Emcar Limited

Annual report

For the year ended

30 June 2025

EMCAR LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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EMCAR LIMITED

CORPORATE INFORMATION - 30 JUNE 2025

BOARD OF DIRECTORS	Marc ROGERS Jean Philippe André CHAUVEAU Georgina Marie-Therese ROGERS Florence Claire DOUTEAU
COMPANY SECRETARY	ECS Secretaries Ltd 3rd floor Labama House Sir William Newton Street Port-Louis
AUDITOR	BDO & Co 10 Frère Félix de Valois Street 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 1st Floor, Les Jamalacs Building Vieux Conseil Street Port Louis

EMCAR LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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 2025.

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 48,2 million** (2024: comprehensive Rs 106,6 million) and the Company's total comprehensive income amounted to **Rs 34,7 million** (2024: Rs 107,5 million).

The financial statements for the year ended 30 June 2025 are set out on pages 11 to 61. 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)

For The Subsidiaries

Wingfoot Co Ltd

Marc Rogers (Executive Director)
Philippe André Chauveau (Non-Executive Director)
Georgina Marie-Therese Rogers (Non-Executive Director)

Maison de la moto Ltée

Marc Rogers (Executive Director)
Philippe André Chauveau (Non-Executive Director)
Georgina Marie-Therese Rogers (Non-Executive Director)

Sud Ocean Limited

Marc Rogers (Executive Director)
Philippe André Chauveau (Non-Executive Director)

Emcar Africa Ltd

Marc Rogers (Executive Director)

Emcar Mobility Limited

Marc Rogers (Executive Director)
Jean Daniel Denis Etienne (Executive Director)

Directors' Service Contracts

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

EMCAR LIMITED
ANNUAL REPORT (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2025

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	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Marc Rogers	4,176,050	3,637,100	-	-
Sub-total-Executive Director	4,176,050	3,637,100	-	-
Philippe André Chauveau	544,836	849,372	-	-
Florence Claire Douteau	-	-	-	-
Georgina Marie-Therese Rogers	-	-	-	-
Reginald Raffray Rogers	-	675,000	-	-
Sub-total Non-Executive Director	544,836	1,524,372	-	-

Donations

No donations were made by the Group and the Company for the year ended 30 June 2025 (2024: Rs Nil).

Auditor's Remuneration

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

	From the Company		From the Subsidiaries	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
The company	800,000	715,000	-	-
Wingfoot Co td	-	-	175,000	160,000
Maison de la Moto Ltée	-	-	105,000	95,000
	800,000	715,000	280,000	255,000

Messrs. BDO & Co, 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 23 DEC 2025



.....) **Marc Rogers**
)
)
)
)
)
.....) **Georgina Rogers**

EMCAR LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2025

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.

Approved by the Board of Directors on ..... 23 DEC 2025 ..... and signed on its behalf by:

Marc Rogers
Chairman

Georgina Rogers
Director

Emcar Limited (hereinafter referred to as the "Company") was incorporated in 1913 and operates across multiple industries, providing high-quality products and services that support both individuals and businesses in Mauritius.

The services include:

- motorcycles and scooters in our automotive division to advanced marine solutions, including inboard and outboard engines for commercial and recreational use.
- shipping division, further strengthening our presence in the maritime sector, offering expert port agency services to ensure smooth and efficient logistics.
- sports equipment, offering top-tier cycling, racket sports, and trail-running gear to support athletes and enthusiasts at every level.
- tyre division supplies high-quality tyres and fleet management solutions, ensuring durability, efficiency, and safety across various industries.

The Company is an unlisted family business.

Family governance for the Company encompasses formal and informal structures aimed at aligning family values with business goals while promoting continuity across generations. This entails a framework for decision-making that balances the needs of the family and the business, focusing on long-term success, continuity for all stakeholders, and clear communication between family members, management, and the board.

The Company has undertaken to report and abide by the principles of The National Code of Corporate Governance of Mauritius (2016) (hereinafter referred to as the "Code") within the limits of a Family Business (Unlisted).

Pursuant to the First Schedule of the Financial Reporting Act 2004, the Company qualifies as Public Interest Entity given that the Company which has, during 2 consecutive preceding years, had –
(a) an annual turnover exceeding 500 million rupees; and
(b) total assets exceeding 500 million rupees.

PRINCIPLE 1 - Governance Structure

The Board assumes responsibility for leading and controlling the Company under the effective oversight and long-term financial sustainability. The Board is the key decision-making body of the Company.
The Company has opted for a Unitary Board of Directors and an Audit & Risk Management Committee instead of a Family Council or Family Assembly.

1.1 Board Charter

The Board Charter for family business outlines shared values, rules, and a governance framework for managing the business and its relationship with the family.

The Company has a constitution dated since 1992 which has been reviewed in line with the promulgation of the Companies Act 2001 in 2012 and updated on 25 June 2021.

On 17 October 2025, the Board has adopted a Board Charter which is not redundant given that the Company already has a constitution but emphasises on the following:

a. Role, responsibilities, duties and powers of Board
b. Composition, size, expertise and independence
c. Appointments of Board of directors' members and its relationship to the family institutions
d. Roles of the:
    - Chairman
    - CEO
    - Company Secretary
    - Board Committees

e. Administration of Board of Directors Meetings
    - Frequency,
    - agenda, meeting papers
    - Attendance,
    - Quorum
    - Undue absence
    - Attendance by non-members
    - Decision Making process
    - Emergency Procedures
    - Evaluation (Board, Board members and Board committees)
    - Succession Planning

f. Enforcement Procedures

1.2 Code of Ethics

A Code of Ethics has been approved on 17 October 2025.

This Code sets out the values and principles expected from all Directors and stakeholders of the Company. It complements applicable laws, corporate governance codes, internal policies, and does not replace any existing legal or contractual obligations.

This Code aims to:

- Guide Directors and Employees in ethical decision-making.
- Promote honesty, accountability, and integrity.
- Provide a framework for reporting misconduct.

Directors and employees must avoid actual or perceived conflicts. When a conflict arises, it must be disclosed and handled as per Company procedures on Conflict of Interest as approved by the Board on 17 October 2025.

A conflicted Director must ensure that he discloses his/her interest during the Board meeting, abstain from related discussions or decisions and same be entered by the Company Secretary in the Interest Register.

Part of the Code of Ethics are included in the following procedures:

- Disclosure and Conflict of Interest
- Non-Discrimination Policy
- Confidentiality

Directors must not compete with the Company or hold office in a competitor without Board approval.

1.3 Senior Governance Positions and accountabilities

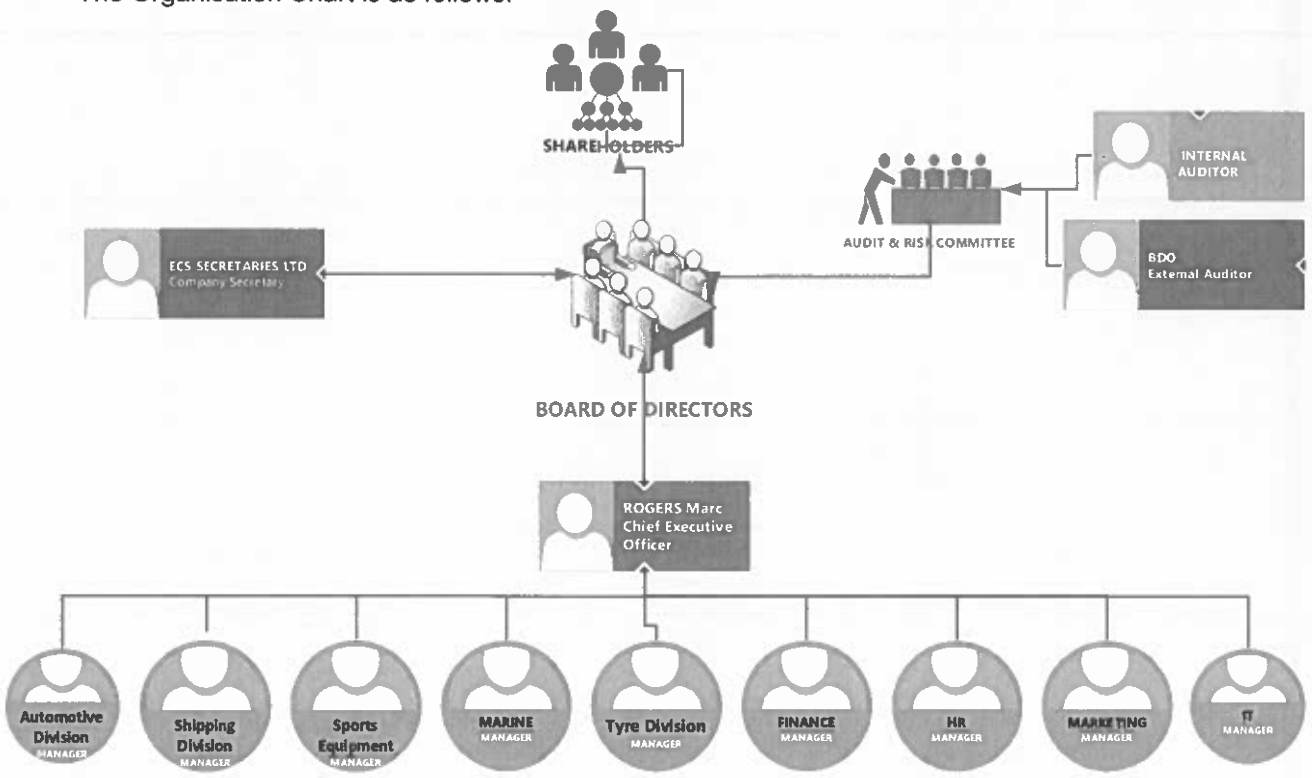
As of June 2025, Mr. ROGERS Marc is the Managing Director who held senior governance positions within the Company.

The above-mentioned senior governance position is answerable and ultimately accountable to the Board of Directors.

The Company is currently involved in an exercise to identify more Senior Governance Positions of the Company and shall report this in its next Corporate Governance Report.

1.4 The Organisation Chart

The Organisation Chart is as follows:



The Company's website pertaining to its Corporate Governance Structure is under construction and the Company undertakes to post all its Governance Structure documents on its website in the next financial year end.

PRINCIPLE 2 - The Structure of the Board and its Committees

2.1 Board's Size and Composition

Board of Directors members are:

Marc Rogers - Executive Director

Marc Rogers is the Managing Director and also Executive Director of the Board of Emcar Group, having joined the Company in 1986. With over 39 years of professional experience, he has held various leadership roles within the organization. He holds a Baccalauréat from Lycée Labourdonnais, a DEUG in Economics and Social Administration from Montpellier, France and studied business at École de Commerce ESDE, Paris. Under his guidance, Emcar has expanded its operations across multiple sectors, including motorcycles, marine, sports, energy, tyres and shipping. Renowned for its commitment to quality and customer service, the Company represents leading brands such as Suzuki, Kymco, Cannondale and Salomon. Marc continues to drive Emcar's growth and innovation, upholding its longstanding legacy of excellence.

