

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of Les Gaz Industriels Limited (LGI) and its subsidiary for the year ended June 30, 2011, the contents of which are listed below.

This report was approved by the Board of Directors on October 07, 2011.



Antoine L Harel
Chairman



Philippe de Bragard Hardy
Director



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Our Vision

To grow and become a state of the art leading company in the gas and welding sector through enhanced quality products in the region.

Our Mission

We are a customer focused organisation committed to consistently supply reliable medical and industrial gases and welding electrodes through a passionate team of dedicated professionals who continuously strive for excellence by making use of cutting edge technology whilst ensuring quality and safety for benefit of all our stakeholders.

Our Quality Policy

It is LGI's policy to supply its customers with products which meet their requirements in terms of Quality and Safety while at the same time complying with applicable regulatory requirements. For the well being of the society, LGI is committed to ensuring ongoing customer satisfaction by providing an efficient technical and other support services with the assistance of its partner, Afrox. LGI lays a lot of emphasis on safety.

LGI shall strive to excel in the field of quality, which will enable it to maintain its competitive edge and grow continually.

LGI values the importance of its personnel and is aware that its contribution as a team is significant towards achieving the Company's objectives. LGI is strictly a No Smoking company. Management at LGI undertakes to implement this quality policy at all levels and is committed to demonstrate an effective Quality Management System through the implementation of the internationally recognised ISO 9001 standard.

Our Quality Management System

The Quality Management System carried out by LGI, is applicable to all its activities and the range of products/services it offers is within the scope of quality management.

- Medical and industrial oxygen (gas and liquid)
- Nitrogen (gas and liquid)
- Acetylene
- Nitrous oxide
- Welding electrodes (mild steel and specials)
- Gas reticulation (installation)
- Welding/cutting equipment and accessories
- Hydrostatic testing of cylinders
- Special gases
- Industrial gases
- Cryogenics
- Maintenance contracts
- Grease Trap / Water Treatment (Bio Concentrates)

Most of the products are manufactured on LGI premises under technical assistance from our overseas international business partners (Afrox and Linde). Other industrial and special gases are imported under international standards and are sold directly without any further processing by LGI. In certain situations, simple processes are undertaken such as the piping installation for gas reticulation.

Group Profile

Les Gaz Industriels Limited (LGI) was originally incorporated as a private company in 1952, with 100% Mauritian equity and the sole aim of producing oxygen and acetylene for metal cutting and welding purposes.

In 1963, African Oxygen Ltd (Afrox), a South African leading gas company, acquired a major stake in LGI which diversified its activities with the production of general-purpose welding electrodes and of medical oxygen, and the importation of nitrous oxide, from Afrox, for use in hospitals and clinics. LGI kept a steady growth since with the modernisation of the oxygen plant and the production of liquid and gaseous nitrogen, for multiple uses. It was also heavily involved in the installation of gas reticulation in hospitals and clinics.

In 1990, LGI became listed on the Over-The-Counter (O.T.C.) market in Mauritius, and subsequently on the Development & Enterprise Market (D.E.M.) in March 2007. In 1998, a modern Air Separation Unit was commissioned for producing liquid and gaseous oxygen and nitrogen, together with the installation of two cryogenic tanks for their storage. This gave the Company the opportunity of doubling its supply of oxygen and nitrogen in Mauritius, with the added advantage of servicing its customers on an ex-stock basis. Throughout the years, the Company diversified in a wide range of products, namely the manufacture, sales and delivery of medical and industrial gases in bulk and in cylinders, the manufacture, sales and delivery of welding electrodes, installation of gas reticulation and the sales of diving equipment and nitrox gas, with a growing market share. As from November 2010, the Board ratified the decision to close the diving segment and focus on the Company's core activities.

LGI has consequently achieved a long and reputable experience in the following core businesses:

- Gas
- Welding
- Healthcare

In its quest to continue improving the overall quality of its products and services, the Company decided to implement a quality management system based on the internationally recognized ISO 9001 standard and has been accordingly certified by SGS since 2005.

On December 02, 2008, the Company incorporated a subsidiary in Madagascar, namely Gaz Industriels Madagascar SA, for the manufacture of medical and industrial gas, acetylene and welding electrodes. However, due to political unrest prevailing in Madagascar, Gaz Industriels Madagascar SA has not yet started its operations and currently exists as a dormant entity.

Our Brands



Corporate Information

HEAD OFFICE

Pailles Road
G.R.N.W.
P.O.Box 673
Bell Village - Republic of Mauritius
Tel: (230) 212 83 06
(230) 212 83 11
(230) 212 14 74
Fax: (230) 212 02 35
Hotline: (230) 800 11 33
Email: gazind@gaz-industriels.com
Website: www.gaz-industriels.com

REGISTERED OFFICE

18, Edith Cavell Street
Port-Louis
Republic of Mauritius
Tel: (230) 207 30 00
Fax: (230) 207 30 30

BUSINESS REGISTRATION NUMBER
C07000817

REGISTRY & TRANSFER OFFICE

Mauritius Computing Services Ltd
18, Edith Cavell Street
Port-Louis
Republic of Mauritius
Tel: (230) 207 30 00
Fax: (230) 207 30 30

SECRETARY

HM Secretaries Ltd.
18, Edith Cavell Street
Port-Louis
Republic of Mauritius
Tel: (230) 207 30 00
Fax: (230) 207 30 30

EXTERNAL AUDITORS

BDO & Co.
Chartered Accountants
DCDM Building
10, Frère Felix de Valois Street
Port-Louis
Republic of Mauritius
Tel: (230) 202 30 00
Fax: (230) 202 99 93

INTERNAL AUDITORS

Ernst & Young
Chartered Accountants
9th Floor, Tower 1, NeXTeracom
Cybercity
Ebène
Republic of Mauritius
Tel: (230) 403 47 77
Fax: (230) 403 47 00

ENGINEERING AUDIT

African Oxygen Limited (AFROX)
Afrox House
23 Webber Street
Selby
Johannesburg, Republic of South Africa
Tel: (+27) 011 490 0400

ISO 9001 CERTIFICATION AUDIT

SGS (Mauritius) Ltd.
Valentina
Phoenix
Republic of Mauritius
Tel: (230) 696 88 08
Fax: (230) 696 70 88

BANKERS

The Mauritius Commercial Bank Limited
Sir William Newton Street
Port-Louis
Republic of Mauritius
Tel: (230) 202 50 00
Fax: (230) 212 22 33

STOCK EXCHANGE

Stock Exchange of Mauritius (SEM)
4th Floor, One Cathedral Square Building
16 Jules Koenig Street,
Port-Louis
Republic of Mauritius
Email: stockex@sem.intnet.mu
Tel: (230) 212 95 41
Fax: (230) 208 84 09

Banque des Mascareignes
One Cathedral Square, Level 8
16, Jules Koenig Street
Port-Louis
Republic of Mauritius
Tel: (230) 207 86 00
Fax: (230) 212 49 83



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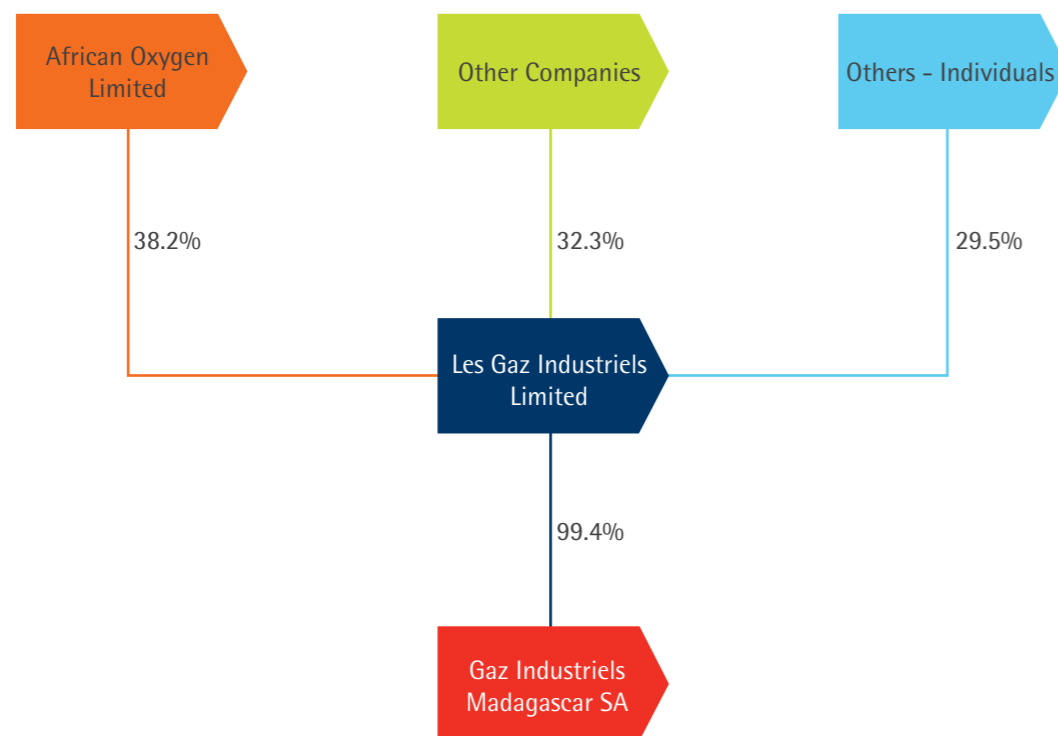
Corporate Governance Report - YEAR ENDED JUNE 30, 2011

