

Associated Commercial Co Ltd

Consolidated and Separate Financial Statements

For the year ended

30 June 2025

Associated Commercial Co Ltd

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Associated Commercial Co Ltd**Corporate Information****DIRECTORATE****CHAIRMAN**

SWALEH RAMJANE *FCIS MCIT*

DIRECTORS

M YACOOB RAMTOOLA *FCA*

M S E HAJI ADAM *FCCA*

MASOOD A RAMTOOLA

A FOUAD MALLAM HASSAM

SABINA MORABY

SECRETARY

M YACOOB RAMTOOLA *FCA*

AUDITOR

ECOVIS (MAURITIUS)
SUITE 207, 2ND FLOOR NG TOWER
CYBERCITY
EBENE

REGISTERED OFFICE

C/o UNITED BUS SERVICE LTD
LES CASSIS PORT LOUIS

BANKS

SBM BANK (MAURITIUS) LTD
1 QUEEN ELIZABETH II AVENUE
PORT LOUIS

THE MAURITIUS COMMERCIAL BANK LIMITED
SIR WILLIAM NEWTON STREET
PORT LOUIS

ABSA BANK (MAURITIUS) LIMITED
ABSA HOUSE,
68 WALL STREET CYBERCITY 72201
MAURITIUS

AFRASIA BANK LIMITED
BOWEN SQUARE
10 DR FERRIERE STREET
PORT LOUIS
MAURITIUS

Associated Commercial Co Ltd**Corporate Information (Continued)****BANKS (CONTINUED)**

MAUBANK LTD
25 BANK STREET CYBERCITY 722201
MAURITIUS

Associated Commercial Co Ltd**Chairman's letter**

On behalf of the board I am pleased to submit the annual report of ACC Ltd for the year ended 30 June 2025. The company has generated a profit of Rs 65.5 million which is slightly lower than the previous year. A dividend of Rs 5 was paid during the year. The business lines of the company remain the same and we are confident that the future performance of the company will improve.

I also wish to thank the Board of Directors for their continuous support and guidance, the leadership team and the employees for their ongoing support to the company's mission, values and objectives.



Swaleh Ramjane FCIS MCIT
Chairman
30 Sept 2025

Associated Commercial Co Ltd

Board of Directors

Profile of the Board of Directors of ACC Ltd

Mr. Swaleh Ramjane FCIS MCIT – Non Executive Director

- **Skills and experience**

Mr. Swaleh Ramjane is a fellow of the Chartered Institute of Secretaries and Administrators and a member of the Chartered Institute of Transport; he has a wide experience in transport, commerce and industry.

- **Other current appointments:**

Director of United Bus Service Ltd, Mauritius Secondary Industries Ltd, Lintrabis Investment Co Ltd, UBS Transport Ltd and Orland Ltd.

Mr. Yacoob Ramtoola FCA – Non Executive Director

- **Skills and experience**

Mr. Yacoob Ramtoola is a fellow of the Institute of Chartered Accountants and has a wide experience in audit and advisory business.

- **Other current appointments:**

Director of United Bus Service Ltd, Mauritius Secondary Industries Ltd, Lintrabis Investment Co Ltd, UBS Transport Ltd and Orland Ltd.

Mr. M S E Haji Adam FCCA - Executive Director

- **Skills and experience**

Mr. M S E Haji Adam is a fellow of the Institute of Chartered and Certified Accountants. He had a career in audit and accountancy before joining the company in 2001. He is currently the CEO of the Company.

- **Other current appointments:**

Director of United Bus Service Ltd, Mauritius Secondary Industries Ltd, Lintrabis Investment Co Ltd, UBS Transport Ltd, Orland Ltd and Union Sugar Estates Ltd.

Massood A Ramtoola – Non Executive Director

- **Skills and experience**

Mr. Massood A Ramtoola is an experienced businessman; he is the manager of H A Ramtoola and Sons and is the Director of the Company since 1986.

- **Other current appointments:**

Director of United Bus Service Ltd and Mauritius Secondary Industries Ltd.

Ahmad Fouad Mallam Hassam – Independent Non Executive Director

- **Skills and experience**

Mr A F Mallam Hassam is holder of Master of Arts in Administrative Science from the University of Punjab. He has also been awarded Master of Laws in Criminology and Criminal Justice from the University of London. He has a wide experience in the Public Bus Transport Industry.

- **Other current appointments**

Director of United Bus Service Ltd and Mauritius Secondary Industries Ltd.

Associated Commercial Co Ltd

Board of Directors (Continued)

Profile of the Board of Directors of ACC Ltd (Continued)

Mrs. Sabina Moraby – Independent Non Executive Director

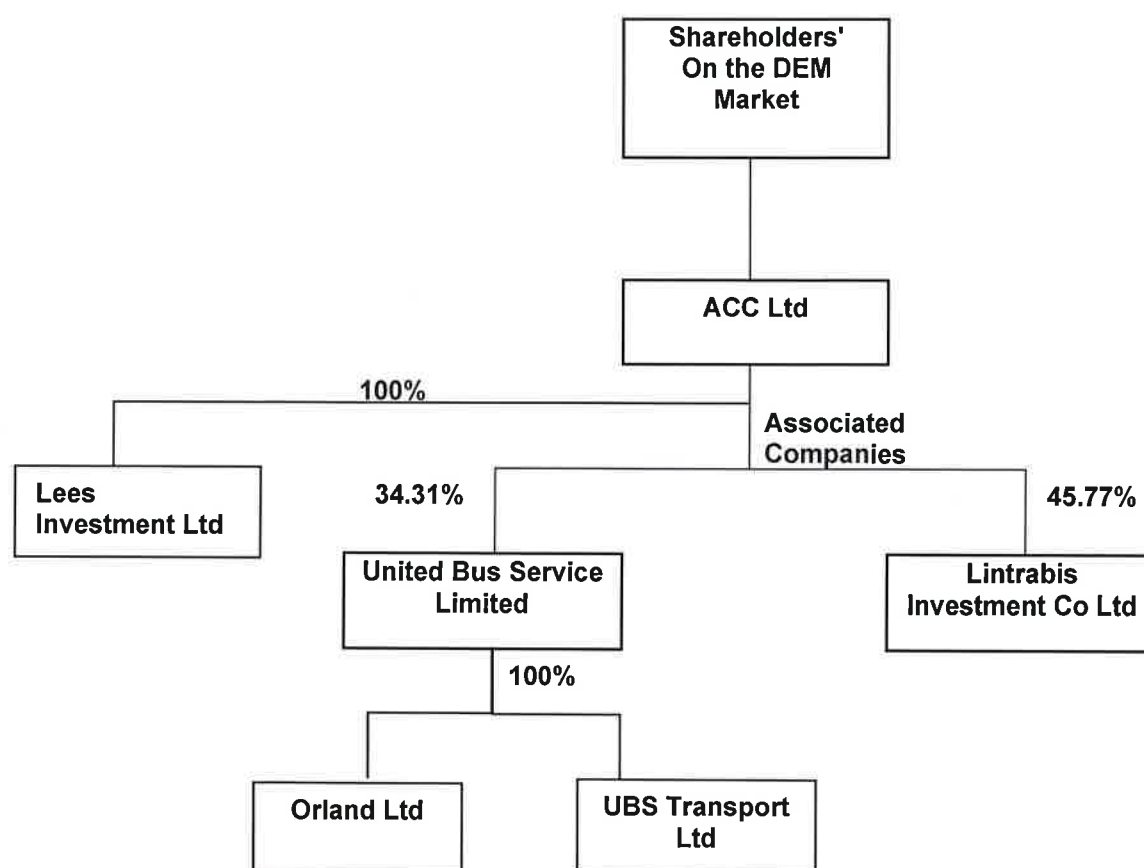
- **Skills and experience**

Mrs Sabina Moraby is an experienced IT professional with more than 30 years of experience, she also has experience in Management and Administrative functions.

- **Other current appointments**

Director of United Bus Service Ltd and Mauritius Secondary Industries Ltd.

Group Structure



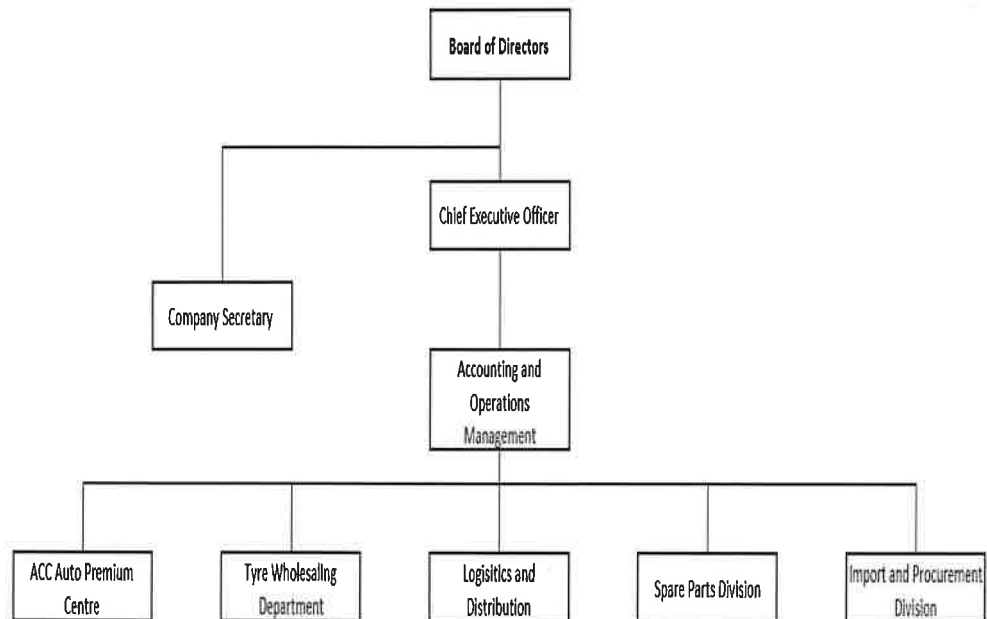
Associated Commercial Co Ltd

Common Directorships

The table below indicates the Directors common to Associated Commercial Co Ltd and its associated companies:

Directors	ACC Ltd	UBS Ltd	UBS T Ltd	Orland Ltd	Lintrabis Ltd	Lees Investment Ltd
Swaleh Ramjane	•	•	•	•	•	•
M Yacoob Ramtoola	•	•	•	•	•	•
M S E Haji Adam	•	•	•	•	•	•
Masood Ramtoola	•	•	-	-	-	-
A F Mallam Hassam	•	•	-	-	-	-
Sabina Moraby	•	•	-	-	-	-

Group Organigram



Associated Commercial Co Ltd

Corporate Governance Report

Introduction

Associated Commercial Co Ltd ("ACC Ltd") is a public limited company incorporated in 1964 and qualifies as a public interest entity as defined under the Financial Reporting Act 2004. The Board of Directors has the responsibility of managing, leading and having full control over the activities of the Company and is committed to achieving high standards of corporate governance.

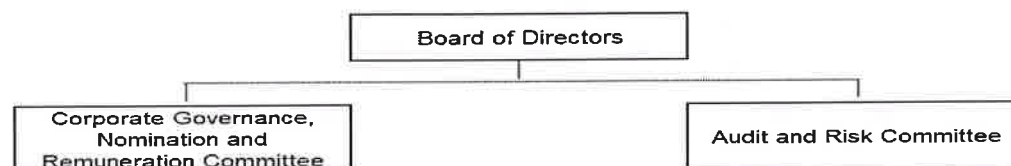
The Company is listed on the Development and Enterprise Market ("DEM") of the stock exchange of Mauritius and is registered with the FSC as a reporting issuer. It is a commercial company that trades in tyres, motor vehicle spare parts and new buses.

The report outlines the Company's corporate governance framework under the National Code of Corporate Governance ("the code") and provides example as needed how the principles have been applied.

The Board of ACC Ltd considers that it has applied in all material respects, the principles of the code throughout the financial reporting period from 1 July 2024 to 30 June 2025.

Principle 1: Governance Structure

The board serves as the focal point and custodian of corporate governance in the organization. The Directors recognize that good governance can create shareholder value by enhancing long-term equity performance. While the board is unwavering in its adherence with legislation, regulation, codes and guidelines, the Company's commitment to good governance goes beyond a commitment to comply with standards. Each Director is appointed with the understanding of the amount of time and care that they will have to devote to the Board and the organization.



Key Governance documents

Code of ethics

ACC Ltd commits itself to the highest standards in the conduct of its activities on a daily basis. It consists of general principles regarding relations with stakeholders which defines the reference values guiding the Company in carrying out its activities. Among the aforesaid principles, specific mention is made of the following: honesty, impartiality, confidentiality, the creation of value for shareholders, the value of human resources, the transparency and completeness of information, service quality and the protection of the environment.

The code of ethics is available on the Company's website.

Board charter

The board is of the view that the Company's constitution, the Mauritius Companies Act 2001 and rules and regulations which apply to the Company are sufficiently detailed and elaborate to serve as benchmark and terms of reference. However, if the need arises in the future the Company shall work towards the implementation of a board charter.

The Chairman ensures that each Director understands his role, responsibilities and the authority of the board of Directors both individually and collectively in setting the direction, the management and the control of the organization. He also ensures that the Directors promote efficiency, transparency and ethical functioning within the Company.

Associated Commercial Co Ltd

Corporate Governance Report (Continued)

Principle 1: Governance Structure (Continued)

General organization structure of the Company

The general organization structure of the Company is on page vi.

Key Governance Responsibilities

The Board has taken particular note of the following key governance positions that are critical to the Board's performance against its strategy and achievement.

Key Governance Positions

Chairman of the Board

The Chairman is responsible for the leadership of the board; and in particular, he will:

- ensure effective operation of the board and its committees in conformity with the highest standards of corporate governance;
- ensure communication with shareholders;
- ensure all committees are properly established;
- plan the schedule of meetings and agenda;
- coordinate with the Company secretary and ensure the board receives information on a timely basis;
- call for special meetings whenever needed; and
- establish a harmonious and open relationship with the CEO and other Senior staff.

Mr. Swaleh Ramjane FCIS MCIT is the Chairman of the board, and a brief profile is provided on page iv.

Chief Executive Officer

The Board is responsible for the appointment of the Chief Executive Officer. The authority of the board that is conferred to management through the CEO, so that authority and accountability of management is considered to be the authority and accountability of the CEO in so far as the board is concerned.

