	1,677	-
	112,582,530	292,339,208	99,851,125	305,360,176

	THE COMPANY			
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	2024	2024	2023	2023
Currency	Rs	Rs	Rs	Rs
Mauritian Rupee	73,798,990	201,213,823	66,744,459	220,300,780
United States Dollar	4,734,917	27,413,457	4,734,917	21,182,765
Euro	1,614,874	4,860,144	1,614,874	2,544,239
Pound Sterling	231,364	244	283	244
Japanese Yen	4,030	20,804,331	4,030	20,014,333
South African Rand	-	-	-	-
	80,384,175	254,292,000	73,098,563	264,042,360

Currency risk

The Group and Company is exposed to the risk that the exchange rate of the Mauritian rupee relative to the currency listed above may change in a manner which has a material effect on the reported values of the Group's assets and liabilities.

Foreign currency risk management

The following table details the Group's sensitivity to a 5% increase in the Rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts for their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the Rupee strengthens 5% against the relevant currency. There would be an equal and opposite impact on the profit and other equity where the Rupee decrease by 5% against the relevant currency and the balances below would be negative.

	US DOLLAR IMPACT			
	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
(Loss)/ profit	(1,441,260)	(110,571)	(1,133,927)	177,608

	EURO IMPACT			
	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Loss	(447,089)	(353,446)	(162,263)	(46,468)

28. FINANCIAL INSTRUMENTS (CONT'D)

	GBP IMPACT			
	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Profit	11,556	2	11,556	2

	JAPANESE YEN IMPACT			
	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Loss	(1,040,015)	(515)	(1,040,015)	(515)

	SOUTH AFRICAN RAND IMPACT			
	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs	Rs	Rs	Rs
Profit	84	84	-	-

The above is mainly attributable to the exposure in relation to the net working capital in USD, Euro, JPY,

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest bearing loans and borrowings with floating interest rates.

The interest rate profile of the Group and Company at 30 June 2024 were:

Financial assets

	THE GROUP AND THE COMPANY			
	2024	2024	2023	2023
	Floating Rate % p.a.	Fixed Rate % p.a.	Floating Rate % p.a.	Fixed Rate % p.a.
Amount due from subsidiaries	6.6-8.75	-	6.6-8.75	-

Financial liabilities

	THE GROUP AND THE COMPANY			
	Floating Rate % p.a.	Fixed Rate % p.a.	Floating Rate % p.a.	Fixed Rate % p.a.
Bank overdrafts	6.1 - 6.6	-	6.1 - 6.6	-
Loans	5.75 - 6.1	-	5.75 - 6.1	-
Amount due to Subsidiaries	6.6	-	6.60	-
Finance leases	6.10	5.45 - 7.5	6.10	5.45 - 7.5

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

28. FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk management (Cont'd)

Interest rate sensitivity analysis

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

If interest rates had been 25 basis points higher, the decrease in profit would have been as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs	Rs	**Rs**	Rs
Decrease in profit	**701,818**	559,676	**630,741**	488,599

Other price risks

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 30 June 2023, the Group's and the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group and the Company due to failure to discharge an obligation by the counterparties.

The Group's and the Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

Credit risk exposure

As at 30 June 2024, the Group's and the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group and the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group and the Company arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

The Group	Note	Gross carrying amount	Loss allowance	Net carrying amount
		Rs	Rs	Rs
30 June 2024				
Trade receivables	14	**79,359,570**	**(5,676,727)**	**73,682,843**
30-Jun-23				
Trade receivables	14	69,158,474	(3,620,688)	51,836,278

28. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (Cont'd)

The Company	Note	Gross carrying amount Rs	Loss allowance Rs	Net carrying amount Rs
30 June 2024				
Trade receivables	14	**49,292,288**	**(5,317,193)**	**43,975,095**
30 June 2023				
Trade receivables	14	49,418,617	(3,369,262)	46,049,355

The Group and the Company determine the expected credit losses on these items as described in the relevant notes. The bank balances are assessed to have low credit risk as they are held with reputable financial institutions.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who monitors the Group`s and Company's short, medium and long-term funding and liquidity management requirements. The Group and Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

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

	THE GROUP		
	Less than 1 year	1-5 years	Total
2024	**Rs**	**Rs**	**Rs**
Trade and other payables	**104,926,477**	**-**	**104,926,477**
Lease liability	**4,237,542**	**6,715,590**	**10,953,132**
Loan	**60,604,560**	**32,449,690**	**93,054,250**
Bank overdraft	**83,405,350**	**-**	**83,405,350**
	253,173,929	**39,165,280**	**292,339,209**
2023			
Trade and other payables	81,024,566	-	81,024,566
Lease liability	8,541,211	3,287,059	11,828,270
Loan	69,187,010	52,598,212	121,785,222
Bank overdraft	88,510,965	-	88,510,965
	247,263,752	55,885,271	303,149,023