COMPLIANCE STATEMENT

The Board of Directors is committed to the highest standard of business integrity, transparency and professionalism in all its activities to ensure that the activities within the Company are managed ethically and responsibly to enhance business value for all its stakeholders.

The Company is committed to the best principles of corporate governance.

SHAREHOLDING STRUCTURE



Corporate Governance Report (cont'd) - YEAR ENDED JUNE 30, 2011

BOARD OF DIRECTORS & BOARD COMMITTEES

Board of Directors of Les Gaz Industriels Limited at June 30, 2011

Directors

Antoine L HAREL	Chairman
Philippe de BRAGARD HARDY	
Willem COETZEE	
Jérôme COMMINS	
Riaz GARDEE	
Eric PIAT	

Alternate Director

Michel Guy RIVALLAND	Alternate to Philippe de BRAGARD HARDY
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Board Committees

Audit Committee

Philippe de BRAGARD HARDY	Chairman
Willem COETZEE	
Riaz GARDEE	

Corporate Governance Committee

Antoine L HAREL	Chairman
Philippe de BRAGARD HARDY	
Willem COETZEE	
Eric PIAT	

Secretary

HM Secretaries Ltd

Board of Directors of Gaz Industriels Madagascar SA at June 30, 2011

Directors

Antoine L HAREL	Chairman
Jérôme COMMINS	
Raphael JACOBA	
Jonathan NARAYADOO	

DIRECTORS' PROFILE



From left to right: Antoine L Harel, Philippe de Bragard Hardy, Willem Coetzee, Jérôme Commins, Riaz Gardee, Eric Piat

Antoine L Harel (54)

Independent Non-Executive Chairman

Antoine L Harel is a Fellow Member of the Institute of Chartered Accountants in England & Wales. He holds a BA (Hons) in Accounting and Computing. He is a director to a number of listed companies and is currently the Chairman of Bychemex Limited, Chemco Limited, Compagnie des Magasins Populaires Limitée, Harel Mallac & Co. Ltd., The Mauritius Chemical and Fertilizer Industry Limited and is a director of Automatic Systems Ltd.

Antoine L Harel was first appointed to the Board of LGI in 2003.

Philippe de Bragard Hardy (38)

Non-Executive Director

Philippe de Bragard Hardy holds an Honours degree in Mathematics and Financial Management and is an Associate in London's Royal College of Science. He is a director of various companies in the financial services industry, including his own corporate finance and wealth management firm and a director of Plastic Industry (Mtius) Ltd., a listed company. Philippe de Bragard Hardy was first appointed to the Board of LGI in 2006.

Willem Coetzee (55)

Non-Executive Director

Willem Coetzee has been working in the industrial gases business for the past 16 years in the USA, Asia and South Africa. The last position held at African Oxygen Limited was that of General Manager for the Merchant and Packaged Gases and he is currently the General Manager for African Operations. He holds a BSc Engineering degree as well as a Master of Business Administration degree.

Willem Coetzee was first appointed to the Board of LGI in 2009.

Jérôme Commins (36)

Executive Director

Jérôme Commins is a member of The Association of Chartered Certified Accountants (ACCA). After having held various senior positions within the CIEL Group and General Construction Co. Ltd. from 1996 to 2007, Jérôme Commins served as Financial Controller of Aldrex Suppliers Ltd. from 2007 to 2008. He joined LGI in April 2008 as Finance and Administrative Manager, was appointed Acting General Manager on December 12, 2009 and Managing Director in March 2010.

Jérôme Commins was first appointed to the Board of LGI on February 10, 2010.

Riaz Gardee (36)

Non-Executive Director

Riaz Gardee completed his articles at KPMG in Johannesburg and qualified as a Chartered Accountant (South Africa) in 2001. He subsequently worked at Ernst & Young, both in the United Kingdom and South Africa, for a number of years specializing in mergers and acquisitions and corporate advisory. Thereafter in 2007, Riaz Gardee joined Absa bank in Johannesburg focusing on corporate finance as well as the bank's expansion strategy in sub-Saharan Africa.

Riaz Gardee is currently the Head of Finance for the sub-Saharan operations of African Oxygen Limited (South Africa). African Oxygen Limited (Afrox) owns and oversees operations in over 13 countries throughout this region. Riaz Gardee also sits on the boards and committees of a number of these operations. Riaz Gardee was first appointed to the Board of LGI on January 12, 2011.

DIRECTORS' PROFILE (CONT'D)

Eric Piat (74)

Independent Non-Executive Director

Eric Piat is a Chartered Engineer, Fellow of the Institution of Mechanical Engineers, BSc (Hons) from Glasgow University. He qualified from the Mauritius College of Agriculture and is a former Technical Adviser of the WEAL Group and more recently Manager of Medine Sugar Estate from which he retired in 1998.

Eric Piat was first appointed to the Board of LGI in 1991.

Maria Msiska (51)

Non-Executive Director

Resigned on October 29, 2010

Maria Msiska is a Fellow of the Chartered Association of Certified Accountants. She holds a Master of Business Leadership from the University of South Africa as well as a Bachelor of Commerce degree from the University of Malawi. She has 16 years of service with African Oxygen Limited and is a director in various companies within the Linde Group in Africa. Maria Msiska is currently Managing Director of BOC Kenya Limited. Prior to this position she was Head of Finance for the African Operations outside South Africa after having served as Managing Director of Afrox Zambia Limited.

Maria Msiska was first appointed to the Board of LGI on March 31, 2010.

Christiaan Phillip Booyens (54)

Non-Executive Director

Resigned on January 12, 2011

Christiaan Phillip Booyens holds a B.Compt (Hons) CA (SA). He started his career with a clerkship of articles with Coopers Theron du Toit, (now part of PWC), and worked in engineering, transport and logistics, the food industry and mining and held financial directorships in various companies before joining Afrox as head of corporate finance in 2008.

Christiaan Phillip Booyens was first appointed to the Board of LGI on October 29, 2010.

Michel Guy Rivalland (31)

Non-Executive Alternate Director

Michel Guy Rivalland is a graduate in economics. He started his career at ACMS, an asset manager. He was appointed as Director in 2002 and was subsequently appointed CEO of AXYS group in 2006. In July 2010 he was appointed CEO of United Investment Ltd, an investment holding company quoted on the DEM market. He also sits on the board of Ireland Blyth Limited.

Michel Guy Rivalland was first appointed to the Board of LGI on June 18, 2010.

Corporate Governance Report (cont'd) - YEAR ENDED JUNE 30, 2011

SENIOR MANAGERS' PROFILE



Yannick Applasamy

Sandy Dodin

Jean-Lou Moutia

Jérôme Commins

Virginie Malié

Jean-Michel Hardy

Dev Cheemontoo

Dalila Lecordier-Dupré

Jérôme Commins (36)
Managing Director

Born in 1975, Jérôme Commins joined LGI in April 2008 as Finance and Administrative Manager and was appointed Managing Director in March 2010. He is a member of The Association of Chartered Certified Accountants (ACCA). After having held various senior positions within the CIEL Group and General Construction Co.Ltd, from 1996 to 2007, Jérôme Commins served as Financial Controller of Aldrex Suppliers Ltd. from 2007 to 2008.