The key responsibilities of the CEO are as follows:

- formulating and successfully implementing Company policy;
- directing strategy towards the profitable growth and operation of the Company;
- developing strategic operating plans that reflect the long term objectives and priorities established by the board;
- maintaining an ongoing dialogue with the Chair of the board;
- putting in place adequate operational planning and financial control systems;
- closely monitoring the operating and financial results against plans and budgets;
- take remedial action where necessary and inform the board of significant changes;
- maintaining operational performance of the Company;
- assuming full accountability to the board for all the Company's operations; and
- building and maintaining an effective executive team.

Mr. Muhammad S E Haji Adam is the CEO of ACC Ltd and a brief profile is found on page iv.

Chairman of the Corporate Governance, Nomination and Remuneration Committee

The Chairman of the Corporate Governance, Nomination and Remuneration committee works with close collaboration and provides support and advice to the Chairman of the board. He has the following responsibilities:

- Providing guidance to the board on aspects of corporate governance and for recommending the adoption of policies and best practices.
- Ensure that no Directors are disqualified from holding office.
- Determine and develop general policies as regards to executive and senior management remuneration

Associated Commercial Co Ltd

Corporate Governance Report (Continued)

Principle 1: Governance Structure (Continued)

Website

The following information is available on the company's website:

- Annual report
- Quarterly accounts
- Share price information
- Financial highlights etc
- The Code of Ethics
- Organization chart
- Statement of major accountabilities

Principle 2: The Structure of the Board and its Committees

The Board of Directors of ACC Ltd represents the shareholders' interests and is collectively responsible for the long-term success of the Company, its reputation and governance. The board is responsible to all its shareholders and to its stakeholders for leading and controlling the organization and meeting all legal and regulatory requirements and is also accountable for determining that the Company is managed in a way to achieve its objectives.

The board of ACC Ltd is a unitary board and was at 30 June 2025 made up of 6 members. The Chairperson Mr. Swaleh Ramjane by definition of the Code of Corporate Governance does not meet the criteria of being an independent chairperson. However, the board can have according to the code its own definition of independence. Consequently, It is entirely satisfied that the chairperson is independent in both character and judgement and he has a wide experience and contributes in strategic issues etc.

Mr. Muhammad Haji Adam is the only executive director of the Company. The board is of opinion that given the operations of the Company are properly structured and non-complex, the appointment of a second executive director at this stage is not warranted.

The board after having taken into account the size of the operations of the Company, the spread of operations, the extent of activities which are subject to regulations and the multiplicity of activities is satisfied that its size is sufficient for the management of the affairs of the Company.

Mr. Yacoob Ramtoola is the Company Secretary.

The profile of the board members is on pages iv and v.

Powers of the board

The role and responsibilities of the Board of Directors is as per the Company's constitution in compliance of the Mauritius Companies Act 2001 and as per the listing rules of the Stock Exchange of Mauritius. The board also follows the principle of good governance as recommended by the NCCG.

Board meetings

The board met 7 times for the financial year ended 30 June 2025.

Board attendance

	Board	Corporate Governance, Nomination and Remuneration Committee	Audit Committee
Yacoob Ramtoola	7/7	1/1	4/4
M Haji Adam	7/7	-	-
Masood Ramtoola	7/7	1/1	4/4
A F Mallam Hassam	7/7	1/1	-
Swaleh Ramjane	7/7	-	4/4
Sabina Moraby	6/7	-	-

Associated Commercial Co Ltd

Corporate Governance Report (Continued)

Principle 2: The Structure of the Board and its Committees (Continued)

Conflicts of interest and related party transactions

Whenever there is an actual or potential conflict of interest, the director concerned is not present at the part of the meeting in which the conflict of interest is discussed and therefore does not debate or vote on the matter.

Related party transactions are disclosed in note 20 of the notes to the financial statements and are at arm's length and in the normal course of business.

Committees of the board

In order to fulfill its obligations, the Board has set up the following sub-committees to assist the Board in discharging its responsibilities; non-executive Directors of the Company chair both committees.

The committees are as follows:

- Corporate Governance, Nomination and Remuneration Committee; and
- Audit and Risk Committee

Corporate Governance, Nomination and Remuneration Committee

Composition and purpose

The members of the Corporate Governance, Nomination and Remuneration Committee are as follows:

- Mr A F Mallam Hassam (Chairman)
- Mr Yacoob Ramtoola
- Mr Massood Ramtoola

The committee consists of 3 members of the Company and has met one time during the year under review. An independent non-executive Director chairs the committee.

The main duties of the committee are as follows:

- Providing guidance to the Board on aspects of Corporate Governance and recommending the adoption of policies and best practices;
- Ensure that no Director is disqualified from holding office;
- Ascertain that the right balance of skills, expertise and independence is maintained;
- Pay particular attention to potential conflicts of interest and other ethical problems that may arise;
- Review the independence of the independent members of the board; and
- Determine, develop and agree on the Company general policy with respect to executive and senior management remuneration.

Audit and risk committee

Composition and purpose

The members of the audit and risk committee are as follows:

Mr. Yacoob Ramtoola (Chairman)
Mr Swaleh Ramjane
Mr Massood Ramtoola

The audit and risk committee is the cornerstone of the Company's system of internal control and risk management.

The committee consists of 3 non-executive members of the Company and they have met 4 times during the year under review.

Associated Commercial Co Ltd

Corporate Governance Report (Continued)

Principle 2: The Structure of the Board and its Committees (Continued)

The roles and responsibilities of the committee are set out below:

Auditors and external audit

- Consider and make appointment to the Board for the appointment, reappointment and removal of external auditors.
- Evaluate the performance of external auditors.
- Discuss with the external auditors the audit plans, nature and scope of work.
- Meet with external auditors at least once yearly and discuss about their audit findings.

Financial reporting and internal control

- Review the reliability of the quarterly, half yearly and yearly financial statements prior to their submission to the Board for approval.
- Assess the impact of significant accounting and reporting issues and evaluate their impact on the financial statements.
- Meet with executive of the company and the external auditors for discussion of the Company's accounts and results for the audit.
- Review the internal control systems and procedures in order to assist the Board of Directors.

Internal control function

The Directors of the Company are responsible for maintaining a sound system of internal control. They believe that the managerial and supervisory control put in place are sufficient to protect the Company's income and assets. Hence, it is the responsibility of the members of the audit and risk committee to ensure that the Directors of the Company maintain a sound system of internal control in place.

The members of the audit committee confirms that each and every sitting of the committee, they have reviewed the critical components of the internal controls of the Company:

- They have reviewed the systems established to ensure compliance with those policies, plans and procedures, laws and regulations which could have a significant impact on operations and reports and whether the organization is in compliance.
- They have reviewed and ensured that the safeguarding of assets is appropriate.
- They have reviewed and appraised the economy and efficiency with which resources are employed.
- They have also reviewed the operations or programs to ascertain whether results are consistent with established objectives and goals and whether operations are carried out as planned.

Annual effectiveness review

The committees confirm that they have discharged their responsibilities for the year under review and it has met the key objectives. However, since the Company has not yet adopted a board charter the committees performance could not be assessed against the board charter.

Balance and diversity

The Board of ACC Ltd believes that based on its size and its operations, it possesses the right balance. The current Directors possess the appropriate skills, knowledge, independence and experience to enable them to perform their duties. Further, the board is of the view that its current size and composition allows it to meet its business requirements.

All the Directors of the Company are resident Directors.

Associated Commercial Co Ltd**Corporate Governance Report (Continued)****Principle 3: Director Appointment Procedures****Appointment**

The Board is required from time to time, depending on the requirements to fill vacancies that arises in the organization, the following need to be considered prior to the appointment of a new Director onto the board:

- Competence
- Character
- Diligence
- Honesty
- Integrity
- Judgement
- Independence
- Previous experience
- Conflict of interest
- Benefits of diversity, including gender

A transparent procedure is in place before the appointment of a new Director.

It is incumbent to the Corporate Governance, Nomination and Remuneration Committee to review proposals for the appointment as Directors and then make recommendations to the Board. The approval of the Board is required for each appointment and same needs to be put forward to the shareholders at the AGM by way of ordinary resolution for approval.

On appointment to the Board and its Committees, Directors receive a complete induction from the Company Secretary; in addition, new Directors are invited to meet members of the management team in order to rapidly acquire a comprehensive view of the Company's operations, risks and strategy.

A newly elected Director is also requested to sign an appointment letter that clearly highlights his responsibilities etc.

Re-election of Directors

The NCCG do provide for Directors to be elected (or re-elected) as the case applies every year at the AGM of shareholders. However, the board does not consider the recommendation within the context of the Company as the shareholders are adequately represented on the Board. In addition, the constitution of the Company does not make any provision for such practices.

The Board also believes that given the nature of the business, reasonable time should be allowed for a Director to understand/ be accustomed with the business. However, re-election of Directors over the age of 70 years is in compliance with Section 138 (B) of the Mauritius Companies Act 2001.

Professional development

Directors are encouraged to keep themselves up to date with the latest workplace trends, professional practices, and professional development.

Succession planning

The Board of ACC Ltd recognizes the importance of succession planning to provide for continuity in the smooth functioning of the Company. There are certain positions in the Company that are key to the proper functioning and future growth, and it is critical to fill up such positions well in time to avoid any leadership gap. The Company has therefore put in place a policy on succession planning for the board and senior management.

Associated Commercial Co Ltd

Corporate Governance Report (Continued)

Principle 3: Director Appointment Procedures (Continued)

The Corporate Governance, Nomination and Remuneration Committee shall oversee the succession planning and shall from time to time make recommendations to the board. The objectives of the succession planning are outlined as per below:

- To identify and nominate suitable candidates for the Board's approval to fill the vacancies which arises in the Board of the company from time to time.
- To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
- To ensure the systematic and long term development of individuals in the senior management level to replace when the need arises due to death, disabilities, retirements and unexpected occurrence.

Applicability of the policy

The policy shall be applicable for succession planning for the following personnel:

- Chairman
- CEO
- Company Secretary
- Any other positions within the Company at the discretion of the Board of Directors

Principle 4: Directors' Duties, Remuneration and Performance

Legal duties

All Directors owe their fiduciary duty to the Company for which they act and all Directors are fully apprised of their responsibilities.

The Directors are required to:

- To act in good faith: at all times, a Director must act in good faith for the overall interests of the Company.
- Exercise reasonable care and skill: a Director must act to exercise reasonable level of care as any prudent person would in the circumstances and on the facts known to him. The required level of knowledge expertise and skill may vary between the Directors be they for instance executive and non-executive. They may rely partially on others when acting collectively for their skills and knowledge in reaching a Board decision.
- Exercise their powers as a Director for a proper purpose: the Director should not abuse any of their executive power to ensure their own position. At all times they should act in good faith for the interest of the Company as a whole.
- Conflict of interest and duties: At all times the Director must declare any potential conflicts of interest. He must not take on any new position that may endanger his existing relationships without the express permission of the officers of the Company.

The Board monitors and evaluate the performance of the Directors and ensures prevention of insider dealing and conflict of interest.

Board evaluation

A board evaluation by way of questionnaire was performed during the year ended 30 June 2024. The Corporate Governance, Nomination and Remuneration Committee took note of the main areas identified for improvement and necessary action has been undertaken to act on the results. The next board evaluation will be performed in the financial year 30 June 2027.

Associated Commercial Co Ltd

Corporate Governance Report (Continued)

Principle 4: Directors' Duties, Remuneration and Performance (Continued)

Statement of remuneration philosophy

Executive directors are not remunerated for serving on the Board of the Company or its committees. Their remuneration packages as employees of the Company are in accordance with market rates.

The remuneration of the non-executive and independent directors consists of attendance and retainer fees.

In addition, the Company does not make any difference in the payment of remuneration criteria for the payment of remuneration to those Executive Directors approaching retirement as they still play an active role in the day-to-day running of the Company.

The Company clearly differentiates the payment of executive and non-executive remuneration.

The Directors of the Company are not entitled to any variable remuneration and the Company has no long-term incentive plan in place. Further, the Directors of the Company have not received shares in lieu of remuneration during the year under review.

Remuneration and benefits paid to the directors have been disclosed at page xiv.

Directors interest and dealing in ACC Ltd shares

The Company operates a close period policy in line with DEM rules. During closed periods, Directors and officers of the company are prohibited from dealing in ACC Ltd shares. Parties who may also have access to sensitive information are also cautioned against the possibility of insider trading during these periods.

The table below outlines the interests of the Directors in ACC Ltd shares:

Directors	Direct share holding in ACC Ltd	Indirect share holding in ACC Ltd	Shares purchased during the year
Swaleh Ramjane	260,632	-	13,113
Yacoob Ramtoola	2	42,365	-
M S E Haji Adam	10,934	64,109	-
Massood Ramtoola	9,685	32,887	1
A F Mallam Hassam	-	-	-
Sabina Moraby	4,086	-	-

Remuneration paid to the executive and non-executive directors is detailed below:

The fees paid to directors in 2025 & 2024 were as follows:

	2025	2024
	Rs 000	Rs 000
Executive Director		
M S E Haji Adam	3,694	2,675
Non-Executive Directors		
Swaleh Ramjane	3,777	3,697
Yacoob Ramtoola	1,412	1,398
Massood Ramtoola	175	175
Ahmad Fouad Mallam Hassam	45	25
Sabina Moraby	203	-

	2025	2024
	Rs 000	Rs 000
Executive directors	3,694	2,675
Non-executive directors	5,612	5,295

Associated Commercial Co Ltd

Corporate Governance Report (Continued)

Principle 4: Directors' Duties, Remuneration and Performance (Continued)

Interest register

The Company Secretary maintains an interest register, which is updated on an annual basis. Any disclosure of interest as required by the Mauritius Companies Act 2001 is recorded in the interest register, which is available for inspection during normal working hours upon written request made to the Company Secretary.

Information, information technology and information security policies

The Board is ultimately solely responsible for the governance/management of information within the Company, the management of information technology and information security policies.

The Board of Directors is conscious that in today's world of technology, it is important to have a strategic plan for information security aligned with the business strategy to achieve the goals set. The Board of ACC Ltd ensures that it has allocated sufficient resources for the implementation of information and IT security plan within the Company. Risks are identified and the Company allocates resources to ensure that proper policies are put in place to ensure that it is mitigated to minimize the impact on information resources.

The Company is also investing in IT to have digital information properly secured and safeguarded in different location to ensure business continuity. In addition, the Company ensures that access rights are granted to authorized personnel only and passwords changed regularly together with back up of digital information.

There are no significant expenditures in respect of information technology to be undertaken in the next financial years.