He is also an active member of several Board Committees:

- Emcar Limited (Executive Director)
- Wingfoot Company Ltd (Executive Director)
- Maison De La Moto Ltee (Executive Director)
- Mon Loisir Co Ltd (Non-Executive Director)
- Compagnie Du Vas Ltée (Non-Executive Director)
- Compagnie Industrielle & Alimentaire Du Nord Ltée (Non-Executive Director)

He is also the president of the Motorcycle Dealers Association.

Philippe André CHAUVEAU (Non-Executive Director)

Philippe Andre Chauveau is a Non-Executive Director on the Board of Emcar Group from July 2021 and previously Finance Director from 2010, up to June 2021. He is a Chartered Accountant with 45 years of professional experience in Financial, Internal Auditing and Executive Management in several different industries, such as beverages, manufacturing, retail, mining, and medical industry. Coupled with his vast industry knowledge and experience, he has developed sound skills of managing the day-to-day operations of large organisations, as well as developing strategic and managerial mindset to move companies forward. He also managed overseas projects and dealt with high level executives at Board level, secured joint venture agreements with overseas companies. During these years, he was also involved in the development and utilisation of several strategies to ensure smooth operational management at different levels of the organisation, business relationship building in the local and international market for further investment and development.

Current Directorships:

- Emcar Limited (Non-Executive Director)
- Wingfoot Company Ltd (Non-Executive Director)
- Maison De La Moto Ltee (Non-Executive Director)

DOUTEAU Florence Claire (Non-Executive Director)

Florence Douteau is a Non-Executive Director on the Board of Emcar Group, bringing a strong background in marketing, commercial management, and business development. She holds a bachelor's degree in marketing from École Nationale de Commerce, Paris, France, and has built a career focused on driving growth and strategic initiatives across diverse business sectors.

Florence actively participates in various board committees, contributing her expertise to support the Group's governance and strategic direction.

Current Directorships:

- Emcar Limited (Non-Executive Director)

Georgina ROGERS (Non-Executive Director – Appointed on 28th of April 2017)
(Age 63)

Georgina Rogers serves as a Non-Executive Director on the Board of Emcar Group. She holds a Bachelor of Commerce degree from the University of Natal, South Africa, is a Member of the Mauritius Institute of Directors, practiced as an accountant until 1995 and involved in the development of real – estate projects. Georgina brings extensive experience in corporate governance, audit and risk and commercial management.

She contributes actively as a director to several companies across various sectors.

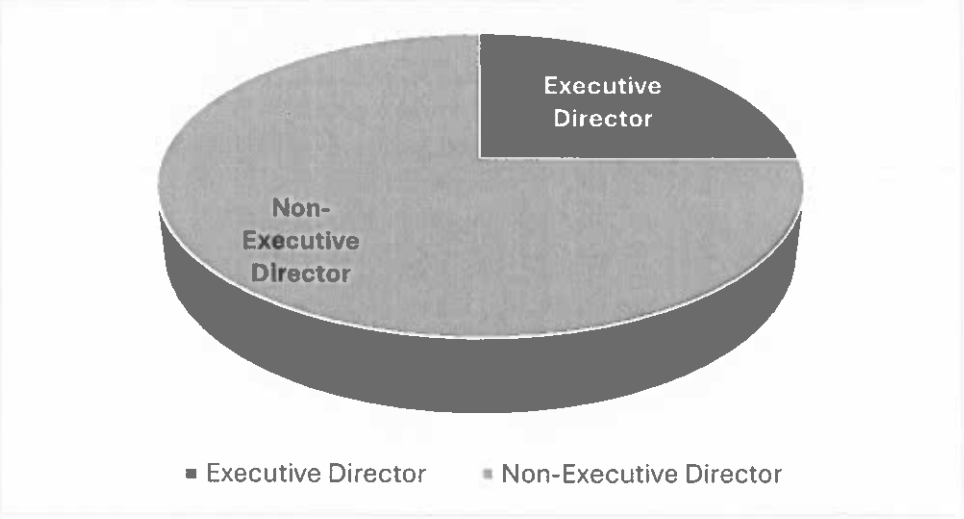
She also serves on multiple board committees.

Current Directorships in Emcar Group:

- Emcar Ltd (Non-Executive Director)
- Wingfoot Company Ltd (Non-Executive Director)
- Maison De La Moto Ltee (Non-Executive Director)

Current Directorships in companies listed on the Stock Exchange of Mauritius:

- BMH Ltd (Non-Executive Director)
- Constance La Gaieté Company Limited (Non-Executive Director)
- Constance Hotels Services Ltd (Non – Executive Director)
- Hotelest Limited (Non-Executive Director)



The Company is headed by a unitary Board composed of 4 Directors, all resident in Mauritius.

The Board is composed of one executive director and three non-executive directors. The Company Secretary is ECS Secretaries Ltd duly represented by Mrs. Marie Anne ADAM, a seasoned Associate Member of the Institute of Chartered Secretaries and Administrators.
The gender balance criteria is met with two female directors currently as members of the Board.
The Board of Directors is currently reviewing its composition and is envisaging to appoint an Independent Director. During this course of action, it is also envisaging to address the race diversity, skills and expertise.
The Board will report on the appointments in its report next year.
However, the Company will not sacrifice knowledge and industry experience in favour of independence.

2.2 Expertise and Specialisation

The Board of Directors have right mix of skills and expertise to lead the Company.



2.3 Board Committees

Given the nature and complexity of the activities of the Company, an Audit and Risk Committee (ARC) has just been set up. There was no ARC during the year under review.

The ARC has adopted an ARC Charter on 17 October 2025, which outlines the tasks of overseeing the following and to report to the Board of Directors with or without recommendations:

- the preparation of accurate financial reports and statements of the Company;
- the Company's internal controls over financial reporting;
- the Company's control systems, processes and disclosures;
- the operation of adequate systems;
- risk management systems;
- the safeguarding of assets;
- the Company's compliance with legal and regulatory requirements;
- compliance with the Company's ethical standards, policies, procedures, and practices; and
- the performance of the external and internal auditors.

The Company's website is under construction. The ARC Charter shall be posted on the Company's Website in the course of the next financial year end.

2.4 Board and Board Committees Attendance

Directors	Board of Directors	Audit & Risk Committee
CHAUVEAU Jean Philippe Andre	4	0
DOUTEAU Florence Claire	4	0
ROGERS Georgina Marie Therese	4	N/A
ROGERS Marc	4	N/A

PRINCIPLE 3 - Director Appointment Procedures

In compliance with the Company's constitution and Board Charter and the Companies Act 2001 requirements, the Board assumes the responsibility for appointment of Directors and its succession planning program.
When appointing new Directors, the Company will be going-forward taking cognisance of the needs of the Company in terms of independence, skills, experience, diversity and governance requirements.
The appointment of directors has been detailed in the Board Charter.

PRINCIPLE 4 – Directors' Duties, Remuneration and Performance

Directors are aware of their fiduciary and legal duties. Members of the Board are briefed on their legal duties by the Company Secretary.

4.1 Conflict of interest

Directors must avoid actual or perceived conflicts. When a conflict arises, it must be disclosed and handled as per Company procedures on Conflict of Interest provided for in the Code of Ethics of the Company as approved by the Board on 17 October 2025.

A conflicted Director must ensure that he discloses his/her interest during the Board meeting, abstain from related discussions or decisions and same be entered by the Company Secretary in the Interest Register.

4.2 Board Evaluation

The Board has not conducted a Board Evaluation during the year under review.

It is proposed that the Board will conduct a Board Self-Evaluation during the year ending 30 June 2026 and the results will be reported in its next Corporate Governance Report.

4.3 Directors' remuneration

The remuneration for the period ended June 30, 2025, was as follows.

Director	Fees -Mur
Marc Rogers (Executive Director)	4,176,050
Philippe Andre Chauveau (Non-Executive Director)	544,836
Georgina Rogers (Non-Executive Director)	Nil
Florence Claire Douteau (Non-Executive Director)	Nil

Executive Directors do not receive additional remuneration as Board Members. Their salaries and benefits are disclosed in their respective Contracts of Employment. The Company chooses not to disclose their remuneration package given that the Company's sector of operation is highly competitive.

4.4 Professional Development

The Board shall set up a Professional Development Program for all its staffs and directors and shall report in its next Corporate Governance Report.

4.5 Information, information technology, and information security policy ('*IT*')

The Company is currently reviewing its Data, Privacy and Website Policies. Same will be approved by the Board and posted on its website during the next reporting financial year.

PRINCIPLE 5 - Risk governance and internal control

In November 2024, the Board of Directors have appointed an external consultant to facilitate and address the Risk Awareness Session on the understanding and managing Risks effectively.

It has been agreed that the risk-management framework and process should be proportionate to the organisation's external and internal context relative to its objectives.

Appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered.

In addition to a Health & Safety Officer, the Board has approved the appointment of a Compliance Officer and an Internal Auditor as from January 2026 to assist the Company in the relevant areas to:

- Identify the Risks;
- Assess the Risks;
- Design and Implement Internal Controls and Procedure to mitigate the inherent risks and monitor the residual risks; and
- Top Management oversight and monitoring.

The Board is responsible for the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.

The Company will report on its Risk Governance more comprehensively in its next Corporate Governance Report.

PRINCIPLE 6 - Reporting with Integrity

The Board is responsible for the preparation of the financial statements that present fairly the state of affairs of the Company, and considers that the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders.

Concisely, the financial, environmental, social and governance position are as follows:

i. Environmental issues impact

The Company is conscious of the impact that its operations have on the environment and strives to ensure an environmentally friendly workplace. The Company is also conscious of its carbon footprint which it ensures that it is reduced to a maximum.

ii. Health and Safety Issues

The Company strictly abides by the Occupation Health & Safety Act and ensures that the following is rigorously monitored and addressed by all:

- First aid
- Accidents at the workplace
- Drug and substance abuse
- Electrical safety
- Construction and Maintenance Activity
- Fire Safety
- Hazardous Substances

Corporate Social Responsibility

The Company has paid **Mur 263,752** as CSR for the year ended 30 June 2025. Details are as follows:

Beneficiaries	Amount Paid -Mur
MO ZART	65,938
OASIS DE PAIX	65,938
MAURITIUS WILDLIFE FOUNDATION	65,938
PILS	65,938

Charitable and Political Contributions

Contributions to charitable organisation are as follows :-.

Beneficiaries	Amount Paid -Mur
Paroisse De St Croix	10,000
Groupe Movement Sociale De Roche Bois	16,000
Vicariat Apostolique De Rodrigues	50,000

No contributions have been made to political parties.

PRINCIPLE 7 – AUDIT

7.1 External Audit

Auditors are reappointed every year at the Annual General Meeting of the shareholders. External Auditors do not provide any non-audit services.

7.2 Internal Audit

The Company will be appointing an Internal Auditor by January 2026.

PRINCIPLE 8 - Relations with Shareholders and Other Key Stakeholders

The Company is a Family Business (unlisted), all the Shareholders are represented by one of the family members. They are non-executive directors and have been appointed as direct conduits between the Shareholders and the Company to enable the flow of information.

An Annual General Meeting of the Company is held on a yearly basis in compliance with its Constitution and the law.