Jean-Lou Moutia (34)
Finance and Administrative Manager

Born in 1977, Jean-Lou Moutia joined LGI in June 2010 as Finance and Administrative Manager. He has a Bachelor degree in Business from the Nanyang Technological University of Singapore and is a member of The Association of Chartered Certified Accountants (ACCA). Jean-Lou Moutia occupied various finance functions within the finance department of Shell Mauritius Ltd before joining LGI.

Jean-Michel Hardy (54)
Sales Manager

Born in 1957, Jean-Michel Hardy joined LGI in May 1992 as Outdoor Sales Representative and assumed the position of Executive Sales Representative in June 2010. He was appointed Sales Manager in October 2010. Jean-Michel Hardy undertook two years commercial studies at the University of Cape Town and served several positions in the gas industry as Customer Clerk and Site Supervisor before joining LGI.

Yannick Applasamy (27)
Project/Technical Manager

Born in 1984, Yannick Applasamy joined LGI in February 2011 as Saleable Manager and was appointed Project/Technical Manager in June 2011. He has a Master degree in Génie des Systèmes Industriels with a specialisation in Project Management from the University of Paris-Est France. Before joining LGI, Yannick Applasamy assumed the position of trainee engineer for Peugeot Citroën (PSA) a French car manufacturing company and Project Engineer at Forges Tardieu Ltd.

Dev Cheemontoo (23)
Operations Superintendent

Born in 1988, Dev Cheemontoo joined LGI in May 2010. He obtained his diploma in Mechanical Engineering in 2008. Dev Cheemontoo assumed the Trainee Maintenance Assistant position within LGI from May 2010 to October 2010 and was appointed Operations Superintendent in October 2010. Prior to joining LGI, he occupied various engineering positions within the mechanical engineer department of Hydro Plumbing Co. Ltd. and Alcedo Ltd.

Sandy Dodin (43)
SHEQ Coordinator

Born in 1968, Sandy Dodin joined LGI in 1988 as Accounts Receivable Clerk. Sandy Dodin occupied various functions within the accounts department before being appointed as SHEQ Coordinator in July 2010.

Virginie Malié (30)
Human Resource Manager

Born in 1981, Virginie Malié joined LGI in December 2008 as Human Resource Officer and was appointed Human Resource Manager in July 2010. She is the holder of a Bachelor of Commerce and Human Resource Management from the Curtin University of Technology in Australia. Before joining LGI, Virginie Malié occupied various functions in the HR field as HR Officer at Aquarelle Clothing Ltd, IBL Shipping Ltd and Labourdonnais Hotel. She was also the Executive Assistant to the CEO at G4S Security Services Ltd.

Dalila Lecordier-Dupré (47)
Transport and Distribution Manager

Born in 1964, Dalila Lecordier-Dupré joined LGI in 2005 and was appointed Transport & Distribution Manager in July 2010 after successfully occupying the post of Indoor Sales Representative and Sales and Distribution Controller within the Company.

Corporate Governance Report (cont'd) - YEAR ENDED JUNE 30, 2011

SENIOR MANAGERS' PROFILE (CONT'D)

Corporate Governance Report (cont'd) - YEAR ENDED JUNE 30, 2011

SHAREHOLDING PROFILE

Profile of Company's Shareholders as at August 31, 2011

Ownership of ordinary share capital at August 31, 2011 was as follows:

Size of Shareholding	Number of Shareholders	Number of Shares Owned	% Holding
1 - 500	184	28,324	1.085
501 - 1,000	37	29,805	1.141
1,001 - 5,000	48	129,460	4.958
5,001 - 10,000	19	142,355	5.451
10,001 - 50,000	26	560,759	21.474
50,001 - 100,000	4	306,463	11.736
100,001 - 250,000	1	119,571	4.579
250,001 - 500,000	1	296,637	11.358
Over 500,000	1	998,018	38.218
Total	321	2,611,392	100.000

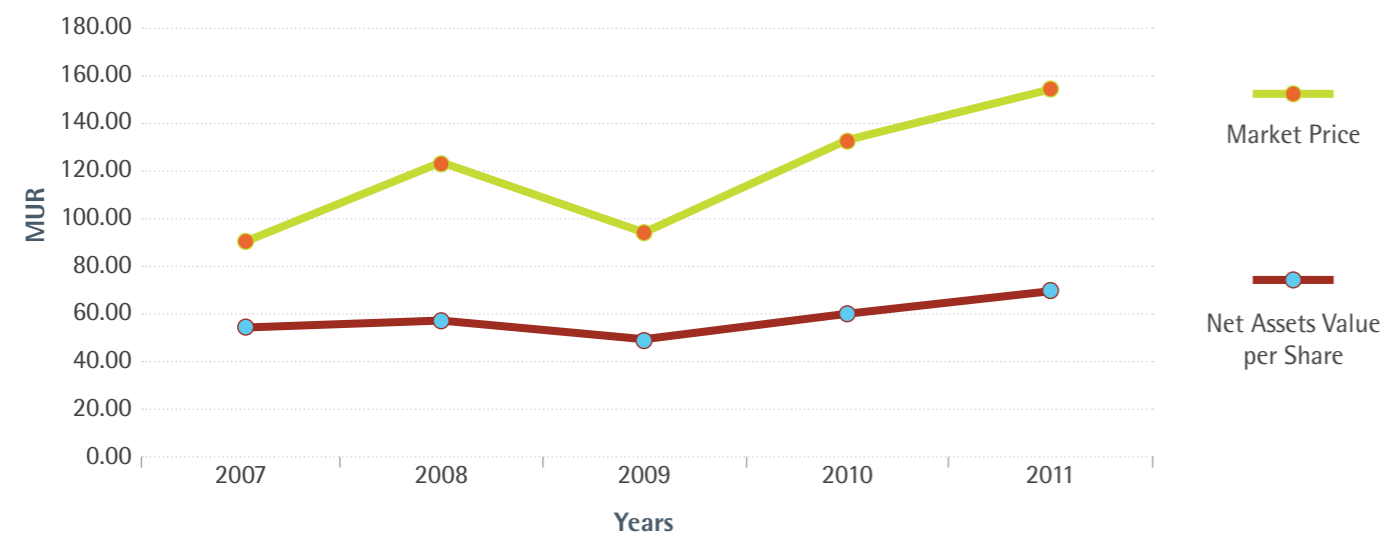
Summary of Shareholder Category as at August 31, 2011

Category of Shareholders	Number of Shareholders	Number of Shares Owned	% Holding
Individuals	267	771,569	29.546
Insurance and Assurance Companies	2	23,579	0.903
Pension and Providence Funds	4	112,000	4.289
Investment and Trust Companies	3	72,447	2.774
Other Corporate Bodies	45	1,631,797	62.488
Total	321	2,611,392	100.000

SHAREHOLDER HOLDING MORE THAN 5% OF THE COMPANY

Name of Shareholders	Number of Shares Owned	% Holding
African Oxygen Limited	998,018	38.218
Brista Et Cie	296,637	11.359

SHARE PRICE INFORMATION



Corporate Governance Report (cont'd) - YEAR ENDED JUNE 30, 2011

BOARD OF DIRECTORS

The Board of Directors is responsible to the Shareholders for setting the direction of the Company through the establishment of strategic objectives and key policies. The Board has the responsibility of discussing and reviewing planning issues, operation and financial performances, acquisitions and disposals, capital expenditure, risk issues, stakeholders' communications and other matters falling within its ambit. It further ensures that proper systems of management and internal controls are in place. It finally oversees compliance and risk management.

The Chairman who is a non-executive independent director and the Managing Director of LGI always had separate roles. The Company has a unitary Board of Directors which comprises of five non-executive members of whom two are independent. The Board does not consider necessary to have more than one executive member in view of the size of LGI and that of the Board. This structure ensures an appropriate and efficient balance of intimate knowledge of the business and independence and objectivity for the effective execution of the Board's responsibilities. The directors are entitled to seek independent professional advice at LGI's expense.