Principle 5: Risk Governance and Internal Control

The Directors are responsible for maintaining an effective system of internal control and risk management. Whilst these 2 functions are delegated to the Audit and Risk Committee, the governance of risk, the nature and risk appetite remain the ultimate responsibility of the Board.

The responsibility of the Board also includes:

- Ensuring that structures and processes are in place for management of risks
- Identifying the principal risks and uncertainties
- Ensuring that management has developed and implemented the relevant framework
- Ensuring that systems and processes are in place for implementing and monitoring internal controls
- Identifying any deficiency in the system of internal control

Risk Management

The Company is exposed to a variety of risks, which could affect its performance and financial condition; below is a series of key risks:

• **Physical risks**

Among the physical risks identified are unavoidable events such as riots, cyclones and other natural calamities. The following have been undertaken to mitigate the risks of such natural calamities; adoption of cyclone and fire procedures, and relevant insurance covers have been contracted by the Company. A disaster recovery plan has also been prepared.

For the prevention of on-site accidents, the Company implements adherence to all occupational and health and safety regulations and in addition the services of a health and safety officer to ensure that all health and safety regulations are observed.

The risks of theft, fraud etc. are mitigated through the implementation of control procedures and CCTV cameras are in place.

Associated Commercial Co Ltd**Corporate Governance Report (Continued)****Principle 5: Risk Governance and Internal Control (Continued)****Risk Management (Continued)**

- ***Financial risk***

Financial risk management is further explained in note 21 to the Financial Statements and includes a discussion on the following risk.

- Foreign currency risk
- Interest rate risk
- Liquidity management
- Equity price risk

The Board of Directors regularly monitors the liquidity risk management to ensure that the Company has sufficient cash and the availability of funding through credit facilities through financial institutions so that it can meet its commitments in respect of obligations towards different stakeholders.

- ***Operational risk***

These risks are monitored through the establishment of planning and control systems to ensure that the risks of loss from inadequate or failed processes people and from external events are mitigated.

The Company monitors and evaluates the processes regularly to ensure their proper effectiveness. Managers are required at every level to fulfil their respective duties to ensure that the controls are kept effective over time.

- ***Compliance risk***

This risk is defined as the risk that the Company does not comply with laws, regulations, and policies as set by the Government.

The operations of the Company is fully compliant with all the rules, regulations and policies as laid down by the Authorities and furthermore the Company regularly reviews its position towards any new regulation as set by the Authorities to ensure strict compliance.

- ***Information Technology risk***

This refers to the risk of loss of data, information or eventually the IT systems of the Company being hacked. In order to mitigate this risk, the Company has invested in back-up systems and the necessary software and hardware to ensure that no such losses actually occur.

- ***Reputational risk***

This risk arises as a result of the Company being unable to meet its professional obligation towards its stakeholders due to unintentional or negligent action.

In order to mitigate this risk, the Company communicates regularly with its stakeholders and constantly strives to build strong business relationships with its stakeholders.

- ***Human Resources risk***

The management of human resource risk is an ongoing activity that involves careful planning and constant fluidity to enable the Company to tackle any potential change in the human resources sector. On the basis of the controls that are in place, we believe that the likelihood of a potential human resource risk is negligible.

The Company has also established a succession planning and in due course a designated deputy CEO will be nominated.

Associated Commercial Co Ltd

Corporate Governance Report (Continued)

Principle 5: Risk Governance and Internal Control (Continued)

Risk Management (Continued)

• Business Continuity risk

Business continuity risk is the task of identifying, developing documenting and testing procedures that will ensure continuity of the Company's key operation in the event of an accident, disaster and emerging threat. It involves risk mitigation planning, i.e. reducing the possibility of the occurrence of adverse events and business recovery planning in the aftermath of a disaster.

In order to reduce the business continuity risk to a minimum the inventory of the Company are stored at 5 different locations; hence in the event of a mishap the likelihood of losses is reduced to a minimum and activities can be resumed soon. The Company has made provision for fire extinguishers and complies with the fire safety rules. The Company also subscribes to adequate insurance covers. Also, proper back up of the computer systems are performed and kept in different locations so that in the aftermath of a disaster normal operations can resume in a short span of time.

The Company also operates 2 point of sales and in the likely event of any disaster, operations can resume without any major disruption.

The Directors also confirm that they have assessed the different risks the Company faces and they have reasonable expectations to believe that the Company will be a going concern and they will be in a position to pay the liabilities when they fall due.

In their risk assessment, they have taken into account the following risks:

- Strategic
- Financial
- Operational
- Compliance

There are also some typical risks over which the Company has little influence or they form part of the inherent nature of the business activities, these risks are as follows:

- Foreign exchange risk
- Interest rate risk
- Risk that personnel needed is not obtained
- Changes in regulations that may affect the business activities.

Internal control

The Company did not during the year under review have an internal audit function, as this was not considered essential given the nature of the Company's business, and the central control and organization and approval structure in place across the Company with clear defined levels of authority and division of responsibilities. The Company has clear and robust internal control procedures for the approval of all transactions, no matter the size. However, in order to be in line with the requirements of the NCCG the Company is strongly considering the setting up of an internal audit function.

The board has delegated the authority to the audit and risk committee for monitoring and reviewing the effectiveness of the company's internal control and compliance systems, whilst the board is also aware that a system of internal control can only provide reasonable but not complete assurance against the risk of the following:

- Human errors
- Losses
- Fraud
- Other irregularities

Associated Commercial Co Ltd

Corporate Governance Report (Continued)

Principle 5: Risk Governance and Internal Control (Continued)

Risk Management (Continued)

Whistle blowing policy

The Company has established a Whistle blowing policy which set out the procedures for whistle blowing. A copy of the policy will be available on the Company's website once same is ready.

Staff may report allegations and any concern via email or by post depending on their choice or through their immediate supervisor.

Principle 6: Reporting with Integrity

The Directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations. Company law further requires the Directors to prepare financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritius Companies Act 2001 for each financial year.

The Directors are also responsible for keeping adequate accounting records, explaining the Company's transactions and disclosing with reasonable accuracy at any given point in time the financial position of the Company. They also have the duty to safeguard the assets of the company and to prevent and detect frauds. The Directors have confirmed same as disclosed in the Statement of Directors' responsibilities.

Environment, health and safety

The Company strives to maintain a safe working environment that is free from hazards and risk of injury to all employees.

The Company complies with the Occupational Safety and Health Act 2005 and other legislations.

The Company hires the services of a health and safety officer to ensure that all health and safety regulations are observed.

A health and safety committee has been set up and meets regularly to discuss about problems and grievances that may arise.

The Company aims to:

- Promote an environment that recognizes environment achievement as one of the main core values,
- Create a sense of awareness among employees to be more pro-active rather than reactive in all activities with regards to the environment.

Environment and sustainability initiatives

The Company is committed to sustainable development and strives to ensure that its operations are conducted in a way that minimizes the impact on the environment and the society at large.

The following are the initiatives taken by the Company:

- Inculcation of environmental awareness to all staff
- Controlling of air conditioners
- Switching off lights when not needed
- Reduction of photocopying

Applicable standards

The accounts of the Company are prepared in accordance with International Financial Reporting Standards and requirements of Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Associated Commercial Co Ltd

Corporate Governance Report (Continued)

Principle 7: Audit

External Audit

ECOVIS (MAURITIUS) has been appointed as auditors of the Company in December 2021.

The Company approached various audit firms as regards to their willingness and availability to accept ACC Ltd as their client for the financial year 30 June 2025. After due evaluation and consideration by the Board of Directors it was recommended to the shareholders to appoint ECOVIS (MAURITIUS) as auditor of the Company for the financial year ended 30 June 2025.

ECOVIS (MAURITIUS) has been appointed as external auditor at the shareholders meeting of December 2021.

Audit committee

The external auditor meets with the members of the audit committee without the presence of the executives/management to discuss the financial statements and other audit matters.

The following matters are normally discussed during the meeting with the auditors:

- Scope of the audit work
- Audit findings
- Views on the control environment including fraud risk management
- Free access to the accounting records of the Company

Evaluation of the auditors

The members of the audit committee do evaluate the performance of the external auditor taking into account the quality of the audit, their findings and recommendations.

Audit fees and other services

The fees paid to the external auditors for the year 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
	Rs	Rs
Statutory audit	234,675	228,339
Other services	23,205	21,000

The non audit work is performed by a different team that holds the necessary expertise and is independent of the audit team and supervised by different managers and partners.

Principle 8: Relations with other Shareholders and other Key Stakeholders

The Company has defined its stakeholder as any group/person that has an interest in the success or failure of the company's business. The stakeholders can have a significant impact on decisions regarding operations and finances of the organization. The Company's main stakeholders are as per below:

- Shareholders
- Suppliers/creditors
- Employees
- Commuters/travelling passengers
- Community
- Regulators

Share Capital structure

The Company's stated capital comprises of MUR 11,429,620 consisting of 1,142,962 shares at a par value of Rs 10 each and Rs 9,084,576 share premium.

Associated Commercial Co Ltd

Corporate Governance Report (Continued)

Principle 8: Relations with other Shareholders and other Key Stakeholders (Continued)

The Company key stakeholders/communication with shareholders

The Company continuously engages with its stakeholders through an open and transparent communication. It also aims to keep them updated on a regular basis on all matters affecting the Company through announcements and disclosures in the annual report and at the annual meeting of shareholders.

ACC Ltd produces quarterly, half yearly and annual accounts as per statutory requirements and it publishes the accounts immediately after their approval by the Board of Directors.

The Company's Annual General Meeting provides an opportunity for shareholders to meet discuss with the Board relating to the Company and its performance.

Shareholders

All shareholders have the same voting rights.

The major shareholders of ACC Ltd at 30 June 2025 are as follows:

Shareholders	No of shares	% Shareholding
Swaleh Ramjane	260,632	22.80
H.A.R Investments Ltd	161,991	14.17
Shamina Haji Adam	64,109	5.61

Distribution of shareholding at 30 June 2025

Defined brackets	No of shareholders	No of shares owned	% Holding
1-500	1,194	117,332	10.26
501-1,000	98	71,707	6.27
1001-5,000	59	111,425	9.75
5,001-10,000	12	87,651	7.67
10,001-50,000	12	268,115	23.46
50,001-100,000	1	64,109	5.61
Over 100,000	2	422,623	36.98
Total	1,378	1,142,962	100

Associated Commercial Co Ltd

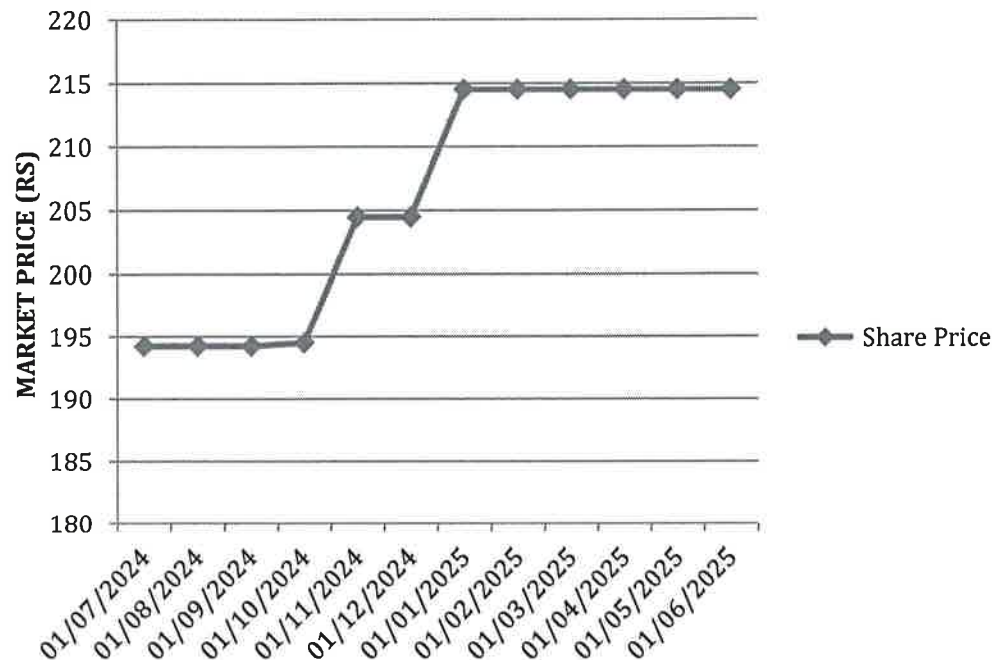
Corporate Governance Report (Continued)

Principle 8: Relations with other Shareholders and other Key Stakeholders (Continued)

Share price information

The shares of the Company are quoted on the Development Enterprise Market of the Stock Exchange of Mauritius.

The share price of the Company over the year has been as follows:



Dividends

The Board has agreed over a dividend policy to the effect that a reasonable amount of the recurrent profits after tax is paid as dividends.

Dividends are normally declared in June and are paid in July subject to the performance of the Company, availability of funds and future capital commitments or as otherwise decided by the Board. Directors ensure that the Company satisfies the solvency test for each declaration of dividend.

During the year, the Company has declared a dividend of Rs 5.00 per share payable in June 2025 (2024: Rs 4.70 per share declared on 20 June 2024).

Suppliers/creditors

The Company ensures that it is given value for money services and as far as possible, it engages with local suppliers.

Employees

The Company considers its employees as their most value assets/ their brand ambassadors and it is actively involved in giving them training etc with a view of improving their knowledge/personal development so that they deliver the best service on a daily basis.

Clients

The Company is in constant communication with its customers and works towards providing a product and service, which satisfies the customer requirement at a reasonable price.

Associated Commercial Co Ltd

Corporate Governance Report (Continued)

Principle 8: Relations with other Shareholders and other Key Stakeholders (Continued)

Community

The Company engages with the community through various CSR commitments such as socio-economic development, education and training, child and healthcare. These are met through the UBS Charitable Trust and Movement Social de Plaine Lauzun with the following objectives:

- To reduce poverty
- To promote self-help projects
- To provide formal and non-formal education courses
- To organize cultural, social and economic activities

Schedule of events

Some key milestones are as follows:

- Approval of accounts and publication of audited abridged financial statements – September
- Annual meeting – December
- Declaration of dividend – May/June
- Dividend payment – July
- Publication of quarterly accounts
 - 1 quarter ending 30 September – Mid November
 - 2 quarter ending 31 December – Mid February
 - 3 quarter ending 31 March – Mid May

Annual general meeting of shareholders

The annual general meeting of the ACC Ltd is scheduled in December 2025. Shareholders shall be provided with notice of meeting and they will be given the opportunity to communicate/express their views and engage with members of the board. Shareholders shall also be provided with notice of meeting and proxy forms.