STATEMENT OF COMPLIANCE

(Section 75(3) of the Financial Reporting Act 2004)

Name of Public Interest Entity: **Emcar Limited**
Reporting Period: Year ended June 30, 2025

We, the Directors of EMCAR Limited, confirm to the best of our knowledge, throughout the year ended June 30, 2025, the company has complied with the principles of the National Code of Corporate Governance of Mauritius (2016), except for the following:

Principles	Non-Compliance	Explanations for non-compliance
Principle 1: Governance Structure	The organisation's website should include the following: o The organisation's constitution. o The Board's charter. o The organisation's Code of ethics. o Appropriate job descriptions of the key senior governance positions. o An organisational chart; and o A statement of major accountabilities within the organisation. The organisation's website should also describe the approval, monitoring and review processes (including frequency) of the documents uploaded on the websites.	Website is under construction, and all relevant documents will be posted at the next reporting year. The Company has adopted a Board Charter and code of ethics on 17 October 2025.
Principle 2 Board Composition	The Company should have at least 2 Independent Directors	The Board is currently evaluating and assessing its Board Composition. The Board will appoint an Independent Director within the financial year ending 30 June 2026. As part of the forthcoming Board Composition review, the subject-matter of the appointment of a chairman of the Board will be discussed and appointment, preferably, amongst one of the Independent Directors will be considered. This exercise and the outcome will be reported in the next Corporate Governance Report in December 2026. The appointment will be reported in the next Corporate Governance Report.

EMCAR LIMITED

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2025

Principles	Non-Compliance	Explanations for non-compliance
Principle 2: Board Committees	The Company should have at least an Audit & Risk Committee	On the 17 October 2025, the Board has approved the setting up of an Audit & Risk Committee. The Charter has already been approved by the Board on the same day.
Principle 4 Board Evaluation	The Board is encouraged to undertake a formal, regular and rigorous evaluation of its own performance and that of its committees and individual directors and produce a development plan on an annual basis.	A self-Evaluation Assessment will be carried out during the financial year ending 30 June 2026 and the results will be included in the next Corporate Governance Report

Director

Director

Date: 23 DEC 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 2025, all such returns as are required of the Company under Mauritius Companies Act 2001.

ECS SECRETARIES LTD

.....

For & on behalf of
ECS Secretaries Ltd
Company Secretary

Tel : +230 202 3000
Fax: +230 202 9993
www.bdo.mu

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 61 which comprise the consolidated and separate statements of financial position as at 30 June 2025, 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 2025, 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 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 Report 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.

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.

BDO & Co, a firm of Chartered Accountants in Mauritius, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

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

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.
- 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.

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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)

- 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.

Mauritian Financial Reporting Act 2004

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

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

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

23 DEC 2025

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EMCAR LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	THE GROUP		THE COMPANY	
ASSETS		2025 Rs	2024 Rs	2025 Rs	2024 Rs
Non current assets					
Goodwill	10	3,184,301	3,184,301	-	-
Property, plant and equipment	5	356,722,402	354,332,576	355,049,033	353,202,623
Right-of-use assets	6	27,826,903	12,424,635	26,663,513	10,908,966
Intangible assets	7	2,871,584	1,369,954	2,741,981	1,369,955
Investments in subsidiaries	8	-	-	14,510,000	32,910,000
Financial assets at fair value through profit or loss	9	16,464,190	12,685,498	16,464,190	12,685,498
Deferred tax asset	11	1,098,683	2,902,530	-	-
		408,168,063	386,899,494	415,428,717	411,077,042
Current assets					
Inventories	13	212,594,739	188,930,800	171,955,111	153,734,388
Trade and other receivables	14	123,800,406	139,272,727	87,790,931	108,780,274
Amount due by group companies	27	-	-	150,376	112,148
Cash at bank and in hand		40,691,311	17,988,988	19,528,718	16,170,938
		377,086,456	346,192,515	279,425,136	278,797,748
Total assets		785,254,519	733,092,009	694,853,853	689,874,790
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 shares	25	42,500,000	42,500,000	42,500,000	42,500,000
Retained earnings		153,521,662	108,223,952	136,852,680	105,106,862
Revaluation surplus		188,416,073	193,403,172	188,416,073	193,403,172
Total equity attributable to owners of the Company		401,437,735	361,127,124	384,768,753	358,010,034
Non current liabilities					
Loans	16	36,101,313	32,449,690	36,101,313	32,449,690
Deferred tax liability	11(c)	10,811,811	7,508,564	10,811,811	7,508,564
Retirement benefit obligations	12	55,287,542	62,533,164	53,307,839	60,769,685
Lease liabilities	17	18,138,310	6,715,590	17,464,200	5,631,659
		120,338,976	109,207,008	117,685,163	106,359,598
Current liabilities					
Bank overdrafts	18	97,504,353	83,405,349	63,030,133	71,009,316
Loans	16	49,390,893	60,604,560	36,722,075	51,455,026
Trade and other payables	19	97,613,853	104,926,477	75,645,294	89,874,001
Lease liabilities	17	7,248,679	4,237,542	6,713,330	3,872,308
Tax payable	11	3,815,030	2,798,949	2,384,105	2,509,507
Dividend	20	7,905,000	6,785,000	7,905,000	6,785,000
		263,477,808	262,757,877	192,399,937	225,505,158
Total liabilities		383,816,784	371,964,885	310,085,100	331,864,756
Total equity and liabilities		785,254,519	733,092,009	694,853,853	689,874,790

Approved by the Board of Directors and authorised for issue on 23 DEC 2025

.....) **Marc Rogers**
)
)
)
)
.....) **Georgina Rogers**

The notes on pages 16 to 61 form an integral part of the financial statements.
Independent auditor's report on pages 7 to 10.

EMCAR LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	THE GROUP		THE COMPANY	
		2025	2024	**2025**	2024
		Rs	Rs	**Rs**	Rs
Revenue	21	**807,633,412**	676,295,775	**667,127,440**	570,978,402
Profit from operations	22	**49,803,484**	51,048,161	**35,657,171**	36,156,877
Other income	23	**28,860,481**	16,021,222	**40,180,429**	27,079,787
Loss allowance on trade receivables	14	**(2,080,305)**	(2,268,042)	**(1,260,987)**	(2,159,934)
Finance costs	24	**(14,973,245)**	(13,798,435)	**(12,239,513)**	(11,529,314)
Operating profit		**61,610,415**	51,002,906	**62,337,100**	49,547,416
Impairment loss on subsidiary	32	**-**	-	**(19,349,856)**	-
Profit before taxation		**61,610,415**	51,002,906	**42,987,244**	49,547,416
Taxation	11(a)	**(18,082,455)**	(9,023,757)	**(12,968,042)**	(7,303,033)
Profit for the year, attributable to the owners of the Company		**43,527,960**	41,979,149	**30,019,202**	42,244,383
Other comprehensive income for the year					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of retirement benefit obligations	12	**5,787,223**	(2,813,692)	**5,733,971**	(2,046,251)
Deferred tax on retirement benefit obligations	11(c)	**(1,099,572)**	478,328	**(1,089,454)**	347,863
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)
		4,687,651	64,658,940	**4,644,517**	65,295,916
Total comprehensive income net of tax for the year, attributable to the owners of the Company		**48,215,611**	106,638,089	**34,663,719**	107,540,299

The notes on pages 16 to 61 form an integral part of the financial statements.
Independent auditor's report on pages 7 to 10.

EMCAR LIMITED
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

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 2023		17,000,000	42,500,000	131,192,394	70,581,641	261,274,035
Profit for the year		-	-	-	41,979,149	41,979,149
Other comprehensive income 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
Transfer from property 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
At 1 July 2024		17,000,000	42,500,000	193,403,172	108,223,952	361,127,124
Profit for the year		-	-	-	43,527,960	43,527,960
Other comprehensive income for the year		-	-	-	4,687,651	4,687,651
Total comprehensive income for the year		-	-	-	48,215,611	48,215,611
Transfer from property revaluation reserve to retained earnings		-	-	(4,987,099)	4,987,099	-
Dividend payable to :	20					
Ordinary shares		-	-	-	(6,120,000)	(6,120,000)
Preference shares		-	-	-	(1,785,000)	(1,785,000)
At 30 June 2025		**17,000,000**	**42,500,000**	**188,416,073**	**153,521,662**	**401,437,735**

*Property revaluation reserve arises on the revaluation of property, plant and equipment.

EMCAR LIMITED
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2025

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 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 income 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 :						
Ordinary shares	20	-	-	-	(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	105,106,862	358,010,034
At 1 July 2024		17,000,000	42,500,000	193,403,172	105,106,862	358,010,034
Profit for the year		-	-	-	30,019,202	30,019,202
Other comprehensive profit for the year		-	-	-	4,644,517	4,644,517
Total comprehensive income for the year		-	-	-	34,663,719	34,663,719
Transfer from property revaluation reserve to retained earnings		-	-	(4,987,099)	4,987,099	-
Dividend attributable to :						
Ordinary shares	20	-	-	-	(6,120,000)	(6,120,000)
Preference shares		-	-	-	(1,785,000)	(1,785,000)
At 30 June 2025		**17,000,000**	**42,500,000**	**188,416,073**	**136,852,680**	**384,768,753**

*Property revaluation reserve arises on the revaluation of property, plant and equipment.