A board evaluation process is currently being implemented.

During the period under review, the Board of Directors met on four occasions.

INTERESTS OF THE DIRECTORS AND OTHER SENIOR OFFICERS IN THE EQUITY OF THE COMPANY AS AT JUNE 30, 2011

Directors	Direct Interest	Indirect Interest
	Number of Ordinary shares	Number of Ordinary shares
Philippe de Bragard Hardy	nil	nil
Willem Coetzee	nil	nil
Jérôme Commins	nil	nil
Riaz Gardee	nil	nil
Antoine L Harel	nil	14,946
Eric Piat	1,175	nil
Michel Guy Rivalland	nil	12,737
Other Senior Officer		
Jean-Lou Moutia	nil	nil

DIRECTORS' DEALING IN SHARES OF THE COMPANY

With regard to directors' dealings in the shares of LGI, the directors confirm that they have followed the principles set in the DEM rules on restrictions on deals by directors.

During the year under review none of the directors bought or sold any of LGI's shares.

ATTENDANCE TO BOARD AND COMMITTEE MEETINGS HELD DURING THE PERIOD UNDER REVIEW

Members	Board of Directors	Corporate Governance Committee	Audit Committee
Willem Coetzee	4/4	4/4	4/4
Jérôme Commins	4/4	N/A	N/A
Philippe de Bragard Hardy	4/4	4/4	4/4
Riaz Gardee	2/2	N/A	2/2
Antoine L Harel	4/4	4/4	N/A
Eric Piat	4/4	4/4	N/A
Christiaan Phillip Booyens	0/1	N/A	N/A
Maria Msiska	0/1	N/A	N/A

Corporate Governance Report (cont'd) - YEAR ENDED JUNE 30, 2011

AUDIT COMMITTEE

The Audit Committee currently consists of Messrs. Philippe de Bragard Hardy (Chairman), Willem Coetzee and Riaz Gardee. The Committee met four times during the period under review.

The Managing Director, the Finance and Administrative Manager as well as the internal and external auditors attend the Committee's meetings. The Company Secretary acts as secretary to the Committee.

The Committee fulfilled its responsibilities for the year under review, in compliance with its formal terms of reference that were approved by the Board of Directors.

In discharging its responsibilities, the Audit Committee reviews:

- the quality of financial information and other public and regulatory reporting;
- the Company's internal control systems and procedures for identifying business risks;
- the Company's control system for identifying and mitigating risks;
- the Company's policies for preventing or detecting fraud;
- the Company's policies for ensuring that the Company complies with the relevant regulatory and legal requirements;
- any other duties detailed in the Committee's Terms of Reference approved by the Board of Directors and submits its recommendations to the Board for appropriate decision making.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee presently comprises of four members namely Messrs Antoine L Harel (Chairman), Philippe de Bragard Hardy, Eric Piat and Willem Coetzee. The Committee met four times during the financial year under review.

The Managing Director attends the Committee's meetings whenever required. The Company Secretary acts as secretary to the Committee.

The Committee fulfilled its responsibilities for the year under review, in compliance with its formal terms of reference that were approved by the Board of Directors.

The Committee's terms of reference include key areas that are the remit of a nomination and remuneration committee. The Committee also develops the Company's general policy on corporate governance in accordance with the Code of Corporate Governance.

The Corporate Governance Committee is authorised to obtain, at the Company's expense, professional advice both within and outside the Company in order for it to perform its duties.

INTERNAL AUDIT

The scope of the internal audit function is to maintain and improve the process by which risks are identified and managed. It also helps the Board of Directors to discharge its responsibilities to maintain and strengthen the internal control framework.

The internal audit function is performed by Messrs Ernst & Young (E & Y), Public Accountants.

Due to the dynamic environment of the Company, a two-year plan has been prepared and agreed with the Audit Committee.

The internal auditor has unrestricted access to the records, management or employees of LGI.

Reporting Lines

The internal auditors have a direct reporting line to the Audit Committee and maintain an open and constructive communication channel with the executive management. They also have direct access to the chairperson of the Audit Committee.

Systems and areas covered

The internal audit plan which is approved by the Audit Committee is based on the principles of risk management to align coverage and effort with the degree of risk attributable to the areas audited.

Corporate Governance Report (cont'd) - YEAR ENDED JUNE 30, 2011

INTERNAL AUDIT (CONT'D)

Systems and areas covered (cont'd)

During the year under review, the Internal Auditor performed two audit visits during which the system controls have been audited. Proposed recommendations in respect of issues identified were discussed with management and the final internal audit reports were submitted to the Audit Committee.

Over and above planned audits, the Internal Auditor, under special request of the Audit Committee and Managing Director, made four additional assignments covering some additional important potential risks.

Areas to be audited in the course of 2011/2012

During the forthcoming reporting period, the internal auditor will review among others, sales cycle and debtors management.

RISK MANAGEMENT

The Directors acknowledge the ultimate responsibility of the Board for the risk management process and the necessity of having the relevant processes in place within LGI. However, management is accountable to the Board for the design, implementation and detailed monitoring of the risk management process. Risk issues relating to safety, health, environment and quality are addressed directly by the Board while the others are discussed at the audit committee that makes its recommendations thereon to the Board.

Risk in the widest sense includes market risk, credit risk, liquidity risk, operational risk and commercial risk. The most significant risks currently faced by the Company include those pertaining to the economic environment, the supply chain, regulations, skills and people, technology as well as foreign currency.

Effective risk management is critical to the Company's operations and it is intended to give reasonable assurance to the Board that LGI will achieve its objectives. It helps management to achieve the group's strategic and profitability targets and to prevent unnecessary loss of resources.

Responsible risk-taking is an integral part of the business, helping LGI to attain growth across its operations. Individual teams within the organisation are responsible for control and compliance, whether the risk relates to strategy, operations, legal compliance, finance, marketing, safety, health, environment and quality, technology, human resources, reputation, or other matters. Employees are attuned to LGI's risk philosophy and a culture of risk awareness is embedded in their daily activities.

LGI has implemented an ongoing risk management process endorsed by the Board to identify and assess risks, develop and implement risk mitigation plans as part of the strategic management process, monitor progress in implementing risk mitigation plans and report company risk management activities to risk governance structure.

- Risk management responsibilities have been defined across LGI.
- The Managing Director and his management team are responsible for embedding of the risk management policy as approved by the Board.

The Management of LGI is actually working on its Business Continuity Strategies for the continuity of critical business functions in the event of a disaster.

MANAGEMENT OF KEY RISKS

Operational risks

Operational risks may result from the execution of the Company's business functions and arise from systems, processes and people through which the Company operates. It includes physical and fraud risks.

Among the physical risks identified, are unavoidable events such as riots, cyclones and other natural calamities. Other occurrences such as fires or equipment failures can also cause significant damage and losses. The Company has set up adequate safety and security systems and has implemented a business continuity and disaster recovery plan. Besides, the Company has subscribed to appropriate insurance policies for the aforesaid events.

Corporate Governance Report (cont'd) - YEAR ENDED JUNE 30, 2011

MANAGEMENT OF KEY RISKS (CONT'D)

Operational risks (cont'd)

Loopholes in internal controls can bring about fraud and errors and in turn lead to financial losses. The Company regularly performs internal control audits and employees' education and training to mitigate such risks.

Technology risks

Key processes used to develop, deliver, and manage our products, services, and support our operations are highly dependent on technology. Thus the Company's activities may be severely impacted by a failure in the use, integrity or availability of our information systems.

Control processes and systems as well as extensive back-up systems have been implemented. The Company also performs on a regular basis employees' education programmes. Furthermore, our Code of Conduct, signed by all the employees, covers the handling of information in a view of mitigating the above-mentioned threats.

Reputational risks

The reputational risks arise from adverse perception on the part of customers, counterparties, shareholders, investors or regulators.

To control the reputational risks with the same firmness as risks to our tangible assets, the Company has opted for optimizing the reputation of its brands through implementation of quality systems. Besides the Company has implemented strong corporate governance practices to enhance transparency and business integrity.

Financial risks

The Company is exposed to various financial risks namely credit, liquidity and currency risks. These may be defined as the risk that cash flows and financial assets are not managed in cost-effective way. The policies adopted to minimize those risks are summarized below :

Credit risk

Given our current business environment, the credit control procedures have been reinforced and management has set up a certain number of decisions to closely monitor the performance of debtors and collection of debts.