Donations

Charitable donations and political contributions

	2025	2024
	Rs	Rs
Charitable donations	-	-

In line with current legislation, the Company has made contribution of **Rs 325,884** (2024: Rs 297,068) to the approved CSR organization. No contribution has been made to any political parties in 2025 and 2024.

STATEMENT OF COMPLIANCE
(Section 75 (3) of the Financial Reporting Act)

Name of Public Interest Entity: Associated Commercial Co Ltd

Reporting period 30 June 2025

We, the Directors of Associated Commercial Co Ltd, confirm that to the best of our knowledge, the Group has complied with all of its obligations and requirements under the Code of Corporate Governance, except for the areas explained in the Corporate Governance Report.

Date: 30 SEP 2025



.....
M Yacoob Ramtoola
Director



.....
M S E Haji Adam
Director and CEO

Statement of Director's Responsibilities

The Directors are responsible for preparing the corporate governance report and financial statements in accordance with applicable laws and regulations.

The Directors acknowledge their responsibilities for:

- Keeping adequate accounting records and maintenance of effective internal control systems;
- The preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the cash flows for that period and which comply with International Financial Reporting Standards (IFRS);
- The use of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

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

The Directors report that:

- Adequate accounting records and an effective system of internal controls and risk management have been maintained;
- Appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- International Financial Reporting Standards have been adhered to. Any departure has been disclosed, explained and quantified;
- The Code of Corporate Governance has been adhered to in all material aspects and reasons provided for areas of non-compliance.

On behalf of the Board



M Yacoob Ramtoola
Director

30 SEP 2025



M S E Haji Adam
Director and CEO

Statutory Disclosures

The directors have pleasure to submit herewith their Annual Report together with the audited consolidated and separate financial statements for the year ended 30 June 2025.

1. Principal Activities

- The principal activity of Associated Commercial Co Ltd is the import and distribution of tyres, tubes, flaps and spare parts for commercial vehicles.
- The consolidated and separate statement of profit and loss and other comprehensive income for the year ended 30 June 2025 is set on page 4.

2. Directors' Remuneration and Benefits

Remuneration and benefits received by the Directors from the Company are disclosed below:

	2025	2024
	Rs	Rs
Executive Directors	3,693,951	2,674,884
Non-Executive Directors	5,611,940	5,295,520

3. Directors Service Contracts

There were no service contracts between the Company or its subsidiaries and any of its Directors during the year.

4. Contract of Significance

There were no contracts of significance subsisting during or at year-end in which a Director of the Company was interested either directly or indirectly.

5. External auditor's fees

	2025	2024
	Rs	Rs
External Audit Services	234,675	228,339
Tax compliance services	23,205	21,000

On behalf of the Board



M Yacoob Ramtoola
Director

30 SEP 2025



M S E Haji Adam
Director and CEO

**SECRETARY'S CERTIFICATE
TO THE MEMBERS OF ASSOCIATED COMMERCIAL CO LTD
UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001**

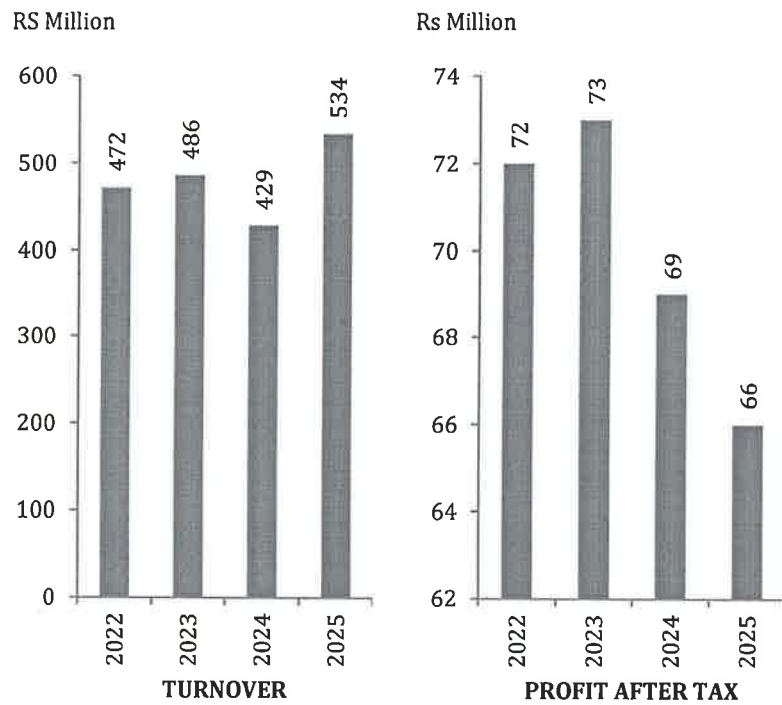
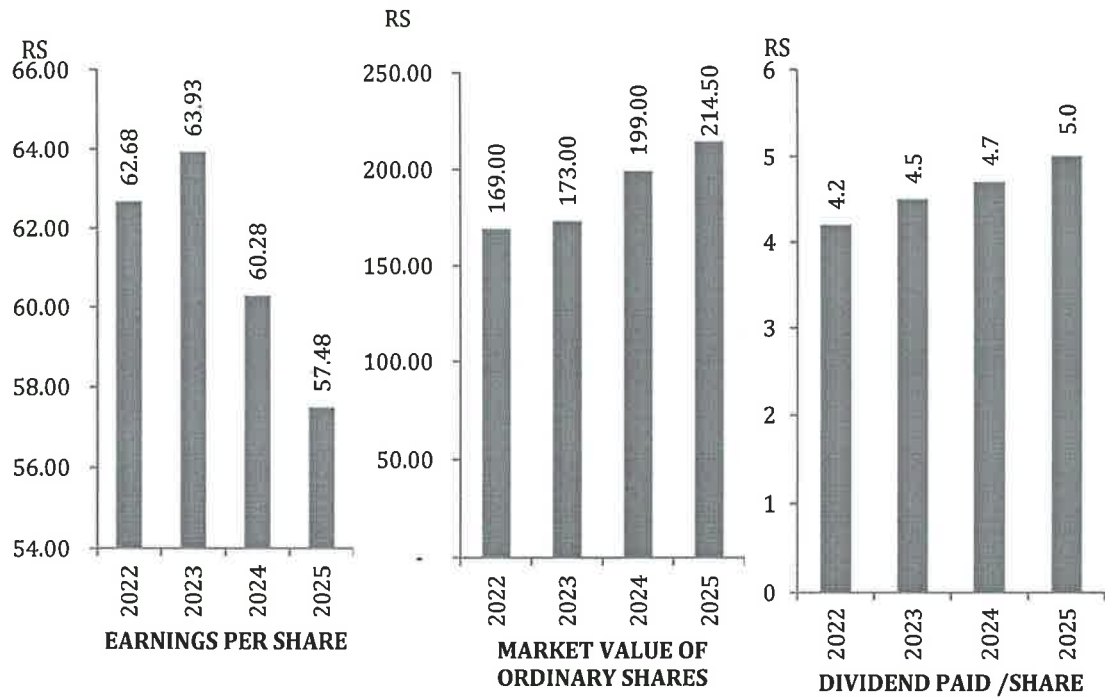
In my capacity as Company secretary, I hereby confirm that, to the best of my knowledge and belief the Company has filed with Registrar of Companies, as at 30 June 2025 all such returns as are required of the Company under the Mauritius Companies Act 2001.



M Yacoob Ramtoola FCA
Secretary

30 SEP 2025

Financial Highlights of the Company



Suite 207-2nd Floor NG Tower
Cybercity, Ebene.
Tel:- 460 5589
BRN: F11000012

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Associated Commercial Co Ltd

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Associated Commercial Co Ltd (the "Company") and its subsidiary (together the "Group") which comprise the consolidated and separate statements of financial position as at 30 June 2025, 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 the notes to the consolidated and separate financial statements, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements on pages 3 to 40 give a true and fair view of the financial position of the Group and the Company as at 30 June 2025, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group and the Company in accordance with *International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Associated Commercial Co Ltd

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

Key audit matters

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

The key audit matter	How the matter was addressed in our audit
<p>Determination of expected credit losses on trade and other receivables</p> <p>The Group have applied IFRS 9 'Financial Instruments' which requires the recognition of Expected Credit Losses (ECL) on financial assets at amortised cost.</p> <p>The Group use the 'simplified approach' to determine the size of the impairment allowance for trade and other receivables. The ECL methodology incorporates the expected future credit losses due to forward looking macro-economic variables.</p> <p>The Group's ECL model uses certain judgements and assumptions such as:</p> <ul style="list-style-type: none"> • The probability of trade and other receivables becoming past due and subsequently defaulting (probability of default 'PD'); • The magnitude of the likely loss if there is default (loss given default 'LGD'); • The expected exposure in the event of a default (exposure at default 'EAD'); • The determination of the Group's definition of default; • The criteria for assessing significant increase in credit risk (SICR); • The rate of recovery on trade and other receivables that are past due and in default; • The incorporation of forward-looking information used in determining the expected credit losses on the amount receivable. <p>Due to the significance of trade and other receivables to the financial position of the Group and the level of judgement applied in determining the ECL, the expected credit loss allowance was considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessing and testing the design and operating effectiveness of the controls over credit origination and monitoring; • Obtained and assessed historical information as well as collections post the financial reporting date of amount receivable in order to determine the risk of defaults and whether a significant increase in credit risk has occurred. We also considered the appropriateness of forward looking factors used to determine expected credit losses; • Assessing whether the Group's credit policies are aligned with IFRS 9, Financial Instruments; • Using available external and independent information to challenge management's assumptions and judgements in determining expected credit losses; • Verified the computation of the ECL for accuracy; • Assessing the adequacy of the disclosures in respect of ECL as required in terms of IFRS 9, Financial Instruments.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Associated Commercial Co Ltd

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)
Key audit matters (Continued)

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p><i>Retirement benefit obligations</i></p> <p>The Group have recognised retirement benefit obligations of Rs 5,405,364 as at 30 June 2025.</p> <p>Management has estimated the retirement benefit obligations arising and has not involved an actuary to calculate the obligations at reporting date.</p> <p>Accordingly, the estimation of retirement benefit obligations is considered to be a key audit matter due to the significance of the balance in the financial statements as a whole.</p> <p>The significant assumptions used have been disclosed in note 10.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed and discussed the assumptions that management, considered in determining the present value of the liabilities and fair value of the plan assets; Compared the significant assumptions used by management such as discount rates and annual salary increases with historical data. Verified data used, with the payroll report for completeness and accuracy.

Responsibilities of Directors and Those Charged with Governance 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 IFRSs, and that comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of 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 and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Associated Commercial Co Ltd

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

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

- ▶ Identify and assess the risks of material misstatement of the 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 the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities of business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the 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.

Other information

The Directors are responsible for the other information. The other information comprises of corporate information, chairman's review, board of directors, group structure, common directorships and group organigram, statement of director's responsibilities, statutory disclosures, secretary's certificate and financial highlights of the Company.

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.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Associated Commercial Co Ltd

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)*Other information (continued)*

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements*Mauritius Companies Act 2001*

We have no relationship with or interests in the Company or of its subsidiary other than in our capacities as auditor and tax advisor of the Company.

We have obtained all the 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.

Financial Reporting Act 2004

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Public Interest Entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the code.

Other matters

Our report is made solely to the shareholders of the Company, as a body, in accordance with Section 205 of the Mauritius 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinion we have formed.

**ECOVIS (MAURITIUS)****Date: 30 September 2025**

Vivek Gujadhur, FCCA
Licensed by FRC

ASSOCIATED COMMERCIAL CO LTD
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		THE GROUP		THE COMPANY	
	Notes	2025 Rs	2024 Rs	2025 Rs	2024 Rs
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	5	115,698,877	114,463,085	47,049,059	45,813,267
Investments in associates	6(a)	270,360,636	221,363,299	270,360,636	221,363,299
Other financial assets	6(b)	42,094,383	37,729,606	42,094,383	37,729,606
Investment in subsidiary	6(c)	-	-	10,000,000	10,000,000
Deposit on shares	6(c)	-	-	55,000,000	55,000,000
Total non-current assets		428,153,896	373,555,990	424,504,078	369,906,172
<u>Current assets</u>					
Inventories	7	157,217,256	170,825,620	157,217,256	170,825,620
Trade and other receivables	8	79,487,064	78,426,827	83,401,427	82,215,469
Cash and bank balances		184,716,655	128,813,811	184,716,655	128,813,811
Current tax assets		-	23,794	-	23,794
Total current assets		421,420,975	378,090,052	425,335,338	381,878,694
Total assets		849,574,871	751,646,042	849,839,416	751,784,866
EQUITY AND LIABILITIES					
<u>Equity</u>					
Stated capital	9	20,514,196	20,514,196	20,514,196	20,514,196
Fair value reserve		98,643,074	49,881,665	98,643,074	49,881,665
Property revaluation reserve		6,128,802	6,128,802	6,128,802	6,128,802
Retained earnings		637,069,119	577,213,363	637,333,664	577,352,187
Total equity		762,355,191	653,738,026	762,619,736	653,876,850
<u>Liabilities</u>					
<u>Non-current liabilities</u>					
Retirement benefit obligations	10	5,405,364	4,769,080	5,405,364	4,769,080
Deferred tax liabilities	11(c)	2,068,933	1,174,241	2,068,933	1,174,241
Total non-current liabilities		7,474,297	5,943,321	7,474,297	5,943,321
<u>Current liabilities</u>					
Bank overdraft	12	1,305,653	-	1,305,653	-
Loans	13	47,239,240	51,080,312	47,239,240	51,080,312
Trade and other payables	14	26,442,821	30,372,046	26,442,821	30,372,046
Dividend payable	18	-	5,371,921	-	5,371,921
Current tax liabilities	11(b)	4,757,669	5,140,416	4,757,669	5,140,416
Total current liabilities		79,745,383	91,964,695	79,745,383	91,964,695
Total liabilities		87,219,680	97,908,016	87,219,680	97,908,016
Total equity and liabilities		849,574,871	751,646,042	849,839,416	751,784,866

Approved by the Board of Directors and authorised for issue on..... 30 SEP 2025

30 SEP 2025

DIRECTORS

The notes on pages 8 to 40 form an integral part of these consolidated and separate financial statements.