EMCAR LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	THE GROUP 2025 Rs	THE GROUP 2024 Rs	THE COMPANY 2025 Rs	THE COMPANY 2024 Rs
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		**61,610,415**	51,002,907	**42,987,244**	49,547,416
Adjustments for:					
Depreciation on property, plant and equipment	5	**10,763,167**	9,096,641	**10,234,656**	8,546,128
Depreciation on right-of-use assets	6	**8,231,119**	7,007,261	**7,449,068**	6,293,073
Amortisation on intangible assets	7	**656,247**	963,382	**654,050**	949,273
Profit on sale of plant and equipment	23	**(1,402,521)**	(1,060,870)	**(1,402,521)**	(1,060,870)
Interest receivable	23	**-**	-	**(8,201)**	(89,014)
Fair value adjustment	23	**(3,778,692)**	-	**(3,778,692)**	-
Dividend income	23	**(3,195,568)**	(3,323,391)	**(10,195,568)**	(9,823,391)
Impairment loss on investment	32	**-**	-	**19,349,856**	-
Expected credit loss		**2,080,305**	2,268,042	**1,260,987**	2,159,934
Interest payable	24	**14,830,711**	13,798,435	**12,239,513**	11,529,314
Difference between pension funding contribution paid and the pension cost charge	12	**(1,458,400)**	1,317,417	**(1,727,875)**	1,082,759
Operating profit before working capital changes		**88,336,783**	84,393,214	**77,062,517**	78,958,013
(Increase)/decrease in inventories		**(23,663,939)**	7,780,925	**(18,220,723)**	10,464,354
Decrease/(increase) in trade and other receivables		**13,392,016**	(41,355,136)	**19,728,356**	(31,997,588)
Decrease/(increase) in trade and other payables		**(7,246,089)**	23,901,908	**(14,165,407)**	23,641,410
(Increase)/decrease in amount due by group companies		**-**	-	**(988,084)**	2,493,175
		(17,518,012)	(9,672,303)	**(13,645,858)**	4,601,351
Cash generated from operations		**70,818,771**	74,720,911	**63,416,659**	83,559,364
Interest paid		**(14,236,749)**	(13,124,701)	**(11,806,999)**	(11,076,745)
Interest paid on lease liabilities	24	**(593,961)**	(673,734)	**(432,514)**	(452,569)
Tax refund	11(b)	**-**	207,172	**-**	207,172
Tax paid	11(b)	**(13,125,387)**	(6,758,915)	**(10,942,953)**	(5,350,029)
		(27,956,097)	(20,350,178)	**(23,182,466)**	(16,672,171)
Net cash generated from operating activities		**42,862,674**	54,370,733	**40,234,193**	66,887,193
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of intangible assets	7	**(2,157,877)**	(1,218,032)	**(2,026,076)**	(1,218,032)
Acquisition of right of use assets		**(2,006,866)**	(2,119,932)	**(2,006,865)**	(2,066,504)
Purchase of property, plant and equipment	5	**(13,178,733)**	(4,717,310)	**(12,106,805)**	(4,431,303)
Proceeds from sale of plant and equipment		**1,428,261**	1,060,870	**1,428,261**	1,060,870
Purchase of investment in subsidiaries	8	**-**	-	**-**	(10,000,000)
Purchase of financial assets at fair value	9	**-**	(766,918)	**-**	(766,918)
Dividend received	23	**3,195,568**	3,323,391	**10,195,568**	9,823,391
Interest received	23	**-**	-	**8,201**	89,014
Net cash used in investing activities		**(12,719,647)**	(7,761,323)	**(4,507,716)**	(17,332,873)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of lease payments	30	**(7,192,664)**	(6,688,073)	**(6,523,186)**	(6,060,229)
Proceeds from loans		**45,564,959**	33,172,665	**40,576,961**	31,588,826
Repayment of loans		**(53,127,004)**	(61,903,636)	**(51,658,289)**	(55,496,547)
Dividend paid	20	**(6,785,000)**	(6,785,000)	**(6,785,000)**	(6,970,000)
Net cash used in financing activities		**(21,539,709)**	(42,204,044)	**(24,389,514)**	(36,937,950)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**8,603,319**	4,220,367	**11,336,963**	12,616,371
CASH AND CASH EQUIVALENTS AT 1 JULY		**(65,416,361)**	(69,636,728)	**(54,838,378)**	(67,454,749)
CASH AND CASH EQUIVALENTS AT 30 JUNE		**(56,813,042)**	(65,416,361)	**(43,501,415)**	(54,838,378)
Represented by:					
Cash at bank and in hand		**40,691,311**	17,988,988	**19,528,718**	16,170,938
Bank overdrafts		**(97,504,353)**	(83,405,349)	**(63,030,133)**	(71,009,316)
		(56,813,042)	(65,416,361)	**(43,501,415)**	(54,838,378)

The notes on pages 16 to 61 form an integral part of the financial statements.
Independent auditor's report on pages 7 to 10.

EMCAR LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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**

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. *The amendments have no impact on the Group's financial statements.*

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current. *The amendments have no impact on the Group's financial statements.*

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. *The amendments have no impact on the Group's financial statements.*

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. *The amendments have no impact on the Group's financial statements.*

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2025 or later periods, but which the Group has not early adopted.

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

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.

2. **Standards and interpretations effective in the reporting period (cont'd)**

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.

Contracts Referencing Nature-dependent Electricity: The amendments clarify how IFRS 9 should be applied to power purchase agreements with specific characteristics. The amendments include clarification on the application of the 'own-use' requirements and permitting hedge accounting if these contracts are used as hedging instruments. New disclosure requirements have also been included to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

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* and *IAS 28 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 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 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 that:
(i) Land and building are carried at revalued amounts,
(ii) Financial assets at fair value through profit or loss are stated at fair value, and
(iii) Liability in respect of defined benefit pension plan is carried at the present value of the defined benefit obligation less fair value of plan assets.

The financial statements include the consolidated financial statements of the Company and its subsidiaries (The "Group") and the separate financial statements of the Company. The financial statements are presented in Mauritian 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.

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."

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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3 ACCOUNTING POLICIES (CONT'D)

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

Property, plant and equipment in the course of construction for administrative purposes or for purposes not yet determined of carried at cost less any recognised impairment loss. Cost includes professional fees, Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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 land	- 2%-33.33% straight line
Freehold buildings	- 2%-33.33% straight line
Improvement to premises	- 10%-33.33% straight line
Plant and Machinery	- 10% straight line
Electrical Equipment	- 10%-33.33% straight line
Computer Equipment & installations	- 10%-33.33% straight line
Office Furniture and Fittings	- 10%-33.33% straight line
Tools and Equipment	- 10%-33.33% 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.

3. ACCOUNTING POLICIES (CONT'D)

(vii) Intangible assets (cont'd)

Computer software (cont'd)

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.

(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.

3. ACCOUNTING POLICIES (CONT'D)

(ix) Revenue recognition (cont'd)

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.

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.

3. ACCOUNTING POLICIES (CONT'D)

(b) *Transaction and balances (cont'd)*

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.

(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;

3. ACCOUNTING POLICIES (CONT'D)

(xiii) Leases (Cont'd)

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

- 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.

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).

3. ACCOUNTING POLICIES (CONT'D)

(xiii) Leases (Cont'd)

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

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.

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.

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.

3. ACCOUNTING POLICIES (CONT'D)

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.

(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).

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

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.

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.

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*

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.

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; or
(e) The disappearance of an active market for that financial asset because of financial difficulties.

3. ACCOUNTING POLICIES (CONT'D)

(xvii) Financial instruments (cont'd)

Financial assets (cont'd)

(iv) *Write off policy*

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

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

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

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.

3. ACCOUNTING POLICIES (CONT'D)

Financial liabilities (cont'd)

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.

(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.

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

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.

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).

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.

Fair value of securities not quoted in an active market
The fair value of securities not quoted in an active market may be determined by the Group using valuation techniques, including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair value of the investment in Ariva Ltee was determined using EBITDA multiple.

The valuation technique and significant unobservable inputs used in determining the fair value of Ariva Ltee, as well as the inter-relationship between inputs and fair value is listed below.

Valuation techniques	Significant unobservable inputs	Inter-relationship between inputs and fair value
Ariva Ltee - EBITDA multiple	Multiple of 2.65x derived from comparable institutions	An increase/decrease in the multiple would cause an increase/decrease in the valuation
	Liquidity discount of 50% to cater for size of comparables and marketability discount	An increase/decrease in the liquidity discount would cause a decrease/increase in the valuation

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 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	417,095,619
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
Transfer from right of use assets	6	-	-	-	-	-	-	-	-	-	3,175,020	3,175,020
Disposals		-	-	-	-	-	-	-	-	-	(3,764,972)	(3,764,972)
Reclassification adjustment		-	-	-	-	(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**	570,954,074
Additions		-	**2,162,969**	**443,971**	**3,252,890**	**1,429,137**	**1,395,957**	**961,828**	**1,344,602**	**1,178,739**	**1,008,640**	**13,178,733**
Transfer from right of use assets	6	-	-	-	-	-	-	-	-	-	**3,502,992**	**3,502,992**
Disposals		-	-	-	-	-	-	(46,800)	-	-	**(3,431,764)**	**(3,478,564)**
At 30 June 2025		**177,460,000**	**282,440,039**	**13,249,630**	**11,653,532**	**1,854,137**	**18,548,525**	**19,802,006**	**17,719,542**	**21,035,506**	**20,394,318**	**584,157,235**
DEPRECIATION												
At 01 July 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	131,191,668
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
Disposals	6	-	-	-	-	-	-	-	-	-	(3,764,972)	(3,764,972)
Revaluation adjustment		-	76,923,141	-	-	-	-	-	-	-	-	76,923,141
Transfer from right of use assets		-	-	-	-	-	-	-	-	-	3,175,020	3,175,020
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**	**216,621,498**
Charge for the year		-	**6,388,210**	**834,754**	**172,424**	-	**1,129,724**	**649,947**	**636,763**	**646,082**	**305,263**	**10,763,167**
Transfer from right of use assets	6	-	-	-	-	-	-	-	-	-	**3,502,992**	**3,502,992**
Disposals		-	-	-	-	-	-	(21,060)	-	-	**(3,431,764)**	**(3,452,824)**
At 30 June 2025		-	**124,509,342**	**8,857,981**	**8,178,505**	-	**14,683,816**	**17,907,569**	**15,195,139**	**18,628,201**	**19,474,281**	**227,434,833**
NET BOOK VALUE												
At 30 June 2025		**177,460,000**	**157,930,697**	**4,391,649**	**3,475,027**	**1,854,137**	**3,864,709**	**1,894,437**	**2,524,403**	**2,407,305**	**920,037**	**356,722,402**
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

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 2023		138,850,000	168,374,165	11,894,426	2,073,013	674,729	14,497,128	17,373,478	14,675,418	9,350,100	16,395,299	394,157,755
Additions		-	-	744,086	-	-	1,293,233	497,278	758,291	1,283,129	105,014	4,681,032
Revaluation adjustment		38,610,000	111,121,097	-		-	-	-	-	-	-	149,731,097
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**	**12,638,512**	**2,073,013**	**425,000**	**15,790,361**	**17,870,756**	**15,433,709**	**10,633,229**	**16,907,914**	**548,727,756**
Additions		-	**2,162,968**	**443,971**	**3,252,890**	**1,429,137**	**1,166,250**	**961,827**	**1,344,602**	**599,672**	**745,488**	**12,106,805**
Transfer from right of use assets	6	-	-	-	-	-	-	-	-	-	**3,502,992**	**3,502,992**
Disposals		-	-	-	-	-	-	**(46,800)**	-	-	**(3,431,764)**	**(3,478,564)**
At 30 June 2025		**177,460,000**	**281,658,230**	**13,082,483**	**5,325,903**	**1,854,137**	**16,956,611**	**18,785,783**	**16,778,311**	**11,232,901**	**17,724,630**	**560,858,989**
DEPRECIATION												
At 01 July 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	109,648,263
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	13,748,556	9,185,880	16,404,832	195,525,133
Charge for the year		-	**6,332,484**	**834,754**	**112,451**	-	**1,033,601**	**625,690**	**590,013**	**424,943**	**280,720**	**10,234,656**
Disposals		-	-	-	-	-	-	**(21,060)**	-	-	**(3,431,764)**	**(3,452,824)**
Transfer from right of use assets	6	-	-	-	-		-	-	-	-	**3,502,992**	**3,502,992**
At 30 June 2025		-	**123,757,746**	**8,857,981**	**2,085,769**	-	**13,468,712**	**16,933,577**	**14,338,569**	**9,610,823**	**16,756,780**	**205,809,957**
NET BOOK VALUE												
At 30 June 2025		**177,460,000**	**157,900,484**	**4,224,502**	**3,240,134**	**1,854,137**	**3,487,899**	**1,852,206**	**2,439,742**	**1,622,078**	**967,850**	**355,049,033**
At 30 June 2024		177,460,000	162,070,000	4,615,285	99,695	425,000	3,355,250	1,541,809	1,685,153	1,447,349	503,080	353,202,623

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.