Liquidity risk

The Company's liquidity position has become healthy as a result of close monitoring of the debtors and prompt response to credit terms. Thus, the Company has invested in short-term deposits to less expose its liquidity and invest in new assets.

Currency risk

The Company has remained prudent in its approach with regards to its foreign currency risk. However, the Company is looking forward to deal with the most common currency risk management tool, which is the forward exchange contract.

Other information on financial risks management are given on note 3 to the Financial Statements on pages 43 and 44.

DIVIDEND POLICY

No formal dividend policy has been determined by the Board. Dividends are distributed after considering the Company's performance and profitability, gearing, investment needs, capital expenditure requirements and growth opportunities.

The dividend per share, dividend cover and dividend yield over the last 5 years are given in the table below :

Year	Dividend per share (Rs.)	Dividend cover (times)	Dividend yield (%)
2007	3.90	2.11	4.33
2008	8.09	1.09	6.52
2009	9.90	0.74	10.42
2010	4.00	3.84	3.05
2011	4.40	3.23	2.88

Corporate Governance Report (cont'd) - YEAR ENDED JUNE 30, 2011

RELATED PARTY TRANSACTIONS

Related party transactions are detailed on page 60.

COMPANY'S MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company's memorandum and articles of association do not provide any ownership restriction or pre-emption right and other material clause that needs to be disclosed.

SHAREHOLDERS' AGREEMENT AFFECTING THE GOVERNANCE OF THE COMPANY BY THE BOARD

To the knowledge of the Company, there has been no such agreement with any of its Shareholders for the year under review.

DIRECTORS' FEES

Non-executive as well as independent directors are paid directors' fees and fees in relation to their sittings on the Board and on the Audit and Corporate Governance committees. No directors' fees are paid to the Company's directors sitting on the Board of the Company's subsidiary.

REMUNERATION OF DIRECTORS

The Directors' remuneration is given on page 30. It has been disclosed globally due to commercial sensitivity of the information.

None of the directors received remuneration from the subsidiary or for serving as the Company's representatives on boards external to the group.

THIRD PARTY MANAGEMENT AGREEMENT

There was no agreement between third parties and the Company or its subsidiary during the year under review.

REMUNERATION POLICY

The Company strives to provide remuneration and incentive arrangements that are market-competitive, consistent with best practice and that support the interests of the shareholders. The reward structure for Directors and senior executives aim at attracting, motivating experienced individuals capable of leading and managing the Company successfully and enhancing shareholder value. Executive remuneration includes base pay and variable performance-related incentives.

EMPLOYEE SHARE OPTION PLAN

No employee share option plan is available.

CODE OF ETHICS

Inextricably linked to good corporate governance is LGI's Code of Ethics. The Company has always espoused the highest ethical standards of business conduct and full compliance with applicable laws, regulations and industry standards.

LGI aims to earn the trust of customers, shareholders, colleagues, suppliers and communities through honesty, performance excellence, good corporate governance and accountability. LGI expects people to respect confidential information, company time and assets. Moreover, the Company believes in open and honest communication, fair treatment and equal opportunities, and supports the fundamental principles of human rights.

The Directors believe that the ethical standards of LGI, as stipulated in the Code of Ethics, are monitored and are being met. Where there is non-compliance, the appropriate discipline is enforced consistently as LGI responds to offences and prevents recurrence.

Corporate Governance Report (cont'd) - YEAR ENDED JUNE 30, 2011

CORPORATE SOCIAL RESPONSIBILITY

LGI has a strong culture of social responsibility. The objective is to assist wisely and constructively by building on the commitment of our people and our community-based projects, thereby making a sustainable difference to society.

This is reflected by our selection of Non-Governmental Organisations (NGOs), whereby each of them has been carefully evaluated in terms of the activities it performs and how these fit with the Company's core values and CSR Strategy to long-term business objectives.

In this financial year we spent two per cent of the previous year's after-tax earnings, net of profit/loss on disposal of assets thus amounting to Rs.789,081.

The specific objectives of the CSR Fund are to:

- Encourage companies to manage their own programmes, impacting the intersection of economic with social and environmental development ;
- Facilitate the contribution of companies to support existing Approved National Programmes implemented by Companies, national agencies or NGOs ;
- Promote a functional community on NGOs with complementary work plans that are relevant to the national development programme.

At LGI, we believe that the Corporate Social Responsibility is a continuing commitment to behave ethically and contribute to economic development while improving the quality of life of our workforce and their families as well as of the local community and society at large.

In this respect, LGI has contributed into the following projects throughout the year 2010/2011 and has focused its contribution towards social integration and a cleaner and healthier environment.

Sectors	Amount Rs.
Health and Quality of Life	98,635
Education	98,635
Poverty Alleviation	166,212
Social Integration and Economic Development	327,874
Environment	97,725
Total	789,081

DONATIONS

Charitable Donations

Charitable donations made by LGI during the year 2010/2011 to 8 organisations amounted to Rs.48,602 (2009/2010: Rs.73,090 to 12 organisations).

Political Contributions

No political contributions were made by LGI or its subsidiary operating in Madagascar during the year under review (2010-Nil).

Corporate Governance Report (cont'd) - YEAR ENDED JUNE 30, 2011

SAFETY, HEALTH AND ENVIRONMENT

LGI complies with the Occupational Safety and Health Act 2005 and other legislative and regulatory frameworks. It is committed to sustainable development and ensures that its operations are conducted in a way that minimises their impact on the environment and on the society at large.

LGI is fully dedicated to occupational health, safety and environmental management. It spares no effort to ensure the health and safety of all stakeholders, and the protection of the environment. The Directors recognise that the above issues are fundamental for sustaining the growth of the Company.

In LGI's dedication to occupational health, safety and environmental management, it will:

- Comply with all occupational health, safety and environment legislations in force in the country;
- Provide and maintain a safe and healthy working environment for the employees, customers and the public at large;
- Train the employees in all aspects of occupational health, safety, fire prevention and emergency procedures;
- Enforce health and safety measures and discipline in the workplace;
- Provide sufficient support and encouragement at all levels in the Company to ensure that continuous improvement is achieved in health, safety and environmental protection;
- Ensure all line managers; responsibility and accountability for occupational health, safety and environmental management;
- Promote the principles of Responsible Care to all the employees;
- Help the customers who use the Company's products to do so in a safe and environmentally acceptable manner;
- Learn from incidents and share the lessons with stakeholders.

LGI's new Safety, Health, Environment and Quality (SHEQ) policy commits to the safety of people and preservation of the environment. LGI's vision for SHEQ reflects its corporate commitment to "SHEQ, 100% of our behaviour, 100% of the time". The safety of employees and contractors, suppliers and the local communities within which operations function, is a prerequisite to any business that the Company undertakes.

The protection of the environment is a high priority. LGI is committed to minimise the environmental impact of products, to conserve natural resources, to prevent pollution and to comply with all internal company standards and external regulations. Company standards cover all operational aspects and activities that could affect the safety and health of people and the environment.

SUSTAINABILITY REPORTING

LGI strives to be a sustainable enterprise that is profitable, cares about the health and welfare of its employees and acknowledges the importance of environmental protection.

Safety, health, environment and quality (SHEQ) is an integral part of how LGI does business, and is encompassed in LGI's Spirit as one of our values. LGI is committed to excellence in managing all activities in such a way that it ensures the protection of the health and safety of colleagues, contractors, suppliers, customers and local communities, as well as the protection of the environment.

Sustainability is closely related to issues connected with SHEQ. The inspirational goal of zero harm to people or the environment motivates us at LGI to continually improve performance.

Underpinning this, LGI has a well-developed integrated Management System Standards (IMSS), through the Afrox and the Linde Group, based on the principles of ISO 9001, ISO 14001, OHSAS 18001 as well as the relevant legislative requirements. The system allows for integrated SHEQ audits, risk assessments and management reviews. Over and above the system, LGI has a series of specific audits namely the Engineering audits done by professional foreigners from Afrox. LGI is then rated per priority findings and has a limited number of days to close them, depending on their importance and urgencies.