ASSOCIATED COMMERCIAL CO LTD
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 Rs	2024 Rs	2025 Rs	2024 Rs
Revenue					
- Sale of tyres	23	367,380,818	333,725,749	367,380,818	333,725,749
- Sale of spare parts		87,800,249	84,018,029	87,800,249	84,018,029
- Sale of batteries and lubricants		7,766,742	6,747,537	7,766,742	6,747,537
- Sale of vehicles		71,250,000	4,550,000	71,250,000	4,550,000
		<u>534,197,809</u>	<u>429,041,315</u>	<u>534,197,809</u>	<u>429,041,315</u>
Profit from operations	15	68,670,323	63,360,737	68,796,044	63,401,668
Other income	16	5,825,952	7,937,824	5,825,952	7,937,824
		74,496,275	71,298,560	74,621,996	71,339,492
Share of profit of associates	6(a)	6,251,103	12,029,813	6,251,103	12,029,813
Finance costs	17	(1,660,728)	(1,535,007)	(1,660,728)	(1,535,007)
Profit before tax		79,086,650	81,793,366	79,212,371	81,834,298
Tax expense	11(a)	(13,516,084)	(12,935,699)	(13,516,084)	(12,935,699)
PROFIT FOR THE YEAR		65,570,566	68,857,668	65,696,287	68,898,599
Other comprehensive income					
<u>Items that will not be reclassified subsequently to profit or loss:</u>					
Net fair value gain on financial assets at fair value through other comprehensive income	6(b)	4,310,332	633,316	4,310,332	633,316
Share of fair value gain on revaluation of freehold land of associate	6(a)	36,668,325	-	36,668,325	-
Share of fair value gain on financial assets at fair value through other comprehensive income of associate	6(a)	7,782,752	1,880,840	7,782,752	1,880,840
		48,761,409	2,514,156	48,761,409	2,514,156
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		114,331,975	71,371,824	114,457,696	71,412,755
EARNINGS PER SHARE	19			57.48	60.28

The notes on pages 8 to 40 form an integral part of these consolidated and separate financial statements.

ASSOCIATED COMMERCIAL CO LTD
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

THE GROUP

	<u>Notes</u>	<u>Stated capital</u> Rs	<u>Fair value reserve</u> Rs	<u>Property revaluation reserve *</u> Rs	<u>Retained earnings</u> Rs	<u>Total equity</u> Rs
At 01 July 2023		20,514,196	47,367,509	6,128,802	513,727,616	587,738,123
<i>Comprehensive income</i>						
Profit for the year		-	-	-	68,857,668	68,857,668
Other comprehensive loss for the year, net of income tax		-	2,514,156	-	-	2,514,156
Total comprehensive income for the year		-	2,514,156	-	68,857,668	71,371,824
<i>Transactions with owners</i>						
Dividends	18	-	-	-	(5,371,921)	(5,371,921)
At 30 June 2024		20,514,196	49,881,665	6,128,802	577,213,363	653,738,026
<i>Comprehensive income</i>						
Profit for the year		-	-	-	65,570,566	65,570,566
Net fair value gain on financial assets at fair value through other comprehensive income		-	4,310,332	-	-	4,310,332
Share of fair value gain on revaluation of freehold land of associate		-	36,668,325	-	-	36,668,325
Share of fair value gain on financial assets at fair value through other comprehensive income of associate		-	7,782,752	-	-	7,782,752
Total comprehensive income for the year		-	48,761,409	-	65,570,566	114,331,975
<i>Transactions with owners</i>						
Dividends	18	-	-	-	(5,714,810)	(5,714,810)
At 30 June 2025		20,514,196	98,643,074	6,128,802	637,069,119	762,355,191

* Property revaluation reserve relates to share of revaluation of freehold land held by associate - United Bus Service Limited.

The notes on pages 8 to 40 form an integral part of these consolidated and separate financial statements.

ASSOCIATED COMMERCIAL CO LTD
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

THE COMPANY

	<u>Notes</u>	<u>Stated capital</u> Rs	<u>Fair value reserve</u> Rs	<u>Property revaluation reserve *</u> Rs	<u>Retained earnings</u> Rs	<u>Total equity</u> Rs
At 01 July 2023		20,514,196	47,367,509	6,128,802	513,825,509	587,836,016
<i>Comprehensive income</i>						
Profit for the year		-	-	-	68,898,599	68,898,599
Other comprehensive loss for the year, net of income tax		-	2,514,156	-	-	2,514,156
Total comprehensive income for the year		-	2,514,156	-	68,898,599	71,412,755
<i>Transactions with owners</i>						
Dividends	18	-	-	-	(5,371,921)	(5,371,921)
At 30 June 2024		20,514,196	49,881,665	6,128,802	577,352,187	653,876,850
<i>Comprehensive income</i>						
Profit for the year		-	-	-	65,696,287	65,696,287
Net fair value gain on financial assets at fair value through other comprehensive income		-	4,310,332	-	-	4,310,332
Share of fair value gain on revaluation of freehold land of associate		-	36,668,325	-	-	36,668,325
Share of fair value gain on financial assets at fair value through other comprehensive income of associate		-	7,782,752	-	-	7,782,752
Total comprehensive income for the year		-	48,761,409	-	65,696,287	114,457,696
<i>Transactions with owners</i>						
Dividends	18	-	-	-	(5,714,810)	(5,714,810)
At 30 June 2025		20,514,196	98,643,074	6,128,802	637,333,664	762,619,736

* Property revaluation reserve relates to share of revaluation of freehold land held by associate - United Bus Service Limited.

The notes on pages 8 to 40 form an integral part of these consolidated and separate financial statements.

ASSOCIATED COMMERCIAL CO LTD
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	79,086,650	81,793,367	79,212,371	81,834,298
Adjustments for:				
Depreciation	5,704,073	5,437,611	5,704,073	5,437,611
Dividend income	-	(2,610,189)	-	(2,610,189)
Share of profit of associates	(6,251,103)	(12,029,813)	(6,251,103)	(12,029,813)
Interest expense	1,660,728	1,334,378	1,660,728	1,334,378
Profit on disposal of plant and equipment	-	(75,000)	-	(75,000)
Loss allowance on trade receivables	-	(24,379)	-	(24,379)
Retirement benefit obligations	636,284	204,308	636,284	204,308
Operating profit before working capital changes	80,836,632	74,030,283	80,962,353	74,071,214
(Increase)/decrease in trade and other receivables	(1,060,237)	25,892,698	(1,185,958)	25,869,042
Decrease/(increase) in inventories	13,608,364	(32,017,563)	13,608,364	(32,017,563)
(Decrease)/increase in trade and other payables	(3,929,225)	8,572,681	(3,929,225)	8,572,681
Net cash generated from operations	89,455,534	76,478,099	89,455,534	76,495,374
Cash generated from operations	89,455,534	76,478,099	89,455,534	76,495,374
Interest paid	(1,660,728)	(1,334,378)	(1,660,728)	(1,334,378)
Net tax paid	(12,980,345)	(10,834,724)	(12,980,345)	(10,851,999)
Net cash generated from operating activities	74,814,461	64,308,997	74,814,461	64,308,997
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(6,939,865)	(14,657,910)	(6,939,865)	(14,657,910)
Payments for acquisition of investment in subsidiary	-	-	-	-
Payments for acquisition of other financial assets	(54,445)	(56,868)	(54,445)	(56,868)
Dividend received	1,704,843	4,315,031	1,704,843	4,315,031
Proceeds from disposal of financial assets	-	8,745	-	8,745
Proceeds from disposal of property, plant and equipment	-	75,000	-	75,000
Net cash used in investing activities	(5,289,467)	(10,316,002)	(5,289,467)	(10,316,002)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net loans paid	-	(26,743,902)	-	(26,743,902)
Repayment of Loan	(3,841,072)	-	(3,841,072)	-
Dividends paid	(11,086,731)	(5,143,329)	(11,086,731)	(5,143,329)
Net cash used in financing activities	(14,927,803)	(31,887,231)	(14,927,803)	(31,887,231)
Net increase in cash and cash equivalents	54,597,191	22,105,764	54,597,191	22,105,764
Cash and cash equivalents at 1 July	128,813,811	106,708,047	128,813,811	106,708,047
Cash and cash equivalents at 30 June	183,411,002	128,813,811	183,411,002	128,813,811
Represented by:				
Cash and bank balances	184,716,655	128,813,811	184,716,655	128,813,811
Bank overdraft	(1,305,653)	-	(1,305,653)	-
	183,411,002	128,813,811	183,411,002	128,813,811

The notes on pages 8 to 40 form an integral part of these consolidated and separate financial statements.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

1. INCORPORATION AND ACTIVITIES

Associated Commercial Co Ltd (the "Company") is a public company incorporated in Mauritius and listed on the Development Enterprise Market (DEM) of the Stock Exchange of Mauritius. The Company trades as dealer in tyres and motor vehicle spare parts. The Company's registered office and principal place of business is situated at Royal Road, Les Cassis, Port Louis.

The main activities of the Company and its subsidiary (collectively referred to as the "Group") are:

- Associated Commercial Co Ltd is engaged in the trading of dealer in tyres and motor vehicle spare parts.
- Lees Investment Ltd is involved in investment property.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The principal accounting policies adopted in the presentation of these financial statements are set out. The Company has adopted the following new and amended IFRS.

Changes in accounting policies

New standards, interpretations and amendments adopted from 1 July 2024

1 January 2024	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases
	Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements
	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
	IFRS S1** General Requirements for Disclosure of Sustainability-related Financial Information
	IFRS S2** Climate-related Disclosures

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases

Amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.

The amendments confirm the following.

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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

Changes in accounting policies (continued)

New standards, interpretations and amendments adopted from 1 January 2024 (continued)

Under IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments.

These amendments had no effect on the financial statements of the Company.

Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 *Presentation of Financial Statements*

Under the amendments to IAS 1 *Presentation of Financial Statements* the classification of certain liabilities as current or non-current may change (e.g. convertible debt). In addition, companies may need to provide new disclosures for liabilities subject to covenants.

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an *unconditional right* to defer settlement for at least 12 months after the reporting date. The International Accounting Standards Board (IASB) has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance.

Similar to existing requirements in IAS 1, the classification of liabilities is unaffected by management's intentions or expectations about whether the Company will exercise its right to defer settlement or will choose to settle early.

The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with early application permitted.

These amendments had no effect on the financial statements of the Group and the Company.

Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* – *Supplier Finance Arrangements*

The IASB's amendments apply to supplier finance arrangements that have all of the following characteristics.

- A finance provider pays amounts a Company (the buyer) owes its suppliers.
- A Company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.
- The Company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

The amendments do not apply to arrangements for financing receivables or inventory.

The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

These amendments had no effect on the financial statements of the Group and the Company.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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

Changes in accounting policies (continued)

New standards, interpretations and amendments adopted from 1 January 2024 (continued)

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information**

IFRS S2 Climate-related Disclosures**

The ISSB's first two standards are designed to be applied together, supporting companies to identify and report information that investors need for informed decision making – in other words, information that is expected to affect the assessments that investors make about companies' future cash flows.

To achieve this, the general standard provides a framework for companies to report on all relevant sustainability-related topics across the areas of governance, strategy, risk management, and metrics and targets.

The standards are effective from 1 January 2024, but it will be for individual jurisdictions to decide whether and when to adopt.

These amendments had no effect on the financial statements of the Group and the Company.

New and revised Standards in issue but not yet effective for the reporting period

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

Effective date	New standards or amendments
1 January 2025	Lack of Exchangeability – Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i>
1 January 2026	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures Annual Improvements to IFRS Accounting Standards – Amendments to: <ul style="list-style-type: none"> • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash flows
1 January 2027	IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>
To be determined	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures ***

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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

Changes in accounting policies (continued)

New and revised Standards in issue but not yet effective for the reporting period (continued)

** The implementation and the effective dates of IFRS Sustainability Disclosure Standards are subject to local regulation.

*** The effective date for these amendments was deferred indefinitely. Early adoption continues to be permitted.

The Group and the Company are currently assessing the impact of these new accounting standards and amendments. The Group and the Company do not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Group and the Company.

3. MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and Interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated and separate financial statements comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

The consolidated and separate financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities, certain classes of property, plant and equipment - measured at fair value or revalued amount,
- defined benefit pension plans - plan assets measured at fair value.

(b) Revenue recognition

The Group and the Company recognise revenue from the sales of tyres and motor vehicles spare parts.

Revenue is recognised when control of the products has been transferred, being when the products are delivered and accepted by the customers i.e. point in time. There is no unfulfilled obligation that could affect the customers' acceptance of the products.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

There is no right of return policy on the sale of goods.

Other revenue is recognised on the following basis:

- Dividend income from investments is recognised when the shareholder's right to receive payment has been established.
- Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- Other income is recognised on an accrual basis.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment

Freehold land is stated at cost and is not depreciated.

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

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. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in consolidated and separate statements of profit or loss and other comprehensive income.

Depreciation

Depreciation is recognised so as to write off the cost of asset less their residual values over their useful lives, using the straight line method. In the year of purchase, depreciation is calculated on a pro-rata basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

The annual depreciation rates are as follows:

Freehold building	- 2.5%
Office building	- 2.5%
Motor vehicles	- 20%
Computer equipment	- 10%
Office and other equipment	- 10%
Furniture, fixtures and fittings	- 5%

(d) Inventories

Inventories are stated at the lower of cost (determined on average cost basis) and net realisable value. Cost of inventories comprises all costs of purchase, and other costs incurred in bringing such inventories to their present condition and location. Net realisable value represents the estimated selling price for inventories less selling expenses.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Foreign currencies

In preparing the consolidated and separate financial statements, transactions in currencies other than the Group and the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items are recognised in consolidated and separate statements of profit or loss and other comprehensive income. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(i) Functional and presentation currency

Items included in the consolidated and separate financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the Group and the Company operate ("functional currency"). The consolidated and separate financial statements are presented in Mauritian rupees ("Rs."), which is the Company's and its Subsidiary's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in consolidated and separate statements of profit or loss and other comprehensive income.

(f) Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated and separate statements of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated and separate financial statements and the corresponding tax bases in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

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

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated and separate financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated and separate statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate.

The carrying amount of the investment in associates is tested for impairment in accordance with IAS 36 Impairment of Assets by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount.

The Group discontinues the use of the equity accounting from the date the investment ceases to be an associate or when the investment is classified as held for sale. The difference between the carrying amount of the associate at the date the equity method was discontinued, the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. If the ownership in an associate is disposed of, the proportionate share of amount previously recognised in other comprehensive income is reclassified to consolidated and separate statements of profit or loss and other comprehensive income.