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.

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.

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

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

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 2025 and 2024 are as follows:

	THE GROUP	
	Fair value at 30 June	
	2025	2024
	Rs	Rs
Freehold land (Level 2)	177,460,000	177,460,000
Buildings including improvements on leasehold property (Level 3)	157,930,697	162,155,938
	335,390,697	339,615,938

	THE COMPANY	
	Fair value at 30 June	
	2025	2024
	Rs	Rs
Freehold land (Level 2)	177,460,000	177,460,000
Buildings including improvements on leasehold property (Level 3)	157,900,484	162,070,000
Fair value of freehold land and buildings	335,360,484	339,530,000

There were no transfers between level 2 and 3 during the year.

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

Effect of 10% increase/(decrease) in estimated price per square metre in isolation	Level 2	Level 3
	Land	Buildings
	Rs	Rs
2025 & 2024	17,746,000	16,207,000

The reconciliation of buildings measured at revalued amounts using significant unobservable inputs are as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
As at 1 July	162,155,938	132,608,282	162,070,000	132,463,051
Additions	2,162,969	-	2,162,967	-
Revaluation adjustment	-	34,197,956	-	34,197,956
Depreciation charged to profit or loss	(6,388,210)	(4,650,300)	(6,332,484)	(4,591,007)
	157,930,697	162,155,938	157,900,483	162,070,000

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

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Cost of land	57,052,456	57,052,456	57,052,456	57,052,456
Cost of buildings	69,322,904	69,322,904	69,193,804	69,193,804
Accumulated depreciation on buildings	(15,828,700)	(15,237,500)	(15,699,600)	(15,108,400)
Net book value	110,546,660	111,137,860	110,546,660	111,137,860

(e) Depreciation charge of **Rs 10,763,167** (2024: Rs 9,906,641) has been charged to administrative expenses for the Group and **Rs 10,234,656** (2024: Rs 8,546,128) has been charged to administrative expenses, for the Company.

(f) 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 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	Motor Vehicles	Total
		Rs	Rs	Rs
COST				
At 1 July 2023		21,755,057	14,100,443	35,855,500
Additions		-	7,932,868	7,932,868
Transfer to property, plant and equipment	5	-	(3,175,020)	(3,175,020)
At 30 June 2024		**21,755,057**	**18,858,291**	**40,613,348**
Additions		**11,264,143**	**12,369,243**	**23,633,386**
Transfer to property, plant and equipment	5	**-**	**(3,502,992)**	**(3,502,992)**
At 30 June 2025		**33,019,200**	**27,724,542**	**60,743,742**
DEPRECIATION				
At 1 July 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		-	(3,175,020)	(3,175,020)
At 30 June 2024		**19,355,971**	**8,832,740**	**28,188,711**
Charge for the year		**4,450,352**	**3,780,767**	**8,231,119**
Transfer to property, plant and equipment	5	**-**	**(3,502,992)**	**(3,502,992)**
At 30 June 2025		**23,806,323**	**9,110,515**	**32,916,838**
CARRYING AMOUNT				
At 30 June 2025		**9,212,876**	**18,614,027**	**27,826,903**
At 30 June 2024		2,399,085	10,025,550	12,424,635

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

(b) **THE COMPANY**

		Buildings	Motor Vehicles	Total
		Rs	Rs	Rs
COST				
At 1 July 2023		20,793,357	9,379,800	30,173,157
Additions		-	7,767,867	7,767,867
Transfer to property, plant and equipment	5	-	-	-
		-	(3,175,020)	(3,175,020)
At 30 June 2024		**20,793,357**	**13,972,647**	**34,766,004**
Additions		**10,834,371**	**12,369,243**	**23,203,614**
Transfer to property, plant and equipment	5	**-**	**(3,502,992)**	**(3,502,992)**
At 30 June 2025		**31,627,728**	**22,838,898**	**54,466,626**
DEPRECIATION				
At 1 July 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**
Charge for the year		**4,075,186**	**3,373,882**	**7,449,068**
Transfer to property, plant and equipment	5	**-**	**(3,502,992)**	**(3,502,992)**
At 30 June 2025		**22,629,735**	**5,173,378**	**27,803,113**
CARRYING AMOUNT				
At 30 June 2025		**8,997,993**	**17,665,520**	**26,663,513**
At 30 June 2024		2,238,808	8,670,159	10,908,966

7. INTANGIBLE ASSETS

(a) **THE GROUP**

	Computer software
	Rs
COST	
At 1 July 2023	17,379,405
Additions	1,218,032
At 30 June 2024	**18,597,437**
Additions	**2,157,877**
At 30 June 2025	**20,755,314**
AMORTISATION	
At 1 July 2023	16,264,101
Charge for the year	963,382
At 30 June 2024	**17,227,483**
Charge for the year	**656,247**
At 30 June 2025	**17,883,730**
CARRYING AMOUNT	
At 30 June 2025	**2,871,584**
At 30 June 2024	1,369,954

7. INTANGIBLE ASSETS (CONT'D)

(b) **THE COMPANY**

	Computer software Rs
COST	
At 1 July 2023	16,896,743
Additions	1,218,032
At 30 June 2024	**18,114,775**
Additions	**2,026,076**
At 30 June 2025	**20,140,851**
AMORTISATION	
At 1 July 2023	15,795,547
Charge for the year	949,273
At 30 June 2024	**16,744,820**
Charge for the year	**654,050**
At 30 June 2025	**17,398,870**
CARRYING AMOUNT	
At 30 June 2025	**2,741,981**
At 30 June 2024	1,369,955

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 (2024: Rs nil).

Amortisation charge of **Rs 656,247** (2024: Rs 963,382) has been charged to administrative expenses for the Group and **Rs 654,050** (2024: Rs 949,273) has been charged to administrative expenses, for the Company.

EMCAR LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2025

8. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries	THE COMPANY	
	2025	2024
	Rs	Rs
Unquoted at cost less impairment		
As at 1 July	**32,910,000**	22,910,000
Additions	**-**	10,000,000
Impairment	**(18,400,000)**	-
At 30 June	**14,510,000**	32,910,000

Details of investments in subsidiaries:

Company	Place of Business	Country of incorporation	Activity	Carrying amount		No of shares		Type of shares	Effective holding 2025 & 2024	
				2025	2024	**2025**	2024		Direct	Indirect
				Rs	Rs					
Sud Ocean Limited	None	Mauritius	Dormant	**-**	-	**4,998**	4,998	Ordinary shares	99.96%	-
Emcar Africa Ltd	None	Mauritius	Other professional technical activities	**10,000**	10,000	**100**	100	Ordinary shares	100.00%	-
Emcar Mobility Limited	Kenya	Kenya	Sales of motorcycles, autocycles, spare parts sports, energy, accessories	**-**	-	**2,000,000**	2,000,000	Ordinary shares	-	100.00%
Wingfoot Company Limited	Roche-Bois	Mauritius	Sale and retreading of tyres	**-**	18,400,000	**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%	-
				14,510,000	32,910,000	**12,464,802**	12,464,802			

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

At 30 June 2025, the Group had recognised impairment loss in respect of investment in Wingfoot Co Ltd of **Rs 18,400,000** (2024: Rs nil) 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 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 this investments. (2024: 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	
		2025	2024	**2025**	2024		Direct	Indirect
Unquoted		**Rs**	Rs	**Rs**	Rs			
Investment in Ariva Ltee	Logistic provider	**16,464,190**	12,685,498	**12,153**	12,153	Ordinary shares	12.78%	-
		16,464,190	12,685,498	**12,153**	12,153			

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	**2025**	Level 3	2024
	Rs	**Rs**		Rs
At 1 July	**12,685,498**	**12,685,498**	11,918,580	11,918,580
Additions	**-**	**-**	766,918	766,918
Change in fair value recognised in profit or loss (Note 23)	**3,778,692**	**3,778,692**	-	-
At 30 June	**16,464,190**	**16,464,190**	12,685,498	12,685,498

At 30 June 2025, the fair value of the investment in financial assets is derived using EBITDA multiple of 2.65 x.An increase /(decrease) of 1.00 x in the EBITDA multiple would have increase/(decrease) the fair value by Rs 5,881,827. At 30 June 2024, the fair value of the investment was based on the last tansaction price.

10. GOODWILL

	THE GROUP	
	2025	2024
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

	2025	2024
Discount rate	17%	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	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Tax liability - current year	10,036,278	9,067,310	7,627,259	7,912,583
Corporate Social Responsibility (CSR)	1,645,472	181,772	1,055,011	10,244
Corporate Climate Responsibility (CCR)	2,393,182	-	2,071,979	-
	14,074,932	9,249,082	10,754,249	7,922,827
Deffered tax movement				
- Movement during the year	3,465,637	(225,325)	1,330,433	(619,794)
- Effect of increase in tax rate	541,886	-	883,360	-
Charge to statement of profit or loss	18,082,455	9,023,757	12,968,042	7,303,033

Provision for income tax has been calculated at the rates of 15% (2024: 15%) for the Group and the Company on the profit for the year as adjusted for income tax purposes.

In July 2024, the Finance (Miscellaneous Provision) Act 2024 was promulgated into law and requires the Company to pay a Corporate Climate Responsibility (CCR) levy equivalent to 2 percent of its chargeable income. The levy is payable in respect of the year of assessment commencing on 1 July 2024.

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.

(b) **Tax liability**

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
At 1 July	2,798,949	101,611	2,509,507	(270,463)
Tax provision for the current year	10,036,278	9,067,310	7,627,259	7,912,583
CSR provision	1,645,473	171,527	1,055,011	-
TDS paid	(523,512)	(492,612)	(523,512)	(492,612)
CCR levy	2,393,182	-	2,071,979	-
Tax (paid)/refund	(3,920,480)	(169,785)	(3,627,808)	207,172
APS tax paid	(7,558,761)	(5,784,273)	(5,934,435)	(4,847,173)
CSR paid	(1,122,634)	(96,483)	(857,198)	-
Transfer from payables	66,535	1,654	63,302	-
At 30 June	3,815,030	2,798,949	2,384,105	2,509,507

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

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Deferred tax liability	10,811,811	7,508,564	10,811,811	7,508,564
Deferred tax asset	(1,098,683)	(2,902,530)	-	-
Net deferred tax at 30 June	9,713,128	4,606,034	10,811,811	7,508,564

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

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Balance at 1 July	4,606,033	(503,966)	7,508,564	2,662,569
Movement during the year	3,465,637	(225,326)	1,330,433	(619,794)
Effect of increase in tax rate	541,886	-	883,360	-
Amounts recognised in OCI- revaluation of Land and buidlings	-	5,813,652	-	5,813,652
Amounts recognised in OCI - RBO	1,099,572	(478,328)	1,089,454	(347,863)
	5,107,095	5,109,998	3,303,247	4,845,995
At 30 June	9,713,128	4,606,033	10,811,811	7,508,564