Corporate Governance Report (cont'd) - YEAR ENDED JUNE 30, 2011

SHAREHOLDER INFORMATION

Forthcoming annual meeting

A proxy form is enclosed for those shareholders unable to attend.

Schedule of events

Major events	Month
Publication of condensed results for 1 st quarter	November
Dividend declaration - Interim	November/December
Annual Meeting of Shareholders	November/December
Publication of condensed results for 2 nd quarter	February
Publication of condensed results for 3 rd quarter	May
Dividend declaration - Final	June
Publication of condensed audited results for previous year	September
Financial year end	June 30

NON-AUDIT SERVICES RENDERED BY EXTERNAL AUDITOR

Service rendered	Amount Rs.
Taxation computation	43,000
Review of quarterly condensed financial statements	45,000
Assessment of quarterly results	35,000
Total	123,000

COMPANY SECRETARY

All the directors have access to the advice and services of the HM Secretaries Ltd., the Company Secretary, who is in turn responsible to the Board for ensuring the proper administration of Board proceedings. The Company Secretary provides guidance to directors on matters of corporate governance, company law and with regard to their responsibilities in the statutory environment in which the Company operates.

Corporate Governance Report (cont'd) - YEAR ENDED JUNE 30, 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors acknowledge their responsibilities for:

- (i) adequate accounting records and maintenance of effective internal control systems;
- (ii) 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 results of its operations and cash flows for that period and which comply with International Financial Reporting Standards (IFRS);
- (iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

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

The Directors report that:

- (i) adequate accounting records and an effective system of internal controls and risk management have been maintained;
- (ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (a) International Financial Reporting Standards have been adhered to. Any departure in the interest in fair presentation has been disclosed, explained and quantified;
- (b) The Code of Corporate Governance has been adhered to. Reasons have been provided where there has not been compliance.

Signed on behalf of the Board of Directors:



Antoine L Harel
Chairman



Philippe de Bragard Hardy
Director

September 16, 2011

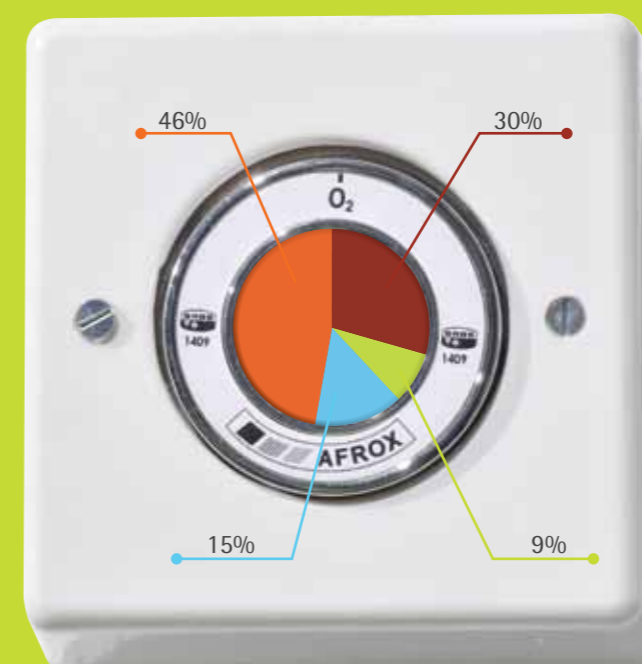
Other Reports

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Value Added Statements - YEAR ENDED JUNE 30, 2011

	2011 Rs.	2010 Rs.
Turnover	146,739,987	138,740,586
Paid to suppliers for materials and services	(67,732,877)	(57,971,782)
Value added	79,007,110	80,768,804
Distributed as follows:		
Salaries, wages and other benefit to employees	23,318,755	23,944,578
Government taxes on earnings	6,833,730	6,352,569
Taxation	6,833,730	6,352,569
Providers of capital	11,490,125	10,445,568
Dividend to shareholders	11,490,125	10,445,568
Retained to ensure future growth	37,364,500	40,026,089
Depreciation	11,047,562	10,425,091
Profit retained for the year	26,316,938	29,600,998
	37,364,500	40,026,089
Total wealth distributed and retained	79,007,110	80,768,804
Distributed as follows:		
Salaries, wages and other benefit to employees	23,318,755	23,944,578
Government taxes on earnings	6,833,730	6,352,569
Providers of capital	11,490,125	10,445,568
Retained to ensure future growth	37,364,500	40,026,089
	79,007,110	80,768,804
Paid to suppliers for materials and services		
Cost of sales	66,116,961	56,366,288
Selling and distribution expenses	18,694,458	19,085,928
Administrative expenses	32,835,257	30,011,737
Less staff cost	(23,318,755)	(23,944,578)
Less depreciation	(11,047,562)	(10,425,091)
Other operating income	(4,530,847)	(10,306,846)
Finance income	(707,500)	(2,815,656)
Exceptional item	(10,309,135)	-
	67,732,877	57,971,782

Distribution of Wealth Created



- Retained to ensure future growth
- Salaries, wages and other benefits to employees
- Government taxes on earnings
- Providers of capital

Chairman's Report



Dear Shareholder,

On behalf of the Board of Directors, I am pleased to submit my report for the Group and the Company for the year ended June 30, 2011.

Results

The Group reported satisfactory results for the year ended June 30, 2011 amidst a difficult and competitive economic environment. Group revenue increased by 6% compared to 2010 to reach Rs.146m. A major rise can be noted in the sale of oxygen and nitrogen. Sales of medical oxygen have increased by 26% but reduced margins resulted in a 2% decrease in our gross profit.

The diving line was closed down during the year, thus explaining the major fall in the sale of diving equipment. The Company is now in the process of liquidating the remaining stock.

In spite of the exceptional gain of Rs.10.3m due to the transfer of our defined benefit pension scheme (last year gain of Rs.5.6m on sale of financial assets and Rs.2m on foreign exchange), our Group profit for the year has decreased by some 4%, from Rs.39.1m to Rs.37.4m and can be mainly attributable to a rise of 8% in administrative expenses and the reduced gross profit.

The net asset value per share of the Company has significantly improved during the year under review, from Rs.60.44 in 2010 to Rs.69.64 in 2011 as well as our share price from Rs.131.00 in 2010 to Rs.153.00 in 2011.



Exceptional Item

We have recently undertaken a review of our pension arrangements. Taking into account current trends in pension provision and the increasingly competitive environment in which we find ourselves, we have decided to establish a new defined contribution pension scheme to replace the existing defined benefit pension scheme. An actuarial valuation has been undertaken by Anglo Mauritius Assurance Society Ltd (AMAS), the administrator of the defined benefit scheme following which the assets have been apportioned between active members in relation to their portability value at termination of the defined benefit scheme.

Consequently, the Company has recorded, from the shift of the defined benefit scheme to the defined contribution scheme, an exceptional income of Rs.10.3m representing curtailment gain on conversion of the pension scheme.

Dividends to shareholders

The Board has declared a final dividend of Rs.2.40 per share which together with an interim dividend of Rs.2.00 per share totals Rs.4.40 per share for the financial year ended June 30, 2011 which is a 10% increase on last year.

Risk management and control

LGI identifies potentially significant risks to its business and identifies actions necessary to mitigate those risks.

Safety, Health, Environment and Quality (SHEQ) is not a standalone portfolio, but rather a way of life embedded in our

Chairman's Report (cont'd)

Group revenue increased by 6% compared to 2010 to reach Rs.146m.

The net asset value per share has significantly improved during the year under review, from Rs.60.44 in 2010 to Rs.69.64 in 2011 as well as our share price from Rs.131.00 in 2010 to Rs.153.00 in 2011.

culture. We spent significant effort in managing SHEQ activities as well as ensuring primary responsibility for SHEQ is owned by line management.

All ISO 9001 certificates were maintained during 2010/2011 with a new re-certification for the next three years.

Manufacturing facility management

We have identified further opportunities in LGI's manufacturing operations to economise and improve our competitive position in gas equipment, electrodes and other products. We can thus improve our economies of scale, whether through local manufacturing, assembling or importing of components.

Corporate Governance

The Company continues to adhere to the principle of good corporate governance set up by the Board through regular reviews with senior management, of practices that create a culture of good governance within the Group.