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28. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk management (Cont'd)

Liquidity and interest risk tables (Cont'd)

	THE COMPANY		
	Less than 1 year	1-5 years	Total
2024	Rs	Rs	Rs
Trade and other payables	**89,874,001**	**-**	**89,874,001**
Lease liability	**3,872,308**	**5,631,659**	**9,503,966**
Loans	**51,455,026**	**32,449,690**	**83,904,716**
Bank overdraft	**71,009,316**	**-**	**71,009,316**
	216,210,651	**38,081,349**	**254,291,999**
2023			
Trade and other payables	66,232,591	-	66,232,591
Lease liability	8,064,629	1,798,202	9,862,831
Loans	55,214,225	52,598,212	107,812,437
Bank overdraft	76,564,501	-	76,564,501
	206,075,946	54,396,414	260,472,360

Fair value of financial instruments

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required).

The fair value of the instruments classified as Level 2 (see above) was calculated using the cost method.

29. CAPITAL COMMITMENTS

	THE GROUP AND THE COMPANY	
	2024	2023
	Rs	Rs
Approved by the Board of Directors but not yet contracted	**29,600,000**	13,584,000

30 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, including both cash and non-cash changes. Liabilities arising from financial activities are those for which cash flows were or future cash flows will be,classified in the Group's and Company's statement of cash flows as cash flows from financing activities.

The Group

	Reconciliation of liabilities arising from financing activities							
	01 July 2023 Rs	Interest accrued Rs	Interest paid Rs	Non-cash transactions Rs	Termination Rs	Repayments Rs	Proceeds Rs	**30 June 2024 Rs**
Loans	121,785,222	4,793,323	(4,793,323)	-	-	(61,903,636)	33,172,665	**93,054,251**
Lease Liabilities	11,828,270	673,734	(673,734)	5,812,935	-	(6,688,073)		**10,953,132**

	Reconciliation of liabilities arising from financing activities							
	01 July 2022 Rs	Interest accrued Rs	Interest paid Rs	Non-cash transactions Rs	Termination Rs	Repayments Rs	Proceeds Rs	30 June 2023 Rs
Loans	118,301,696	4,793,323	(4,793,323)	-	-	(25,325,549)	28,809,075	121,785,222
Lease Liabilities	9,315,083	799,066	(799,066)	8,791,735	-	(7,978,011)	1,699,463	11,828,270

The Company

	Reconciliation of liabilities arising from financing activities							
	01 July 2023 Rs	Interest accrued Rs	Interest paid Rs	Non-cash transactions Rs	Termination Rs	Repayments Rs	Proceeds Rs	**30 June 2024 Rs**
Loans	107,812,437	4,745,837	(4,745,836)	-	-	(55,496,547)	31,588,826	**83,904,716**
Lease liabilities	9,862,832	452,569	(452,569)	5,701,363	-	(6,060,229)	-	**9,503,966**

	Reconciliation of liabilities arising from financing activities							
	01 July 2022 Rs	Interest accrued Rs	Interest paid Rs	Non-cash transactions Rs	Termination Rs	Repayments Rs	Proceeds Rs	30 June 2023 Rs
Loans	106,813,166	4,745,837	(4,745,836)	-	-	(25,325,549)	26,324,820	107,812,437
Lease liabilities	7,476,474	544,097	(544,097)	8,060,751	-	(7,373,856)	1,699,462	9,862,832

31 OPERATING LEASE ARRANGEMENTS

The Group as a Lessor

Disclosure required by IFRS 16

Operating lease in which the Company is the lessor, relate to office building owned by the Company negotiated for an average term of one year and rentals are fixed with an option to extend for further years at the then prevailing market rate. The lessee does not have an option to purchase the property at the expiry of the lease period.

	THE COMPANY	
	2024 Rs	2023 Rs
Maturity analysis of operating lease payments:		
Year 1	**3,649,920**	1,904,952

The following table presents the amounts reported in profit or loss.

	2024 Rs	2023 Rs
Lease income on operating leases	**3,649,920**	1,904,952

32 SUBSEQUENT EVENTS

In July 2024, the Finance (Miscellaneous Provisions) Act 2024 was promulgated into law and requires the Company to pay a Corporate Climate responsibility ("CCR") Levy of Rs. 1,055,011 equivalent to 2 per cent of its chargeable income. The levy will be paid in respect of the year of assessment commencing on 1 July 2024. This has been deemed to be a non- adjusting event.