11. TAXATION (CONT'D)

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

Disclosed as follows:	THE GROUP		THE COMPANY	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
Capital allowance	**21,580,250**	12,836,212	**21,620,047**	12,690,831
Provision for expected credit losses	**(1,604,139)**	(920,125)	**(1,152,083)**	(903,923)
Retirement Benefit obligation	**(10,504,633)**	(10,461,311)	**(10,128,489)**	(10,330,846)
Right of Use Assets	**5,066,067**	1,854,524	**5,066,067**	1,854,524
Lease liabilities	**(4,593,731)**	(1,615,674)	**(4,593,731)**	(1,615,674)
Revaluation of Land and building	**-**	5,813,652	**-**	5,813,652
Tax loss	**(230,686)**	(2,901,244)	**-**	-
	9,713,128	4,606,034	**10,811,811**	7,508,564

(d) **Tax reconciliation**

	THE GROUP		THE COMPANY	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
Profit before tax	**61,610,415**	51,002,906	**62,337,100**	49,547,416
Applicable tax rate 19% (2024: 17%)	**11,705,979**	8,670,494	**11,844,049**	8,423,061
Tax effects of:				
- Non allowable expenses	**3,944,941**	6,287,669	**1,819,083**	4,171,141
- Non-taxable income	**(2,399,177)**	(5,728,653)	**(2,821,681)**	(5,034,766)
- CSR adjustment	**596,107**	48,996	**-**	-
- CCR levy adjustment	**1,055,011**	-	**1,055,011**	-
- Other adjustment	**1,350,318**	-	**1,071,580**	-
- Deferred tax not recognised	**1,829,276**	-		-
- (Over)/under provision - deferred tax	**-**	(256,403)	**-**	(256,403)
- Over/(under) provision - income tax	-	1,654	**-**	-
	18,082,455	9,023,757	**12,968,042**	7,303,033

12. RETIREMENT BENEFIT OBLIGATIONS

Amounts recognised in the Statements of financial position:

		THE GROUP		THE COMPANY	
		2025	2024	**2025**	2024
		Rs	Rs	**Rs**	Rs
(a)	Defined benefit pension plan	**48,487,338**	56,554,197	**47,859,604**	56,231,186
(b)	Other retirement benefits	**6,800,204**	5,978,967	**5,448,235**	4,538,499
		55,287,542	62,533,164	**53,307,839**	60,769,685

(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	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
Total market value of assets	**28,348,240**	20,392,305	**23,940,404**	16,227,858
Present value of obligation	**(76,835,578)**	(76,946,503)	**(71,800,008)**	(72,459,044)
Net liability at 30 June	**(48,487,338)**	(56,554,197)	**(47,859,604)**	(56,231,186)

Change in defined benefit obligation

	THE GROUP		THE COMPANY	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
Present value of defined benefit obligation at 1 July	**(76,946,503)**	(73,616,293)	**(72,459,044)**	(69,642,861)
Current service cost	**(2,126,227)**	(1,794,333)	**(2,042,634)**	(1,730,585)
Interest cost	**(3,684,063)**	(3,862,867)	**(3,464,178)**	(3,640,355)
Benefits paid	**584,196**	1,938,863	**584,196**	1,938,863
Actuarial gains	**5,337,019**	388,127	**5,581,652**	615,894
Present value of obligation at 30 June	**(76,835,578)**	(76,946,503)	**(71,800,008)**	(72,459,044)

Change in plan assets

	THE GROUP		THE COMPANY	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
Fair value of plan assets at 1 July	**20,392,305**	17,595,904	**16,227,858**	13,681,857
Actuarial gains	**349,729**	131,036	**284,153**	95,864
Interest Income	**1,136,438**	988,191	**933,000**	769,111
Employer contributions	**7,500,000**	4,000,000	**7,500,000**	4,000,000
Scheme expenses	**(274,775)**	(152,492)	**(254,775)**	(152,391)
Cost of insuring risk benefits	**(171,262)**	(227,720)	**(165,636)**	(227,720)
Actuarial gains	**-**	(3,752)	**-**	-
Benefits paid	**(584,195)**	(1,938,862)	**(584,196)**	(1,938,863)
Fair value of plan assets at 30 June	**28,348,240**	20,392,305	**23,940,404**	16,227,858

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	**2025**	2024
	Rs	Rs
Present value of funded defined benefit obligation	**(76,835,578)**	(76,946,503)
Fair value of plan assets	**28,348,240**	20,392,306
Net liability arising from defined benefit obligation	**(48,487,338)**	(56,554,197)

THE COMPANY	**2025**	2024
	Rs	Rs
Present value of funded defined benefit obligation	**(71,800,008)**	(72,459,044)
Fair value of plan assets	**23,940,404**	16,227,857
Net liability arising from defined benefit obligation	**(47,859,604)**	(56,231,187)

Amounts recognised in the statements of profit or loss:

	THE GROUP		**THE COMPANY**	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
Current service cost	**2,126,227**	1,741,426	**2,042,634**	1,730,585
Scheme expenses	**274,775**	191,454	**254,775**	152,391
Cost of insuring risk benefits	**171,262**	230,924	**165,636**	227,720
Interest cost	**3,684,063**	3,787,576	**3,464,178**	3,640,355
Interest Income	**(1,136,438)**	(878,123)	**(933,000)**	(769,111)
Total included in staff cost (Note 22)	**5,119,889**	5,073,257	**4,994,223**	4,981,940

Amounts recognised in other comprehensive income:

	THE GROUP		**THE COMPANY**	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
Experience (gains)/losses on plan liabilities	**(5,718,309)**	2,738,011	**(5,324,724)**	2,669,085
Experience losses/(gains) on plan assets	**349,729**	(27,050)	**284,153**	95,864
Changes in assumptions underlying the present value of the scheme	**11,055,328**	(2,191,798)	**10,906,376**	(2,053,191)
	5,686,748	519,163	**5,865,805**	711,758

EMCAR LIMITED
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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	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
Weighted average duration of the defined benefit obligation	**5-6 Years**	6-9 Years	**5 Years**	6 Years

	THE GROUP		THE COMPANY	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
Expected employer contribution for the next year	**1,990,000**	1,870,000	**1,190,000**	1,070,000

	THE GROUP		THE COMPANY	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
At 1 July	**(56,554,198)**	(56,000,104)	**(56,231,186)**	(55,961,004)
Amount recognised in profit or loss	**(5,119,889)**	(5,073,257)	**(4,994,223)**	(4,981,940)
Amount recognised in other comprehensive income	**5,686,748**	519,163	**5,865,805**	711,758
Employer Contributions	**7,500,001**	4,000,000	**7,500,000**	4,000,000
At 30 June	**(48,487,338)**	(56,554,198)	**(47,859,604)**	(56,231,186)

The principal actuarial assumptions used were:

	THE GROUP AND THE COMPANY	
	2025	2024
	%	%
Discount rate	**5.30**	4.80
Future long-term salary increases	**1.00**	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 retirements.

Sensitivity analysis on the defined benefit plan at 30 June 2025:
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 COMPANY
Discount rate	Rs	Rs
Increase due to 1% decrease in discount rate	3,847,623	3,543,632
Decrease due to 1% increase in discount rate	(3,430,047)	(3,149,265)
Increase in due to 1% increase in Future long-term Salary assumption	3,875,242	3,697,281
Decrease in due to 1% decrease in Future long-term Salary assumption	(3,505,783)	(3,338,415)

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 years.

The above figures are based on actuarial valuation carried out by Swan Actuarial Services 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	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
Present value of defined benefit obligation at 1 July	**(5,978,967)**	(2,381,667)	**(4,538,499)**	(1,679,671)
Current service cost	**(678,682)**	(462,824)	**(547,712)**	(339,212)
Interest cost	**(318,030)**	(126,621)	**(244,316)**	(86,607)
Transfer to subsidiary	**-**	-	**14,126**	-
Acturial losses	**100,475**	(3,332,855)	**(131,834)**	(2,758,009)
Benefits paid	**75,000**	325,000	**-**	325,000
Present value of defined benefit obligations at 30 June	**(6,800,204)**	(5,978,967)	**(5,448,235)**	(4,538,499)

Amounts recognised in the statements of profit or loss:

	THE GROUP		THE COMPANY	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
Current service cost	**678,682**	462,824	**547,712**	339,212
Interest cost	**318,030**	126,621	**244,316**	86,607
Total included in staff cost (Note 22)	**996,712**	589,445	**792,028**	425,819

Amounts recognised in other comprehensive income:

	THE GROUP		THE COMPANY	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
Experience (losses)/gains losses on liabilities	**(543,051)**	2,845,166	**(674,401)**	2,367,764
Changes in assumptions underlying the present value of the scheme	**643,526**	487,689	**542,567**	390,245
	100,475	3,332,855	**(131,834)**	2,758,009

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

	THE GROUP		THE COMPANY	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
At 1 July	**(5,978,967)**	(2,381,667)	**(4,538,499)**	(1,679,671)
Amount recognised in profit or loss	**(996,712)**	(589,445)	**(792,028)**	(425,819)
Transfer to subsidiary	**-**	-	**14,126**	-
Amount recognised in other comprehensive income	**100,475**	(3,332,855)	**(131,834)**	(2,758,009)
Employer Contributions and benefit payments	**75,000**	325,000	**-**	325,000
At 30 June	**(6,800,204)**	(5,978,967)	**(5,448,235)**	(4,538,499)

12. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

The calculation of gratuity on retirement as at 30 June 2025 has been performed by an independent actuary, namely Swan Actuarial Services Ltd, based on the following assumptions:

THE GROUP AND THE COMPANY

	2025	2024
	%	%
Discount rate	**5.90%**	5.40%
Future Long-term salary increase	**3.20**	3.20

Sensitivity analysis on defined benefit obligation at end of period :

	THE GROUP	THE COMPANY
Discount rate	Rs	Rs
Increase due to 1% decrease in discount rate	1,959,789	1,747,608
Decrease due to 1% increase in discount rate	(1,598,276)	(1,422,987)
Future long-term Salary assumption		
Increase due to 1% decrease in future long-term Salary assumption	1,968,508	1,749,969
Increase due to 1% decrease in future long-term Salary assumption	(1,624,566)	(1,443,843)

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.

Other post retirement benefits plans typically expose the Group and the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

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.

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	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Expected employer contribution for the next year	**9,991,000**	7,500,000	**9,900,000**	7,500,000

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Weighted average duration of the defined benefit obligation	**9-17 Years**	9-17 Years	**17 Years**	17 Years

12. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

	THE GROUP		THE COMPANY	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
(c) *Defined contribution pension plan*				
Contribution paid	**7,500,000**	4,000,000	**7,500,000**	4,000,000
(d) *State pension plan*				
National Pension Scheme Contributions	**3,712,795**	3,140,955	**3,424,002**	2,852,162

13. INVENTORIES

	THE GROUP		THE COMPANY	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
At cost or NRV:				
Raw materials	**9,518,782**	4,460,482	**-**	-
Stock in trade	**13,496,033**	9,808,527	**-**	-
Spare parts	**42,930,789**	34,630,804	**40,039,385**	32,807,504
Finished goods	**126,381,070**	122,451,158	**117,867,125**	112,774,848
Goods in transit	**26,508,631**	22,637,612	**19,133,254**	12,888,472
	218,835,305	193,988,583	**177,039,764**	158,470,824
Provision for slow moving inventories	**(6,240,566)**	(5,057,783)	**(5,084,653)**	(4,736,436)
	212,594,739	188,930,800	**171,955,111**	153,734,388

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 508,867,789** (2024: Rs 424,357,392) and **Rs 409,922,726** (2024: Rs 347,483,805) 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 7,266,861** (2024: Rs 4,681,092) and **Rs 6,477,641** (2024: Rs 4,679,988) respectively. Also, an amount of **Rs 969,413** (2024: Rs 5,093,699) for the Group and **Rs 877,641** (Rs 4,807,738) for the Company has been written off at year end.

14. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
Trade receivables	**83,626,945**	79,359,570	**47,585,987**	49,292,288
Less: Specific provisions	**(6,039,993)**	(5,105,764)	**(4,559,003)**	(4,857,184)
Less: Allowance for expected credit loss	**(1,040,401)**	(570,963)	**(1,504,590)**	(460,009)
	76,546,551	73,682,843	**41,522,394**	43,975,094
Other receivables and prepayments	**47,253,855**	65,589,885	**46,268,537**	64,805,180
	123,800,406	139,272,727	**87,790,931**	108,780,274

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) Trade receivables for the company include an amount of **Rs 1,396,940** (2024: Rs 346,764) 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 12,730,739** and **Rs 5,351,907** respectively (2024: Rs 25,490,202 and Rs 13,038,469 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	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
31-60 days	**6,810,307**	11,173,798	**3,233,331**	3,758,496
60-90 days	**1,913,574**	3,399,636	**1,126,049**	623,300
90-120 days	**1,022,357**	3,013,463	**408,523**	1,045,587
>120 days	**2,984,501**	7,903,305	**584,004**	7,616,086
	12,730,739	25,490,202	**5,351,907**	13,043,469

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 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**
Increase in loss allowance	**469,438**	**934,229**	**1,403,667**
At 30 June 2025	**1,040,401**	**6,039,993**	**7,080,394**

THE COMPANY	**Collectively assessed**	**Individually assessed**	**Total**
	Rs	**Rs**	**Rs**
At 1 July 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**
Increase/(decrease) in loss allowance	**1,044,581**	**(298,181)**	**746,400**
At 30 June 2025	**1,504,590**	**4,559,003**	**6,063,593**

Movement in the provision for expected credit loss:

	THE GROUP		THE COMPANY	
	2025	2024	**2025**	2024
	Rs	Rs	**Rs**	Rs
At 1 July	**(5,676,727)**	(3,620,688)	**(5,317,193)**	(3,369,262)
Amount recognised in profit or loss	**(2,080,305)**	(2,268,042)	**(1,260,987)**	(2,159,934)
Bad debts written off against provision	**676,638**	212,003	**514,587**	212,003
At 30 June	**(7,080,394)**	(5,676,727)	**(6,063,593)**	(5,317,193)

EMCAR LIMITED
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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 7,080,394** and **Rs 6,063,593** are required for the Group and the Company respectively (2024: Rs 5,676,727 and Rs 5,317,193).

At the date of authorisation of these financial statements, 87% 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 2025	%	%	%	%	%	%	%
Expected loss rate	-	0.53%	2.83%	9.15%	12.97%	68.02%	8.47%
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Trade receivables	42,222,072	21,674,259	7,008,800	2,106,238	1,174,705	9,440,871	83,626,945
Expected loss	-	115,019	198,493	192,664	152,348	6,421,870	7,080,394

	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%	54.60%	7.15%
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Trade receivables	29,655,971	23,471,178	9,225,425	6,090,229	3,013,463	7,903,305	79,359,570
Expected loss allowance	-	92,884	35,494	14,986	1,217,387	4,315,976	5,676,727

	THE COMPANY						
	Current	<30 days	31-60 days	61-90 days	91-365 days	>365 days	Total
30 June 2025	%	%	%	%	%	%	%
Expected loss rate	0.00%	0.44%	3.87%	57.96%	18.04%	87.86%	12.74%
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Uncovered trade debtors	21,861,250	14,373,096	3,363,434	2,678,598	498,454	4,811,155	47,585,987
Expected loss allowance	-	63,859	130,103	1,552,549	89,931	4,227,151	6,063,593

	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 allowance	-	75,137	13,029	2,446	1,204,999	4,021,582	5,317,193

(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	
	2025	2024	**2025**	2024
Prepayments	**37,600,071**	53,569,664	**36,714,840**	52,828,620
Sundry debtors and prepayments	**1,259,289**	4,536,062	**1,259,289**	4,536,062
Other receivables	**8,033,597**	7,123,261	**7,933,510**	7,079,600
Deposits	**360,898**	360,898	**360,898**	360,898
	47,253,855	65,589,885	**46,268,537**	64,805,180

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15. STATED CAPITAL

	THE GROUP AND THE COMPANY	
	2025	2024
Issued and fully paid	Rs	Rs
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	
	2025	2024	2025	2024
Loans repayable by instalments, the last of which falls due:	Rs	Rs	Rs	Rs
- Within one year				
Secured loans	48,784,405	60,013,432	36,115,587	50,863,898
Unsecured loans	606,488	591,128	606,488	591,128
	49,390,893	60,604,560	36,722,075	51,455,026
- One to five years				
Secured loan	26,793,754	32,449,690	26,793,754	32,449,690
- More than five years				
Secured loan	9,307,559	-	9,307,559	-
	85,492,206	93,054,250	72,823,388	83,904,716

The bank loans are secured by floating charges totalling **Rs. 252,380,000** on the assets of the Group and Company and bear interest rate at **1.5 %** (2024: 1.5 %) for short term loan, **8.15 %** (2024: 8.5 %) for medium term, and **between 7.40% - 8.15 %** (2024: 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	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
At 1 July	10,953,132	11,828,270	9,503,966	9,862,832
Additions for the year	21,626,521	5,812,935	21,196,750	5,701,363
Interest expense (note 24)	593,961	673,734	432,514	452,569
Lease payment	(7,786,625)	(7,361,807)	(6,955,700)	(6,512,798)
At 30 June	25,386,989	10,953,132	24,177,530	9,503,966
Analysed as:				
Non-current	18,138,310	6,715,590	17,464,200	5,631,659
Current	7,248,679	4,237,542	6,713,330	3,872,308
	25,386,989	10,953,132	24,177,530	9,503,967
Analysed as:				
Motor vehicles	17,010,770	8,554,046	14,930,516	7,058,027
Buildings	8,376,216	2,399,086	9,247,014	2,445,939
	25,386,986	10,953,132	24,177,530	9,503,966
Maturity analysis				
Year 1	7,248,679	4,237,542	6,713,330	3,872,308
Year 2	7,044,669	4,089,743	6,660,656	2,880,404
Year 3	5,531,663	991,468	5,269,402	1,135,032
Year 4	2,576,546	988,422	2,548,710	952,963
Year 5	2,985,432	645,957	2,985,432	663,260
	25,386,989	10,953,132	24,177,530	9,503,967
Lease payments	8,147,704	7,361,807	7,316,779	6,512,798
Low value leases	1,597,766	860,230	1,425,468	819,665
Total cash outflow	9,745,470	8,222,037	8,742,247	7,332,463

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

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
Motor Vehicles	6.6-8.75	6.6-8.75	6.6-8.75	6.6-8.75
Buildings	7.75	7.75	7.75	7.75

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.** (2024: 6.6% -8.75% p.a.)

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19. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Trade payables	**41,258,340**	31,207,021	**22,187,504**	25,254,907
Provisions	**17,547,129**	22,028,242	**17,547,129**	15,148,242
Advance from customers	**31,291,972**	40,533,981	**31,291,972**	40,533,981
Other payables and accruals	**7,516,412**	11,157,233	**4,608,689**	8,926,871
Amount due to group companies	**-**	-	**10,000**	10,000
	97,613,853	104,926,477	**75,645,294**	89,874,001

Trade payables include an amount of **Rs 1,001,578** (2024: 9,768) due to subsidiary, 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	
	2025	2024
	Rs	Rs
At 1 July	**6,785,000**	6,970,000
Proposed during the year :		
Ordinary shareholders	**6,120,000**	5,000,000
Preference shareholders (note 25)	**1,785,000**	1,785,000
Dividend paid during the year	**(6,785,000)**	(6,970,000)
At 30 June	**7,905,000**	6,785,000

By written resolution dated 30 June 2025,the directors declared a dividend of **Rs 3.60** (2024 Rs 2.94) per share for ordinary shareholders in respect of the year ended 30 June 2025.

21. REVENUE

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Sales of goods	**773,797,044**	655,761,893	**633,291,072**	550,444,520
Rendering of services	**33,836,368**	20,533,882	**33,836,368**	20,533,882
	807,633,412	676,295,775	**667,127,440**	570,978,402

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
Timing of revenue recognition	Rs	Rs	Rs	Rs
At a point in time	**807,633,412**	676,295,775	**667,127,440**	570,978,402

22. PROFIT FROM OPERATIONS

This is arrived at after charging:-

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Distribution costs	**14,254,582**	13,547,682	**12,575,162**	12,263,738
Administrative expenses	**187,502,903**	155,940,166	**170,740,334**	145,726,907
Provision for expected credit losses	**2,080,305**	2,268,042	**1,260,987**	2,159,934
Direct expenses	**39,767,972**	26,480,501	**30,795,365**	30,279,695
Included in administrative expenses are:				
Depreciation of property, plant and equipment (note 5)	**10,763,167**	9,096,641	**10,234,656**	8,546,128
Depreciation of Right of use assets (note 6)	**8,231,119**	7,007,261	**7,449,068**	6,293,073
Amortisation on intangible assets (note 7)	**656,247**	963,382	**654,050**	949,273
Staff costs	**138,382,363**	116,296,593	**130,346,544**	110,748,407
Cost of sales	**516,304,471**	424,357,392	**417,359,406**	347,483,805

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	**126,105,443**	105,939,450	**119,018,311**	100,646,207
Social security costs	**6,160,319**	4,694,441	**5,541,982**	4,694,441
Pension cost- Defined benefit pension plan (note 12(a))	**5,119,889**	5,073,257	**4,994,223**	4,981,940
Pension cost- Other retirement benefits (note 12(b))	**996,712**	589,445	**792,028**	425,819
	138,382,363	116,296,593	**130,346,544**	110,748,407

23. OTHER INCOME

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Interest receivable	-	-	8,201	89,014
Management fees receivable	-	-	1,615,000	1,560,000
Gain on exchange	3,365,765	193,662	3,365,765	-
Profit on disposal of plant and equipment	1,402,521	1,060,870	1,402,521	1,060,870
Shipping income	11,892,860	7,568,287	11,892,860	7,568,287
Gain on fair value of investment (note 9)	3,778,692	-	3,778,692	-
Dividend received	3,195,568	3,323,391	10,195,568	9,823,391
Others	5,225,075	3,875,012	7,921,822	6,978,225
	28,860,481	16,021,222	40,180,429	27,079,787

24. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Interest on loans	3,779,875	4,114,732	3,779,875	4,114,732
Interest on bank overdrafts and other loans	8,640,984	7,782,655	6,428,081	5,734,699
Interest on import loan	1,815,890	1,227,314	1,599,043	1,227,314
Interest on lease liabilities (note 17)	593,961	673,734	432,514	452,569
Loss on exchange	142,535	-	-	-
	14,973,245	13,798,435	12,239,513	11,529,314

25. NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES

	THE GROUP AND THE COMPANY	
	2025	2024
	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	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Bank guarantees in favour of third parties	15,843,650	3,443,650	15,843,650	3,443,650
	15,843,650	3,443,650	15,843,650	3,443,650

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

27. RELATED PARTY TRANSACTIONS

The Company transacted with the following subsidiaries during the year: Wingfoot Company Limited and Maison de la Moto Ltee.