Board of Directors

Riaz Gardee was appointed to the Board as a non-executive director effective January 12, 2011. Riaz, Head of Finance, Afrox-African Operations, will positively contribute to the Board effectiveness.

Maria Msiska and Chris Booyens resigned as non-executive directors on October 29, 2010 and January 12, 2011 respectively. We would take this opportunity to thank them for their valuable contribution.

Acknowledgement

LGI exists to serve our markets and we extend our sincere thanks to customers for their ongoing loyalty and understanding.

I also thank my colleagues of the Board for their valuable advice, guidance and support throughout the year.

The year under review has been particularly challenging due to the major changes brought about last year. On behalf of the Board I would like to warmly thank the Managing Director, the Management Team and all the employees for their dedication and hard work and the excellent results achieved.

Antoine L Harel
Chairman

October 07, 2011

Managing Director's Report



Dear Shareholder,

I am pleased to report on the performance of Les Gaz Industriels Limited (LGI) for the financial year ended June 30, 2011 and to highlight the different prospects of the Company.

Operational review

2010/11 has been a year full of challenges. Despite the tough market conditions, our sales have increased by 6%. This has been possible mainly due to our strong technical expertise and extensive range of products in the gas, welding and installation of gas reticulation divisions that has uniquely positioned LGI to provide its customers with synergistic solutions across a wide range of industries.

Our close partnership with various world class players has led to a constant and in-depth search for innovative products that will surely meet the ever-changing needs of our customers.

During the year under review, the Company has invested in the upgrade of its acetylene plant with flameproof equipment and bonding circuits thereby aligning itself with the safety standards of the Linde Group. Moreover, in an effort to cater for the growing market's needs, a new coded vacuum machine was acquired for enhanced cylinder testing as well as a new acetone filling plant.

In our quest to ensure continuity of supply to our customers, we have invested some Rs.17 million in the acquisition of higher standards and quality cylinders as well as a liquid gas road tanker. These capital investments will help us extend our share of market both locally and internationally. Furthermore, to improve our Quality System, we invested in new high-tech gas analyzers as well as state of the art air system in the plant.

In our welding market, Customer research showed that the Afrox brand is significantly stronger than competing brands with about 80% first time mention by customers.

The brand is strongly associated with quality, safety, availability and reliability. Customers have been assisted in improving their welding and cutting productivity, their product quality and in reducing wastages, and our efforts in this regard have been mutually beneficial.

Nevertheless, the supply of medical gases and services to institutional market (hospitals and clinics) was a major income generator for the financial year ended June 30, 2011 and we were pleased to retain the supply of gas to public hospitals.

Succession planning and structure

We have completed the succession plan of LGI where critical roles have been identified and mitigation plans have been put in place to ensure the continuity of business. The Company believes in developing its human capital as this is an important catalyst for good succession planning.

We also focused ourselves on the Company's structure throughout the year and have successfully reviewed the organization structure of the Company and we are now ready to face new challenges and fierce competitive environment.

LGI is an equal opportunity employer and we are committed to maintaining a workplace free from discrimination of whatever form.

Safety performance

I am proud to report that we have achieved significant improvements in our objective to create the safest possible conditions for our employees, contractors, and customers. Most of our safety key indicators were positive and a number of safety initiatives were cascaded to our employees during this financial year ended June 30, 2011.

LGI, through Afrox, has a well-developed and integrated Safety, Health, Environment and Quality (SHEQ) management system

Managing Director's Report (cont'd)

Our close partnership with various world class players has led to a constant and in-depth search for innovative products that will surely meet the ever-changing needs of our customers.

based on the requirements of ISO9001, ISO14001 and OHSAS18001. The system allows for SHEQ audits, risk assessments and management reviews. It also facilitates employees' involvement in SHEQ risk management, compliance with industry requirements as well as local and national legislation and implementation of operational best practice in all areas of SHEQ.

Throughout the year, our ISO9001 certification was maintained after all surveillance audits were carried out by SGS (Mauritius) Ltd and I am pleased to report that in September 2011, LGI has been re-certified for another three years after having successfully met all the requirements of the ISO9001 certification.

Equipped with strong technical expertise, we are able to deliver customized and effective safety solutions to our customers.

Managing to the highest standards

Six critical success factors determine the way we conduct our operations. These are:

- the creation of shareholder value through the provision of sustainable and superior growth;
- the provision of superior customer service;
- the pursuit of operational excellence;
- the building of capacity in our employees;
- the development of our SHEQ management; and
- the demonstration of good corporate citizenship and commitment to sustainable development.

We use best operating and commercial practices to offer an impeccable service to all our customers. Our Code of Conduct supports our operating procedures and is consistent with our overall strategy for the business.

Prospects

With renewed challenges profiling in 2011/2012 and beyond, LGI will be pursuing its efforts towards the consolidation of its core business and further development of its operations locally and regionally. In order to stay ahead of competition and meet the future challenges, we will need to manage our human capital as a strategic asset and align our HR strategy to overall business strategies.

At LGI, we are conscious that the key to surviving a disaster is a business continuity strategy – a set of policies and procedures for reacting to and recovering from any disaster (system, environment and people). The main component of a business continuity strategy is a disaster recovery plan (DRP). As such, we are finalizing a Guide for our Disaster Recovery Planning and Business Continuity Planning (DRP/BCP).

Appreciation

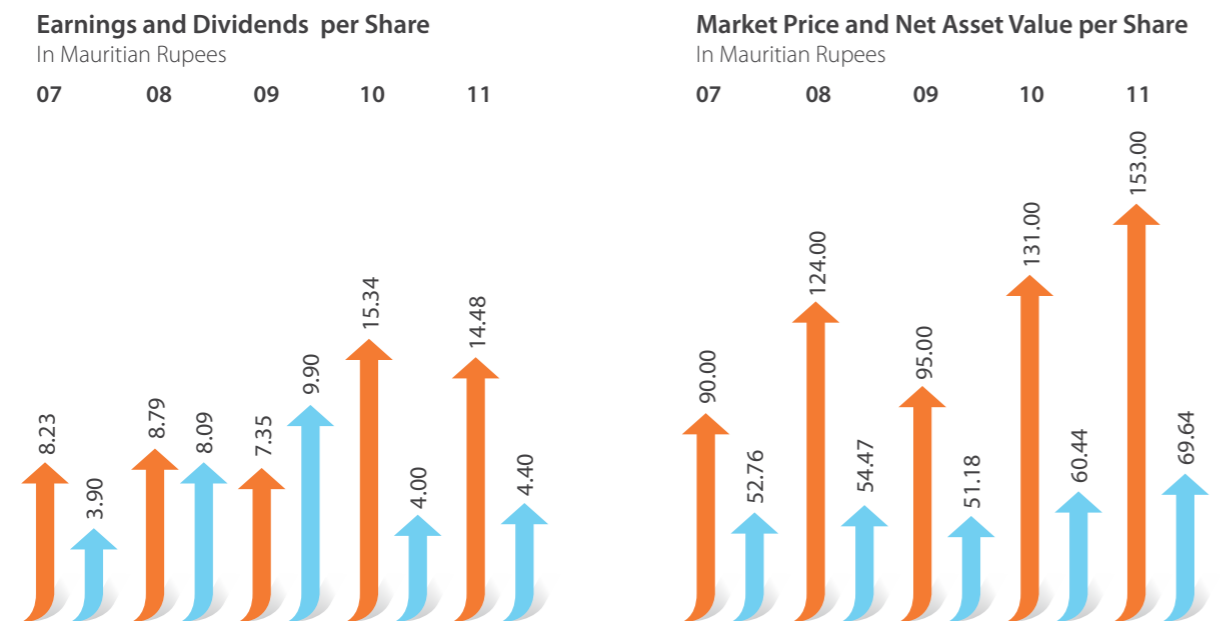
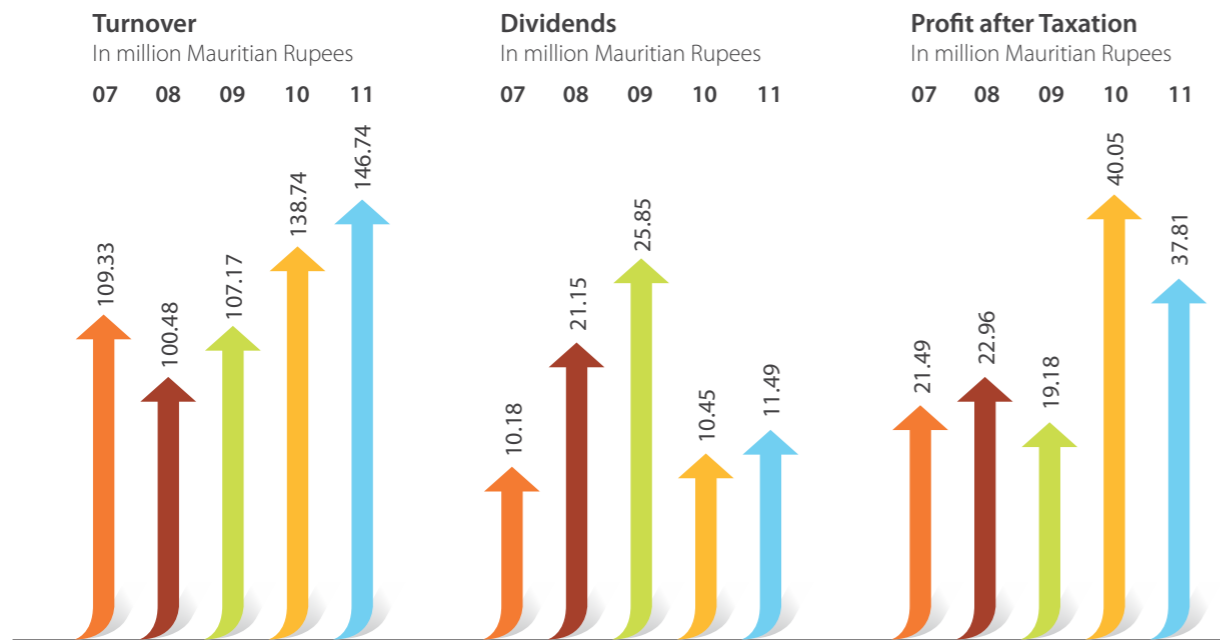
Before closing, may I put on record my appreciation and thanks to our shareholders, business associates, customers, our board of directors and employees for believing in the management and the LGI story.