(h) Retirement benefit obligations

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated and separate statements of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to consolidated and separate statements of profit or loss. Past service cost is recognised in the consolidated and separate statements of profit or loss and other comprehensive income 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. Curtailment

State plan

Contributions to the National Pension Scheme are recognised in consolidated and separate statements of profit or loss and other comprehensive income in the year in which they fall due.

(i) Cash and cash equivalents

Cash comprises of cash at bank, cash in hand and bank overdrafts. Cash equivalent are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments

Financial assets and liabilities are recognised in the consolidated and separate statements of financial position when the Group and the Company become party to the contractual provisions of the financial

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 the consolidated and separate statements of profit or loss and other comprehensive income.

Financial assets

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

Classification of financial assets

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

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

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

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

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

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

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

(i) *Amortised cost and effective interest method*

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

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

(i) *Amortised cost and effective interest method (continued)*

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. 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 Group and the Company recognise interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from 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 in the consolidated and separate statements of profit or loss and other comprehensive income and is included in the "Other income" line item.

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

(ii) *Equity instruments designated as at FVTOCI*

A financial asset is held for trading if:

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

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

Dividends on these investments in equity instruments are recognised in consolidated and separate statements of profit or loss and other comprehensive income in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Investment income' line item in consolidated and separate statements of profit or loss and other comprehensive income.

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

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically, for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

(ii) *Equity instruments designated as at FVTOCI (continued)*

Impairment of financial assets

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

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

For all other financial instruments, the Group and the Company recognise lifetime ECL until they are derecognised due to short-term nature of the receivables and have been assessed to have credit risk other than low.

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

(i) Definition of default

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company.

(ii) Write-off policy

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the Company's and the Group's recovery procedures. Any recoveries made are recognised in consolidated and separate statements of profit or loss.

(iii) Recognition of expected credit losses

The Group and the Company recognise an impairment gain or loss in the consolidated and separate statements of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated and separate statements of financial position.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that are reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group and the Company's debtors operate, obtained from economic expert reports, financial analysts, government bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group and the Company's core operations.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

- (i) the financial instrument has a low risk of default;
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions 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.

For financial guarantee contracts, the date that the Group and the Company become a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group and the Company consider the changes in the risk that the specified debtor will default on the contract.

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 revise them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Measurement and recognition of expected credit losses

The measure of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

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 cash flows that the Group and the Company expect to receive, discounted at the original interest rate.

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 asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated and separate statements of profit or loss and other comprehensive income. In contrast, on derecognition of an investment in equity instrument which the Group and the Company have elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to consolidated and separate profit or loss and other comprehensive income, but is transferred to retained earnings.

Financial liabilities and 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 instrument

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

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group and the Company, are measured in accordance with the specific accounting policies set out below.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Financial liabilities (continued)

(i) *Borrowings*

Interest bearing loans and bank overdrafts are initially recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis and are added to the carrying amount of the instalment to the extent that they are not settled in the period in which they arise. Borrowings are subsequently measured at amortised cost.

(ii) *Accounts payable*

Accounts payable are stated at their 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.

(iii) *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 interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(iv) *Derecognition of financial liabilities*

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

(k) Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of a past events, it is probable that the Group and the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(l) Basis of consolidation

The consolidated and separate financial statements incorporate the financial statements of Associated Commercial Co Ltd and its subsidiary. 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.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Basis of consolidation (continued)

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.

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

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(m) Investments in subsidiaries

In the separate financial statements, investments in subsidiaries are recognised at cost less impairment. When the recoverable amount of an investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in the statement of profit or loss and other comprehensive income.

(n) Related parties

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

(o) Impairment of assets

At each end of the reporting period, the Group and the Company review the carrying amounts of its 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 in order to determine the extent of the impairment loss, if any. Recoverable amount of an asset is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated and separate statements of profit or loss and other comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised immediately in consolidated and separate statements of profit or loss and other comprehensive income.

(p) Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Leasing

Assets held under leases are initially recognised as assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated and separate statements of financial position as a finance lease obligation.

(r) Comparative figures

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

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated and separate financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the consolidated and separate financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the consolidated and separate financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the consolidated and separate financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key sources of estimation uncertainty

Property, plant and equipment

The cost of the property, plant and equipment is depreciated over the estimated useful life of the asset. The estimated useful life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors. Management has not considered any residual value as it is deemed immaterial.

Revaluation of freehold land

The Group and the Company measures freehold land at revalued amounts with changes in fair values being recognised in other comprehensive income. The freehold land is revalued at a reasonable frequency as determined by the Board of Directors.

Calculation of loss allowance

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's and the Company's historical observed defaults rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

When measuring ECL, the Group and the Company use reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. The Group and the Company did not provide detailed information on how the forecast economic conditions have been incorporated in the determination of ECL because the impact is not significant.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group and the Company would expect to receive, taking into account cash flows from 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.

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

Allowance for slow-moving inventories

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration and quality issues.

Retirement benefit obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate.

Further information on the carrying amounts of the Group's and the Company's defined benefit obligations and the sensitivity of those amounts to changes in discount rate are provided in note 10.

Deferred tax assets

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The outcome of their actual utilisation may be different.

Functional currency

The determination of the functional currency of the Group and the Company are critical since recording of transactions and exchange differences arising are dependent on the selected functional currency. As described in the accounting policies, the directors have considered those factors therein and have determined that the functional currency of the Group and the Company are demoninated in Mauritian rupees ("Rs.").

Impairment of investment in subsidiary

Investments in subsidiary are stated at cost less any impairment losses in the Company's financial statements. Determining whether investments are impaired requires an estimation of the value in use of the investments. The value in use calculation required the directors to estimate the future cashflows expected to arise from that

Financial asset at fair value through other comprehensive income

The Company may, from time to time, hold financial instruments that are not quoted in active markets, such as its financial assets at fair value through other comprehensive income amounting to **Rs 153,813** (2024: Rs 149,984). Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by experienced personnel.

The determination of fair value for financial assets for which there is no observable market price requires the use of valuation techniques as described in note 6.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of estimation depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. This results in management exercising significant assumption on the unobservable inputs being used for fair valuation.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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5. PROPERTY, PLANT AND EQUIPMENT
THE GROUP

	Freehold land Rs	Freehold building Rs	Office building Rs	Motor vehicles Rs	Computer equipment Rs	Office and other equipment Rs	Furniture, fixtures and fittings Rs	Total Rs
COST								
At 1 July 2023	77,049,818	22,804,509	168,867	13,886,767	15,703,674	11,185,811	6,940,486	147,739,932
Additions	-	-	-	13,282,000	434,208	941,702	-	14,657,910
Disposal	-	-	-	(3,246,000)	(11,107,226)	(6,892,397)	-	(21,245,622)
At 1 July 2024	77,049,818	22,804,509	168,867	23,922,767	5,030,657	5,235,116	6,940,486	141,152,220
Additions	2,650,000	2,548,093	-	-	307,662	1,120,578	313,532	6,939,865
At 30 June 2025	79,699,818	25,352,602	168,867	23,922,767	5,338,319	6,355,694	7,254,018	148,092,085
DEPRECIATION								
At 1 July 2023	-	3,847,410	168,867	10,045,893	13,563,244	8,864,802	6,006,930	42,497,146
Charge for the year	-	570,113	-	2,892,503	1,404,428	481,993	88,575	5,437,612
Disposal	-	-	-	(3,246,000)	(11,107,226)	(6,892,397)	-	(21,245,623)
At 1 July 2024	-	4,417,523	168,867	9,692,396	3,860,446	2,454,398	6,095,505	26,689,135
Charge for the year	-	607,277	-	3,665,220	736,844	604,350	90,382	5,704,073
At 30 June 2025	-	5,024,800	168,867	13,357,616	4,597,290	3,058,748	6,185,887	32,393,208
NET BOOK VALUE								
At 30 June 2025	79,699,818	20,327,802	-	10,565,151	741,029	3,296,946	1,068,131	115,698,877
At 30 June 2024	77,049,818	18,386,986	-	14,230,371	1,170,211	2,780,718	844,981	114,463,085

The Group and the Company's property, plant and equipment have been pledged as security for bank facilities.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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5. PROPERTY, PLANT AND EQUIPMENT
THE COMPANY

	Freehold land Rs	Freehold building Rs	Office building Rs	Motor vehicles Rs	Computer equipment Rs	Office and other equipment Rs	Furniture, fixtures and fittings Rs	Total Rs
<u>COST</u>								
At 01 July 2023	8,400,000	22,804,509	168,867	13,886,767	15,703,674	11,185,811	6,940,486	79,090,114
Additions	-	-	-	13,282,000	434,209	941,702	-	14,657,911
Disposal	-	-	-	(3,246,000)	(11,107,226)	(6,892,397)	-	(21,245,623)
At 30 June 2024	8,400,000	22,804,509	168,867	23,922,767	5,030,657	5,235,116	6,940,486	72,502,402
Additions	2,650,000	2,548,093	-	-	307,662	1,120,578	313,532	6,939,865
At 30 June 2025	11,050,000	25,352,602	168,867	23,922,767	5,338,319	6,355,694	7,254,018	79,442,267
<u>DEPRECIATION</u>								
At 01 July 2023	-	3,847,410	168,867	10,045,893	13,563,244	8,864,802	6,006,930	42,497,146
Charge for the year	-	570,113	-	2,892,503	1,404,427	481,993	88,575	5,437,611
Disposal	-	-	-	(3,246,000)	(11,107,226)	(6,892,396)	-	(21,245,622)
At 30 June 2024	-	4,417,523	168,867	9,692,396	3,860,445	2,454,399	6,095,505	26,689,135
Charge for the year	-	607,277	-	3,665,220	736,844	604,350	90,382	5,704,073
At 30 June 2025	-	5,024,800	168,867	13,357,616	4,597,289	3,058,749	6,185,887	32,393,208
<u>NET BOOK VALUE</u>								
At 30 June 2025	11,050,000	20,327,802	-	10,565,151	741,030	3,296,945	1,068,131	47,049,059
At 30 June 2024	8,400,000	18,386,986	-	14,230,371	1,170,212	2,780,717	844,981	45,813,267

The Group and the Company's property, plant and equipment have been pledged as security for bank facilities.

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

6. INVESTMENTS

(a) Investments in associates

Details of investments in associates are as follows:

<u>Name of Company</u>	<u>Activities</u>	<u>% holding</u>	THE GROUP AND COMPANY	
			2025	2024
			Rs	Rs
United Bus Service Limited	Investment holding	34.31%	241,446,171	194,054,624
Lintrabis Investment Company Limited	Investment holding	45.77%	28,914,465	27,308,675
			270,360,636	221,363,299

Movement in investments in associates

	2025	2024
	Rs	Rs
Balance at 1 July	221,363,299	209,157,488
Share of profit from associates	6,251,103	12,029,813
Share of other comprehensive income from associates	44,451,077	1,880,840
Dividend received	(1,704,843)	(1,704,842)
Balance at 30 June	270,360,636	221,363,299

Share of profit from associates

United Bus Service Limited	5,453,742	11,309,330
Lintrabis Investment Company Limited	797,361	720,483
	6,251,103	12,029,813

Share of other comprehensive income from associates

United Bus Service Limited

Net fair value gain on financial assets at fair value through other comprehensive income	6,974,322	290,979
Net fair value gain on revaluation of freehold land	36,668,325	-

Lintrabis Investment Company Limited

Net fair value gain on financial assets at fair value through other comprehensive income	808,430	1,589,861
	44,451,077	1,880,840

All of the above associates are accounted for using the equity method in these consolidated and separate financial statements.

ASSOCIATED COMMERCIAL CO LTD
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6. INVESTMENTS (CONTINUED)

(a) Investments in associates (continued)

Summarised financial information of each of the associates is set out below. The summarised financial information below represents amounts shown in the associate's consolidated and separate financial statements prepared in accordance with IFRSs.

United Bus Service Limited

	2025 Rs	2024 Rs
Non-current assets	<u>1,404,900,451</u>	<u>1,227,621,749</u>
Current assets	<u>418,652,959</u>	<u>366,390,052</u>
Non-current liabilities	<u>(659,596,782)</u>	<u>(588,057,232)</u>
Current liabilities	<u>(266,044,515)</u>	<u>(239,116,388)</u>
Non controlling interest	<u>(194,114,289)</u>	<u>(201,183,231)</u>
Net assets	<u>703,797,824</u>	<u>565,654,950</u>
Revenue	<u>917,393,015</u>	<u>906,864,884</u>
Profit for the year	<u>18,328,315</u>	<u>36,109,603</u>
Share of profit	<u>(2,431,059)</u>	<u>(3,143,738)</u>
Other comprehensive income for the year	<u>127,215,104</u>	<u>848,181</u>
Total comprehensive income for the year	<u>143,112,360</u>	<u>33,814,046</u>

Reconciliation of the above summarised financial information to the carrying amount of the interest in United Bus Service Limited recognised in the consolidated and separate financial statements:

	2025 Rs	2024 Rs
Net assets of associate	<u>703,797,824</u>	<u>565,654,950</u>
Proportion of the Group's and the Company's ownership	<u>34.31%</u>	<u>34.31%</u>
Carrying amount of the Group's and the Company's interest	<u>241,446,171</u>	<u>194,054,624</u>

The market value of the quoted shares in United Bus Service Limited at 30 June 2025, based on the latest available quotations on the Stock Exchange was **Rs 69,216,585** (2024: Rs 72,626,269). The investment in United Bus Service Limited is classified within Level 1 of the fair value hierarchy.