		THE COMPANY	
		2025	2024
		Rs	Rs
(i)	Sales of goods:		
	- Subsidiaries	**2,611,405**	957,914
	Management services		
	- Subsidiaries	**1,560,000**	1,560,000
	Rental income		
	- Subsidiaries	**2,821,472**	2,812,080
	Assembling fees		
	- Subsidiaries	**-**	1,003,670
	Retirement benefit obligation**		
	- Subsidiaries	**82,006**	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	**8,877,763**	6,595,907
(iii)	Outstanding balances:		
	(a) Due by related companies		
	- Amount due from subsidiaries	**1,396,940**	74,782
	- Current account with subsidiaries	**150,376**	112,148
		1,547,316	186,930

During the year ended 30 June 2025, the Company has recorded an impairment of receivables of **Rs. 949,856** relating to amounts owed by a subsidiary (2024: Rs nil). This assessment is undertaken each financial year through examining the financial positiion of the related parties and the market in which the related party is operate.

	(b) Due to related companies		
	- Subsidiaries	**(1,001,578)**	(9,768)

Amounts due to/ from subsidiaries are unsecured, bear interest at **6.75% p.a.** (2024: 6.6 - 6.75% p.a.) and have no fixed repayment terms.

		THE GROUP AND THE COMPANY	
		2025	2024
		Rs	Rs
(iv)	Compensation to key management personnel		
	- Short term benefits	**4,720,886**	5,161,472

28. FINANCIAL INSTRUMENTS

Gearing ratio

The gearing ratio at the year end was as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Debt (i)	**208,383,548**	187,412,733	**160,031,051**	164,417,999
Cash and cash equivalents	**(40,691,311)**	(17,988,988)	**(19,528,718)**	(16,170,938)
Net debt	**167,692,237**	169,423,745	**140,502,333**	148,247,061
Equity	**401,437,735**	361,127,124	**384,768,753**	358,010,034
Net debt to equity ratio	**41.77%**	46.92%	**36.52%**	41.41%

(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	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Financial assets at amortised cost				
Trade and other receivables	**84,580,148**	81,908,044	**49,455,904**	51,415,591
Cash at bank and in hand	**40,691,311**	17,988,988	**19,528,718**	16,170,938
Amount due by Subsidiaries	**-**	-	**150,376**	112,148
	125,271,459	99,897,032	**69,134,998**	67,698,677
Financial assets at fair value through profit and loss	**16,464,190**	12,685,498	**16,464,190**	12,685,498
	141,735,649	112,582,530	**85,599,188**	80,384,175
Financial liabiltiies at amortised cost				
Bank overdrafts	**97,504,353**	83,405,349	**63,030,133**	71,009,316
Loans	**85,492,206**	93,054,251	**72,823,388**	83,904,716
Lease liabilities	**25,386,989**	10,953,132	**24,177,530**	9,503,966
Trade and other payables	**97,613,853**	104,926,477	**75,645,294**	89,874,001
	305,997,401	292,339,209	**235,676,345**	254,291,999

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). Management has set up a policy to require the Group to manage its foreign exchange risk exposure with treasury. The Group also manages the exposure to currency variations by matching receipts and disbursements.

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 2025	Financial liabilities 2025	Financial assets 2024	Financial liabilities 2024
Currency	Rs	Rs	Rs	Rs
Mauritian Rupee	139,230,375	168,815,256	105,721,568	227,143,775
United States Dollar	2,210,812	77,695,404	4,868,420	33,693,611
Euro	-	36,306,460	1,755,472	10,697,247
Pound Sterling	294,462	-	231,364	244
Japanese Yen	-	23,179,948	4,029	20,804,331
South African Rand	-	333	1,677	-
	141,735,649	305,997,401	112,582,530	292,339,208

	THE COMPANY			
	Financial assets 2025	Financial liabilities 2025	Financial assets 2024	Financial liabilities 2024
Currency	Rs	Rs	Rs	Rs
Mauritian Rupee	83,128,459	141,584,739	73,798,990	201,213,823
United States Dollar	2,176,267	60,408,813	4,734,917	27,413,457
Euro	-	10,505,127	1,614,874	4,860,144
Pound Sterling	294,462	-	231,364	244
Japanese Yen	-	23,177,333	4,030	20,804,331
South African Rand	-	333	-	-
	85,599,188	235,676,345	80,384,175	254,291,999

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	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
(Loss)/ profit	(3,774,230)	(1,441,260)	(2,911,627)	(1,133,927)

	EURO IMPACT			
	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Loss	(1,815,323)	(447,089)	(525,256)	(162,263)

28. FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

	GBP IMPACT			
	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Profit	14,723	11,556	14,723	11,556

	JAPANESE YEN IMPACT			
	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Loss	(1,158,997)	(1,040,015)	(1,158,867)	(1,040,015)

	SOUTH AFRICAN RAND IMPACT			
	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Profit	(17)	84	(17)	-

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

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 Group has an interest rate policy which aims at minimising the annual interest costs and reduce volatility. The cost of debt is managed by effective negotiation directly with banks and other financial institutions.

The interest rate profile of the Group and Company at 30 June 2025 were:

Financial assets

	THE GROUP AND THE COMPANY			
	2025	2025	2024	2024
	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			
	2025	2025	2024	2024
	Floating Rate % p.a.	Fixed Rate % p.a.	Floating Rate % p.a.	Fixed Rate % p.a.
Bank overdrafts	3.47 - 7.65	-	6.1 - 6.6	-
Loans	7.4 - 8.5	1.50	5.75 - 6.1	-
Amount due to Subsidiaries	6.6	-	6.60	-
Finance leases	6.10	5.45 - 7.65	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	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Decrease in profit	**471,154**	701,818	**400,078**	630,741

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.

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 2025, 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 2025				
Trade receivables	14	**83,626,945**	**(7,080,394)**	**76,546,551**
30 June 2024				
Trade receivables	14	79,359,569	(5,676,727)	73,682,843

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 2025				
Trade receivables	14	**47,585,987**	**(6,063,593)**	**41,522,394**
30 June 2024				
Trade receivables	14	49,292,288	(5,317,193)	43,975,095

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			
2025	Less than 1 year Rs	1-5 years Rs	>5 years Rs	Total Rs
Trade and other payables	**97,613,853**	**-**	**-**	**97,613,853**
Lease liability	**7,248,679**	**18,138,310**	**-**	**25,386,989**
Loan	**49,390,893**	**26,793,754**	**9,307,559**	**85,492,206**
Bank overdraft	**97,504,353**	**-**	**-**	**97,504,353**
	251,757,778	**44,932,064**	**9,307,559**	**305,997,401**
2024				
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	83,405,349	-	-	83,405,349
	253,173,928	39,165,280	-	292,339,208

28. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk management (cont'd)

Liquidity and interest risk tables (cont'd)

	THE COMPANY			
2025	**Less than 1 year Rs**	**1-5 years Rs**	**>5 years Rs**	**Total Rs**
Trade and other payables	**75,645,294**	**-**	**-**	**75,645,294**
Lease liability	**6,713,330**	**17,464,200**	**-**	**24,177,530**
Loans	**36,722,075**	**26,793,754**	**9,307,559**	**72,823,388**
Bank overdraft	**63,030,133**	**-**	**-**	**63,030,133**
	182,110,832	**44,257,954**	**9,307,559**	**235,676,345**
2024				
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

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. derived from prices); and
- 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	
	2025 Rs	2024 Rs
Approved by the Board of Directors but not yet contracted	**36,000,000**	29,600,000

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 2024 Rs	Interest accrued Rs	Interest paid Rs	Non-cash transactions Rs	Repayments Rs	Proceeds Rs	30 June 2025 Rs
Loans	**93,054,251**	**4,793,322**	**(4,793,322)**	**-**	**(53,127,004)**	**45,564,959**	**85,492,206**
Lease Liabilities	**10,953,132**	**593,961**	**(593,961)**	**21,626,521**	**(7,192,664)**	**-**	**25,386,989**

	Reconciliation of liabilities arising from financing activities						
	01 July 2023 Rs	Interest accrued Rs	Interest paid Rs	Non-cash transactions 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

The Company

	Reconciliation of liabilities arising from financing activities						
	01 July 2024 Rs	Interest accrued Rs	Interest paid Rs	Non-cash transactions Rs	Repayments Rs	Proceeds Rs	30 June 2025 Rs
Loans	**83,904,716**	**4,745,836**	**(4,745,836)**	**-**	**(51,658,288)**	**40,576,961**	**72,823,388**
Lease liabilities	**9,503,966**	**432,514**	**(432,514)**	**21,196,750**	**(6,523,186)**	**-**	**24,177,530**

	Reconciliation of liabilities arising from financing activities						
	01 July 2023 Rs	Interest accrued Rs	Interest paid Rs	Non-cash transactions 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

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	
	2025 Rs	2024 Rs
Maturity analysis of operating lease payments:		
Year 1	**3,741,796**	3,649,920

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

	2025 Rs	2024 Rs
Lease income on operating leases	**3,741,796**	3,649,920

32. IMPAIRMENT LOSS ON SUBSIDIARY

	THE COMPANY	
	2025	2024
	Rs	Rs
Impairment of investment in subsidiary (note 8)	18,400,000	-
Impairment of amount receivable from subsidiary (note 27)	949,856	-
	19,349,856	-

33. SUBSEQUENT EVENTS

Amendments to the Income Tax Act

On 9 August 2025, subsequent to the reporting period, the Finance Act 2025 was promulgated into law and introduced significant amendments to the tax legislation, including but not limited to:

Fair Share Contribution for Companies:

A Fair Share Contribution ranging from 2% to 5% has been introduced under the Value Added Tax Act (VAT) and is applicable to companies with annual supplies exceeding MUR 24 million or those required to be VAT registered and having annual chargeable income exceeding MUR 24 million. This contribution is payable on a quarterly basis under a system similar to the Advance Payment System under corporate tax and is not deductible against other tax credits. Specific caps apply to banks and telecommunication companies to ensure the total tax burden does not exceed 35% of chargeable income. The contribution will be applicable to income derived as from the 1st of July 2025 and will be imposed for 3 consecutive years, i.e., up to the 30th of June 2028.

These changes were enacted after the reporting period ending 30 June 2025 and therefore represent non-adjusting events in accordance with IAS 10.22(h). As such, the financial effects of these changes have not been reflected in the financial statements for the year ended 30 June 2025.

The Company is currently evaluating the potential impact of these legislative changes on its future financial performance and tax obligations.