Lintrabis Investment Company Limited

	2025 Rs	2024 Rs
Non-current assets	<u>48,169,704</u>	<u>44,753,981</u>
Current assets	<u>15,104,529</u>	<u>14,980,646</u>
Current liabilities	<u>(100,833)</u>	<u>(69,620)</u>
Net assets	<u>63,173,400</u>	<u>59,665,007</u>
Revenue	<u>2,056,886</u>	<u>1,847,107</u>
Profit for the year	<u>1,742,104</u>	<u>1,574,138</u>
Other comprehensive income for the year	<u>1,766,288</u>	<u>3,473,587</u>
Total comprehensive income for the year	<u>3,508,392</u>	<u>5,047,725</u>

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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6. INVESTMENTS (CONTINUED)

(a) Investments in associates (continued)

Lintrabis Investment Company Limited (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Lintrabis Investment Company Limited recognised in the consolidated and separate financial statements:

	2025 Rs	2024 Rs
Net assets of associate	63,173,400	59,665,007
Proportion of the Group's and the Company's	45.77%	45.77%
Carrying amount of the Group's and the Company's interest	<u>28,914,465</u>	<u>27,308,675</u>

(b) Other financial assets

Financial assets at fair value through other comprehensive income

	Listed Rs	Quoted Rs	Unit Trust Rs	Unquoted Rs	Total Rs
THE GROUP AND COMPANY					
At 1 July 2023	34,919,670	1,532,726	458,457	137,314	37,048,167
Additions	45,255	8,688	2,925	-	56,868
Disposal	(8,745)	-	-	-	(8,745)
Fair value movement	883,399	(274,873)	16,120	8,670	633,316
At 30 June 2024	35,839,579	1,266,541	477,502	145,984	37,729,606
Addition	54,445	-	-	-	54,445
Disposal	-	-	-	-	-
Fair value movement	4,274,702	16,224	11,577	7,829	4,310,332
At 30 June 2025	<u>40,168,726</u>	<u>1,282,765</u>	<u>489,079</u>	<u>153,813</u>	<u>42,094,383</u>

The investments are valued at market prices prevailing on Development & Enterprise Market, Stock Exchange of Mauritius and National Investment Trust at the end of the reporting period. The unquoted investments are measured at net assets of the investee at reporting date as it approximates its fair value.

The Group's and the Company's investments have been pledged as security for bank facilities.

(c) Investment in subsidiary

THE COMPANY

Details of investments in subsidiary are as follows:

Name of Company	Activities	% holding	Type of shares	Carrying amount	
				2025 Rs	2024 Rs
Lees Investment Ltd	Property	100%	Ordinary	10,000,000	10,000,000
<u>Movement in investment in subsidiary is as follows:</u>				2025 Rs	2024 Rs
Balance at 1 July				10,000,000	10,000,000
Additions during the year				-	-
Balance at 30 June				<u>10,000,000</u>	<u>10,000,000</u>

In 2023, the Company made additional capital contribution amounting to Rs 55,000,000 against which share are yet to be allotted.

ASSOCIATED COMMERCIAL CO LTD
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6. INVESTMENTS (CONTINUED)

(c) Investment in subsidiary (continued)

The directors have assessed the carrying amount of the investment in subsidiary and are of the opinion that the investment is not impaired at the reporting date.

7. INVENTORIES

THE GROUP AND COMPANY

	2025	2024
	Rs	Rs
<u>At cost</u>		
Motor vehicle spare parts and tyres	144,477,472	139,562,616
Goods in transit	12,739,784	31,263,004
	157,217,256	170,825,620

The cost of inventories recognised as an expense during the year in respect of continuing operations was **Rs 419,446,118** (2024: Rs 327,481,681). The Group and the Company's inventories have been pledged as security for bank facilities.

8. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Trade receivables	71,429,123	60,950,693	71,429,123	60,950,693
Loss allowance	(24,379)	(24,379)	(24,379)	(24,379)
	71,404,744	60,926,314	71,404,744	60,926,314
Other receivables and prepayments	8,082,320	17,500,513	11,996,683	21,289,155
	79,487,064	78,426,827	83,401,427	82,215,469

Included under trade and other receivables are amounts of **Rs 33,930,421** (2024: Rs 17,245,837) receivable from related companies. These amounts are unsecured, interest free and repayable on demand.

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

The average credit period on sales of goods is 30 days. No interest is charged on trade receivables. Before accepting any new client, an assessment is made of the potential customer's credit quality. The most significant debtor (a related company) accounts for **42%** (2024: 19%) of the trade receivables. There are no other customers who represent more than 10% of the total balance of trade receivable.

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 on 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 Group and the Company have recognised a loss allowance of 100% against all receivables over 90 days past due because historical experience has indicated that these receivables are generally not recoverable.

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.

	Collectively assessed	Individually assessed	Total
	Rs	Rs	Rs
Group and Company			
Balance at 30 June 2023	16,008	785,025	801,033
Decrease in loss allowance recognised in profit or loss during the year	-	(776,654)	(776,654)
Balance at 1 July 2024	16,008	8,371	24,379
Decrease in loss allowance recognised in profit or loss during the year	-	-	-
Balance at 30 June 2025	16,008	8,371	24,379

ASSOCIATED COMMERCIAL CO LTD
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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8. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following table details the risk profile of local trade receivables based on the Group and the Company's provision matrix at 30 June 2025. As the Group's and the Company's historical credit loss experience does not show significantly different loss patterns for different local customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's and the Company's different customer base.

THE GROUP
As at 30 June 2025

	<u>Not past due</u>	<u>1 to 30 days</u>	<u>31 to 60 days</u>	<u>61 to 90 days</u>	<u>> 90 days</u>	<u>Total</u>
Estimated total gross carrying amount at default (Rs)	33,939,805	23,354,997	10,185,730	2,193,068	1,755,523	71,429,123
Expected loss rate	0.0%	0.0%	0.0%	0.0%	1%	
Lifetime ECL (Rs)	-	-	-	-	24,379	24,379

As at 30 June 2024

Estimated total gross carrying amount at default (Rs)	32,586,486	13,200,485	10,122,904	2,971,168	2,069,650	60,950,693
Expected loss rate	0.0%	0.0%	0.0%	0.0%	1%	
Lifetime ECL (Rs)	-	-	-	-	24,379	24,379

THE COMPANY
As at 30 June 2025

	<u>Not past due</u>	<u>1 to 30 days</u>	<u>31 to 60 days</u>	<u>61 to 90 days</u>	<u>> 90 days</u>	<u>Total</u>
Estimated total gross carrying amount at default (Rs)	33,939,805	23,354,997	10,185,730	2,193,068	1,755,523	71,429,123
Expected loss rate	0.0%	0.0%	0.0%	0.0%	1%	
Lifetime ECL (Rs)	-	-	-	-	24,379	24,379

As at 30 June 2024

Estimated total gross carrying amount at default (Rs)	32,586,486	13,200,485	10,122,904	2,971,168	2,069,650	60,950,693
Expected loss rate	0.0%	0.0%	0.0%	0.0%	1%	
Lifetime ECL (Rs)	-	-	-	-	24,379	24,379

ASSOCIATED COMMERCIAL CO LTD
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9. STATED CAPITAL

THE GROUP AND COMPANY

	<u>2025</u>	<u>2024</u>
	Rs	Rs
<u>Issued and fully paid</u>		
1,142,962 ordinary shares of Rs10 each	11,429,620	11,429,620
Share premium	9,084,576	9,084,576
	<u>20,514,196</u>	<u>20,514,196</u>

Ordinary shares are not redeemable, carry voting rights, entitlement to dividends or distributions and on winding up to any surplus on assets of the Group and the Company.

10. RETIREMENT BENEFIT OBLIGATIONS

The liability relates to Retirement Gratuities under the Employment Rights Act (ERA). The Group and the Company provides for a lump sum at retirement based on final salary and years of service.

Amount recognised in the consolidated and separate statements of financial position:

THE GROUP AND COMPANY

	<u>2025</u>	<u>2024</u>
	Rs	Rs
Present value of unfunded obligations	<u>5,405,364</u>	<u>4,769,080</u>

The figures are based on management's assessment of Retirement Gratuities under the Employment Rights Act (ERA) for the year ended 30 June 2025.

The main assumptions used for accounting purposes are as follows:

	<u>2025</u>	<u>2024</u>
	%	%
Discount rate	7.00	7.00
Future long-term salary increase	5.00	5.00

Movement in liability recognised in the consolidated and separate statements of financial position are as follows:

	<u>2025</u>	<u>2024</u>
	Rs	Rs
At 1 July	(4,769,080)	(4,564,771)
Gratuity payment during the year	-	-
Total expenses recognised in profit or loss	<u>(636,284)</u>	<u>(204,309)</u>
At 30 June	<u>(5,405,364)</u>	<u>(4,769,080)</u>

Amount recognised in statement of profit or loss:

Current service cost	<u>636,284</u>	<u>204,309</u>
	<u>636,284</u>	<u>204,309</u>

ASSOCIATED COMMERCIAL CO LTD
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10. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Significant assumptions for the determination of the defined benefit plan are discount rate and future long-term salary increase. The sensitivity analysis below have been determined based on the sensibly possible changes of the discount rate or future long-term salary increase rate occurring at the end of reporting if all other assumption remained unchanged.

- The sensitivity analysis is not applicable given that there is no defined benefit plan.

11. TAXATION

(a) Income tax

Income tax is calculated at the rate of **15%** (2024: 15%) on the profit for the year as adjusted for tax purposes and it also includes Corporate Social Responsibility (CSR) charge which is calculated at the rate of **2%** (2024: 2%) on the chargeable income of the preceding year.

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Current tax provision	10,662,748	10,473,922	10,662,748	10,473,922
Over-provision in prior year	(766,592)	(61,579)	(766,592)	(61,579)
CSR provision for the year	1,303,536	1,188,272	1,303,536	1,188,272
Deferred tax movement (Note 11(c))	894,692	(61,439)	894,692	(61,439)
Climate Responsibility Levy	1,421,700	1,396,523	1,421,700	1,396,523
Tax expense charged to profit or loss	13,516,084	12,935,699	13,516,084	12,935,699

(b) Current tax liabilities

At 1 July	5,140,416	2,978,002	5,140,416	2,995,277
Current tax provision	10,662,748	10,473,922	10,662,748	10,473,922
Over-provision in prior year	(766,592)	(61,579)	(766,592)	(61,579)
Tax paid including Advance Payment System	(11,682,420)	(9,617,728)	(11,682,420)	(9,617,728)
Withholding tax	(18,183)	(28,724)	(18,183)	(45,999)
CSR provision for the year	1,303,536	1,188,272	1,303,536	1,188,272
CSR paid during the year	(1,303,536)	(1,188,272)	(1,303,536)	(1,188,272)
Climate Responsibility Levy	1,421,700	1,396,523	1,421,700	1,396,523
At 30 June	4,757,669	5,140,416	4,757,669	5,140,416

(c) Deferred tax liabilities

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
At 1 July	(1,174,241)	(1,235,680)	(1,174,241)	(1,235,680)
Charged to profit or loss:				
Current year charge	(894,692)	61,439	(894,692)	61,439
	(894,692)	61,439	(894,692)	61,439
At 30 June	(2,068,933)	(1,174,241)	(2,068,933)	(1,174,241)
Deferred tax assets arise from:				
Retirement benefit obligations	1,027,019	906,125	1,027,019	906,125
Provision for bad debts	4,632	4,632	4,632	4,632
Temporary difference arising from tax base and carrying amount of qualifying assets	(3,100,584)	(2,084,998)	(3,100,584)	(2,084,998)
	(2,068,933)	(1,174,241)	(2,068,933)	(1,174,241)

ASSOCIATED COMMERCIAL CO LTD
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11. TAXATION (CONTINUED)

(d) Tax reconciliation

	THE GROUP		THE COMPANY	
	2025 Rs	2024 Rs	2025 Rs	2024 Rs
Profit before tax	<u>79,086,650</u>	<u>81,793,367</u>	<u>79,212,371</u>	<u>81,834,298</u>
Tax at the rate of 15% (2024: 15%)	<u>11,862,998</u>	<u>12,269,005</u>	<u>11,881,856</u>	<u>12,275,145</u>
Tax effect of:				
- Non-taxable income	(2,323,050)	(2,819,338)	(2,323,050)	(2,819,338)
- Expenses not deductible for tax purposes	<u>1,103,942</u>	<u>1,018,115</u>	<u>1,103,942</u>	<u>1,018,115</u>
- CSR charge	<u>1,303,536</u>	<u>1,188,272</u>	<u>1,303,536</u>	<u>1,188,272</u>
- Underprovision of income tax in prior year	(766,592)	(61,579)	(766,592)	(61,579)
- Deferred tax charge for the year	<u>894,692</u>	<u>(61,439)</u>	<u>894,692</u>	<u>(61,439)</u>
- Climate responsibility levy	<u>1,421,700</u>	<u>1,396,523</u>	<u>1,421,700</u>	<u>1,396,523</u>
- Tax loss brought forward	<u>18,858</u>	<u>6,140</u>	<u>-</u>	<u>-</u>
Income tax expense recognised in profit or loss	<u>13,516,084</u>	<u>12,935,699</u>	<u>13,516,084</u>	<u>12,935,699</u>

12. BANK OVERDRAFT

The bank overdraft bears interest at rates of 7% (2024: 7%) per annum and is secured by floating charges on the assets of the Company.

13. LOANS

	THE GROUP		THE COMPANY	
	2025 Rs	2024 Rs	2025 Rs	2024 Rs
Bank and import loan	<u>12,239,240</u>	<u>16,080,312</u>	<u>12,239,240</u>	<u>16,080,312</u>
Loan from related party	<u>35,000,000</u>	<u>35,000,000</u>	<u>35,000,000</u>	<u>35,000,000</u>
	<u>47,239,240</u>	<u>51,080,312</u>	<u>47,239,240</u>	<u>51,080,312</u>
Included in financial statements as:				
Current liabilities	<u>47,239,240</u>	<u>51,080,312</u>	<u>47,239,240</u>	<u>51,080,312</u>
Non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>47,239,240</u>	<u>51,080,312</u>	<u>47,239,240</u>	<u>51,080,312</u>

Bank loans bear interest at rates of 7% (2024: 7%) per annum and are secured by floating charges on the assets of the Group and the Company.

14. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2025 Rs	2024 Rs	2025 Rs	2024 Rs
Bills payables	<u>5,948,905</u>	<u>15,335,432</u>	<u>5,948,905</u>	<u>15,335,432</u>
Trade payables	<u>673,730</u>	<u>218,573</u>	<u>673,730</u>	<u>218,573</u>
Other payables and accruals	<u>19,820,186</u>	<u>14,818,041</u>	<u>19,820,186</u>	<u>14,818,041</u>
	<u>26,442,821</u>	<u>30,372,046</u>	<u>26,442,821</u>	<u>30,372,046</u>

The average credit period of trade payables is 30 days (2024: 30 days). The Group and the Company have financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

15. PROFIT FROM OPERATIONS

This is arrived at after charging:

	THE GROUP		THE COMPANY	
	2025 Rs	2024 Rs	2025 Rs	2024 Rs
Cost of inventories recognised as an expense during the year	<u>419,446,118</u>	<u>327,481,681</u>	<u>419,446,118</u>	<u>327,481,681</u>
Administrative expenses	<u>46,081,368</u>	<u>38,198,897</u>	<u>45,955,647</u>	<u>38,157,965</u>

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15. PROFIT FROM OPERATIONS (CONTINUED)

Included in administrative expenses

Staff cost
 Depreciation of property, plant and equipment
 Rent, rates and taxes
 Legal and professional charges
 Motor vehicle running expenses

THE GROUP AND COMPANY

2025

2024

Rs

Rs

24,244,267	19,398,542
5,704,073	5,437,611
1,896,572	1,893,076
1,176,035	1,114,662
2,078,823	2,025,813

16. OTHER INCOME

Dividend income
 Rental income
 Sundry income
 Other Income

2025

2024

Rs

Rs

2,908,227	2,610,189
2,520,000	1,850,000
246,191	3,320,809
151,534	156,826
5,825,952	7,937,824

17. FINANCE COSTS

Interest is payable on:
 - Bank loan

2025

2024

Rs

Rs

1,660,728	1,535,007
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18. DIVIDENDS

Dividend of **Rs 5** per share declared on **27 June 2025** (2024: Rs 4.70 declared on 20 June 2024)

2025

2024

Rs

Rs

5,714,810	5,371,921
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19. EARNINGS PER SHARE

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

Profit for the year (Rs)

Number of ordinary shares

Earnings per share (Rs)

2025

2024

65,696,287	68,898,599
1,142,962	1,142,962
57.48	60.28

20. RELATED PARTY TRANSACTIONS

(a) Transactions during the year

(i) *Sales of goods:*

- Associate

(ii) *Rent receivable:*

- Associate

(iii) *Dividend received*

- Company under common management

(iv) *Management fees*

- Company under common management

THE GROUP AND COMPANY

2025

2024

Rs

Rs

177,309,567	115,006,517
-------------	-------------

180,000	180,000
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1,778	116,231
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-	-
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(b) Outstanding balances

(i) *Receivables from related parties:*

- Subsidiary

- Company under common management

- Dividend receivable

2025

2024

Rs

Rs

3,914,363	3,788,642
30,016,058	13,457,195
-	116,231

ASSOCIATED COMMERCIAL CO LTD
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20. RELATED PARTY TRANSACTIONS (CONTINUED)

	<u>2025</u> Rs	<u>2024</u> Rs
(b) <u>Outstanding balances (continued)</u>		
(ii) <u>Amount due to related party:</u>		
- Company under common management	22,000,000	22,000,000
- Associates	<u>13,000,000</u>	<u>13,000,000</u>

The amount due to and from related parties are interest free, repayable on demand and unsecured.

	<u>2025</u> Rs	<u>2024</u> Rs
(c) <u>Compensation to key management personnel (Directors)</u>		
Short term benefits	<u>9,117,676</u>	<u>8,309,941</u>

The key management personnel did not receive any other benefits.

21. FINANCIAL INSTRUMENTS

Capital risk management

The Group and the Company manage their capital to ensure that it will be able to continue as a going concern while maximising the returns of the stakeholders. The capital structure of the Group and the Company consist of net debt and equity comprising issued capital, reserves and retained earnings.

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 consolidated and separate financial statements.

Gearing ratio

The Group and the Company review the capital structure on a regular basis and as part of this review, management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio of the Group and the Company at the year-end were as follows:

	THE GROUP		THE COMPANY	
	<u>2025</u> Rs	<u>2024</u> Rs	<u>2025</u> Rs	<u>2024</u> Rs
Debt (i)	48,544,893	51,080,312	48,544,893	51,080,312
Cash and bank balances	<u>(184,716,655)</u>	<u>(128,813,811)</u>	<u>(184,716,655)</u>	<u>(128,813,811)</u>
Net debt	<u>(136,171,762)</u>	<u>(77,733,499)</u>	<u>(136,171,762)</u>	<u>(77,733,499)</u>
Equity (ii)	<u>762,355,191</u>	<u>653,738,026</u>	<u>762,619,736</u>	<u>653,876,850</u>
Net debt to equity ratio	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(i) Debt is defined as long and short term borrowings, as detailed in note 13 and bank overdraft.

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

Categories of financial instruments

	THE GROUP		THE COMPANY	
	<u>2025</u> Rs	<u>2024</u> Rs	<u>2025</u> Rs	<u>2024</u> Rs
<u>Financial assets</u>				
<u>Financial assets at amortised cost</u>				
- Cash and bank balances	184,716,655	128,813,811	184,716,655	128,813,811
- Trade and other receivables	67,490,381	56,726,077	71,404,744	60,514,719
<u>Financial assets at fair value through other comprehensive income</u>				
- Investments in securities	<u>42,094,383</u>	<u>37,729,606</u>	<u>42,094,383</u>	<u>37,729,606</u>
	<u>294,301,419</u>	<u>223,269,494</u>	<u>298,215,782</u>	<u>227,058,136</u>

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21. FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments (continued)

	THE GROUP		THE COMPANY	
	2025 Rs	2024 Rs	2025 Rs	2024 Rs
Financial liabilities				
At amortised cost				
Trade and other payables	23,354,703	28,805,972	23,354,703	28,805,972
Loans	47,239,240	51,080,312	47,239,240	51,080,312
Dividend payable	-	5,371,921	-	5,371,921
Bank overdraft	1,305,653	-	1,305,653	-
	<u>71,899,596</u>	<u>85,258,205</u>	<u>71,899,596</u>	<u>85,258,205</u>

The following has been excluded from financial assets and financial liabilities:

Financial assets				
Prepayment and advanced deposit	<u>8,082,321</u>	<u>21,700,751</u>	<u>11,996,684</u>	<u>21,700,751</u>
Financial liabilities				
VAT	<u>3,088,118</u>	<u>1,566,074</u>	<u>3,088,118</u>	<u>1,566,074</u>

Market risk

Market risk represents the potential loss that can be caused by a change in market value of financial instruments. The Group's and the Company's activities are exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group and the Company make use of proper mix in their financial instruments to manage their exposure to interest rate and foreign currency risk.

Foreign currency risk management

The Group and the Company undertake transactions denominated in foreign currencies and are consequently exposed to the risk that the carrying amounts of these foreign currency denominated assets and liabilities may change due to fluctuations in foreign exchange.

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

COMPANY	2025		2024	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Currency				
Mauritian Rupee	212,553,150	64,934,617	216,784,540	80,864,412
United States Dollar	73,138,812	6,964,979	4,088,842	4,393,793
Euro	8,138,859	-	6,184,754	-
Chinese Yuan	4,384,961	-	-	-
	<u>298,215,782</u>	<u>71,899,596</u>	<u>227,058,136</u>	<u>85,258,205</u>
GROUP	2025		2024	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Currency				
Mauritian Rupee	208,638,787	64,934,617	212,995,898	80,864,412
United States Dollar	73,138,812	6,964,979	4,088,842	4,393,793
Euro	8,138,859	-	6,184,754	-
Chinese Yuan	4,384,961	-	-	-
	<u>294,301,419</u>	<u>71,899,596</u>	<u>223,269,494</u>	<u>85,258,205</u>

The Group and the Company are mainly exposed to United States Dollar, Euro and Chinese Yuan.

The following table details the Group's and the Company's sensitivity to a 5% increase in the relevant currencies against the Mauritian Rupee. A negative number below indicates a decrease in profit and equity where relevant currencies strengthen 5% against Mauritian Rupee. For a 5% weakening of relevant currencies against the Mauritian Rupees, there would be an equal and opposite impact on the profit and equity.

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21. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Foreign currency risk management (continued)

	THE GROUP AND COMPANY	
	2025	2024
	Rs	Rs
Impact on profit and equity - United States Dollar	3,308,692	(15,248)
Impact on profit and equity - Euro	406,943	309,238
Impact on profit and equity - Chinese Yuan	<u>219,248</u>	<u>-</u>

Interest rate risk

The Group and the Company are exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows.

The interest rate profile of the Group's and the Company's financial liabilities as at 30 June is as follows:

	<u>Interest</u>	<u>2025</u>	<u>2024</u>
		<u>% p.a</u>	<u>% p.a</u>
<u>Financial liabilities</u>			
Bank loan	Floating	7.00	7.00

The following table details the Group's and the Company's sensitivity to an increase in interest rate by 50 basis points. A negative number indicates a decrease in profit and equity where the interest rate is 50 basis points higher for a decrease in interest rate by 50 basis point, there would be an equal and opposite impact on the profit and equity.

	<u>2025</u>	<u>2024</u>
	<u>Rs</u>	<u>Rs</u>
Impact on profit and equity	<u>236,196</u>	<u>255,402</u>

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's and the Company's short, medium and long-term funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk tables

The maturity profile of the financial liabilities is summarised as follows:

GROUP AND COMPANY	Less than	1 - 5 years	Total
<u>2025</u>	<u>1 year</u>	<u>Rs</u>	<u>Rs</u>
	<u>Rs</u>		
Financial liabilities			
<u>Amortised cost:</u>			
Trade and other payables	23,354,703	-	23,354,703
Loans	47,239,240	-	47,239,240
Bank overdraft	1,305,653	-	1,305,653
	<u>71,899,596</u>	<u>-</u>	<u>71,899,596</u>
	Less than	1 - 5 years	Total
<u>2024</u>	<u>1 year</u>	<u>Rs</u>	<u>Rs</u>
	<u>Rs</u>		
Financial liabilities			
<u>Amortised cost:</u>			
Trade and other payables	28,805,972	-	28,805,972
Loans	51,080,312	-	51,080,312
Dividend payable	5,371,921	-	5,371,921
	<u>85,258,205</u>	<u>-</u>	<u>85,258,205</u>

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21. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by management. The Group and the Company's credit risk exposure are as disclosed in note 8.

Equity price risk

The Group and the Company are exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group and the Company do not actively

Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 5% higher/lower:

- profit for the year ended 30 June 2025 would have been unaffected as the equity investments are classified as financial assets at fair value through other comprehensive income and no investments were disposed of or impaired; and
- other comprehensive income for the year ended 30 June 2025 would increase/decrease by **Rs 215,517** (2024: increase/decrease by Rs 31,666) for the Company as a result of the changes in fair value of financial assets at fair value through other comprehensive income.

The Group's and the Company's sensitivity to equity prices have not changed significantly from the prior year.

Fair value measurements

Except where stated elsewhere, the carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

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

The following table gives information about how the fair values of financial assets are determined:

<u>Financial assets</u>	<u>Fair values as at</u>		<u>Fair value hierarchy</u>	<u>Valuation technique(s) and key input(s)</u>
	<u>2025</u>	<u>2024</u>		
	<u>Rs</u>	<u>Rs</u>		
Listed and quoted investments	41,451,491	37,106,120	Level 1	Quoted bid prices in an active market
Unit trust investments	489,079	477,502	Level 2	Based on the net asset value of the investee
Unquoted investments	153,813	145,984	Level 3	Based on the net asset value of the investee*
	<u>42,094,383</u>	<u>37,729,606</u>		

There were no transfers between level 1 and 2 during the year.

* The unquoted investment was measured at cost at 30 June 2023 as the cost approximated the fair value at 30 June 2025.

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22. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated and separate statements of cash flows as cash flows from financing activities.

30 June 2025

THE GROUP AND COMPANY	1 July 2024	Interest expense	Interest Paid	Loans and leases repayment/	30 June 2025
	Rs	Rs	Rs	Rs	Rs
Loans	<u>51,080,312</u>	<u>(1,660,728)</u>	<u>1,660,728</u>	<u>3,841,072</u>	<u>47,239,240</u>
	<u>51,080,312</u>	<u>(1,660,728)</u>	<u>1,660,728</u>	<u>3,841,072</u>	<u>47,239,240</u>
30 June 2024					
	1 July 2023	Interest expense	Interest Paid	Loans and leases repayment/	30 June 2024
	Rs	Rs	Rs	Rs	Rs
Loans	<u>77,824,215</u>	<u>1,334,378</u>	<u>(1,334,378)</u>	<u>26,743,903</u>	<u>51,080,312</u>
	<u>77,824,215</u>	<u>1,334,378</u>	<u>(1,334,378)</u>	<u>26,743,903</u>	<u>51,080,312</u>

23. SEGMENTAL REPORTING

The directors of the Group and the Company have chosen to organise the Group and the Company into different types of revenue streams. Specifically, the main Group's and the Company's reportable segments under IFRS 8 are as follows:

- > Tyres
- > Spare parts
- > Batteries and Lubricants
- > Vehicles

Segment revenues and results

	THE GROUP AND COMPANY	
	Segment revenue	
	2025	2024
	Rs	Rs
Tyres	367,380,818	333,725,749
Spare parts	87,800,249	84,018,029
Batteries and Lubricants	7,766,742	6,747,537
Vehicles	71,250,000	4,550,000
	<u>534,197,809</u>	<u>429,041,315</u>
<i>Timing of revenue recognition:</i>		
- At a point in time	534,197,809	429,041,315
- Over time	-	-

Segment assets and liabilities

The following is an analysis of the Group's and the Company's assets and liabilities by reportable segment:

Contract assets and liabilities:

- Contract assets	-	-
- Contract liabilities	-	-

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23. SEGMENTAL REPORTING (CONTINUED)

Segment assets and liabilities (continued)

Performance obligations and revenue recognition policies

The following table provides information about the revenue recognition policies:

Type of service	Nature and timing of performance obligation, including significant payment terms	Revenue recognition policy
Sales of tyres and spare parts	Revenue recognised at point in time based on agreed quote with customers.	Revenue is recognised on sale.

Geographical information

Since all the operations are carried out locally, the geographical reporting disclosure is therefore not applicable.

Information about major customer

Included in sale from tyres, spares and vehicles is a total amount of **Rs 117,309,567** (2024: Rs 115,006,517) which arose from sale to a related party which is the Group's and the Company's largest customer. No other single customers contributed to **10%** or more to the Group's or Company's revenue in either 2024 or 2025.

During the year under review, the subsidiary has not generated any revenue.

24. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP		THE COMPANY	
	<u>2025</u> Rs	<u>2024</u> Rs	<u>2025</u> Rs	<u>2024</u> Rs
<i>Financed as follows:</i>				
Cash disbursed	<u>6,939,865</u>	<u>14,657,910</u>	<u>6,939,865</u>	<u>14,657,910</u>
	<u>6,939,865</u>	<u>14,657,910</u>	<u>6,939,865</u>	<u>14,657,910</u>

25. CONTINGENT LIABILITIES

As at reporting date, the Company has no contingent liabilities and has not provided any corporate or financial guarantees to any of its affiliates.

26. EVENT AFTER THE REPORTING DATE

There has been no other material event after the reporting date that requires disclosure and amendment to the consolidated and separate financial statements.