I would like to extend my thanks to the management team for their passion and commitment in achieving these results. We have set stringent targets for the year ahead that will continue to drive our efforts to attain superior returns for our shareholders.

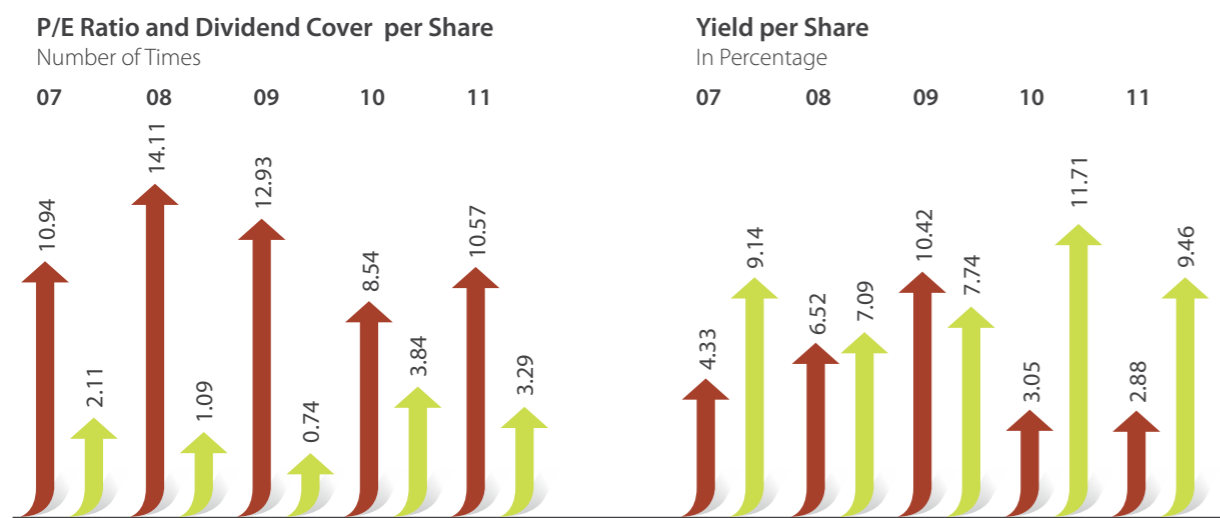
Jérôme Commins
Managing Director

October 07, 2011

Financial Highlights and Ratios - the Company



● Earnings per Share ● Dividends per Share ● Market Price per Share ● Net Assets Value per Share



● Price Earning Ratio ● Dividend Cover per Share ● Dividend Yield ● Earnings Yield

Financial Statements

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Statutory Disclosures - JUNE 30, 2011

DIRECTORS

The name of the directors of the Company and of its subsidiary company at the end of the accounting period are as follows:

Les Gaz Industriels Limited

Messrs.	Antoine L Harel (Chairman) Philippe de Bragard Hardy Willem Coetzee Jérôme Commins Riaz Gardee (Appointed on January 12, 2011) Eric Piat Michel Guy Rivalland (Alternate to Philippe Hardy) Chris Booyens (Appointed on October 29, 2010 and resigned on January 12, 2011)
Ms.	Maria Msiska (Resigned on October 29, 2010)

Gaz Industriels Madagascar SA

Messrs.	Antoine L Harel (Chairman) Jérôme Commins Raphael Jakoba Jonathan Narayadoo
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DIRECTORS' SERVICE CONTRACTS

Mr. Jérôme Commins has a service contract with the Company without expiry date.
Except for the above, none of the directors have unexpired service contracts with the Company.

DIRECTORS' REMUNERATION

Remuneration and benefits received or due and receivable from the Company and its subsidiary company were as follows:

	FROM THE COMPANY		FROM SUBSIDIARY	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
Executive Directors				
- Full time	2,185,000	6,080,000	-	-
- Part time	-	-	-	-
Non-executive Directors	1,342,197	626,611	-	-
	3,527,197	6,706,611	-	-

The directors of the subsidiary company did not receive any remuneration and benefits during the year ended June 30, 2011.

DONATIONS

	THE GROUP		THE COMPANY	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
Donations	48,602	73,090	48,602	73,090
Corporate Social Responsibility Contributions	789,082	376,907	789,082	376,907

AUDITORS FEES

	THE GROUP		THE COMPANY	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
Audit fees paid to:				
BDO & Co	275,000	275,000	275,000	275,000
Other firms	55,800	44,550	-	-
	330,800	319,550	275,000	275,000
Fees paid for other services to:				
BDO & Co	123,000	86,000	123,000	86,000
Ernst & Young	310,500	175,250	310,500	175,250
	433,500	261,250	433,500	261,250

Approved by the Board of Directors on September 16, 2011 and signed on its behalf by :



Antoine L Harel
Chairman



Philippe de Bragard Hardy
Director

Secretary's Certificate - JUNE 30, 2011

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.



For HM Secretaries Ltd
SECRETARY

September 16, 2011

Independent Auditors' Report to the Members

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

Report on the Financial Statements

We have audited the group financial statements of Les Gaz Industriels Limited and its subsidiary (the "Group") and the Company's separate financial statements on pages 33 to 60 which comprise the statements of financial position at June 30, 2011, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements on pages 33 to 60 give a true and fair view of the financial position of the Group and of the Company at June 30, 2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

We have obtained all information and explanations we have required.

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

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius ("Code"). Our responsibility is to report on these disclosures.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.



BDO & Co
Chartered Accountants
Port Louis,
Mauritius.
September 16, 2011



Georges Chung Ming Kan, FCCA
Licensed by FRC

Statements of Financial Position - JUNE 30, 2011

	Notes	THE GROUP		THE COMPANY	
		2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
ASSETS					
Non-current assets					
Property, plant and equipment	5	148,751,497	125,251,254	148,751,497	125,251,254
Intangible assets	6	1,775,462	2,199,889	1,775,462	2,199,889
Investment in subsidiary company	7	-	-	166,931	166,931
Retirement benefit assets	8	3,261,993	-	3,261,993	-
		153,788,952	127,451,143	153,955,883	127,618,074
Current assets					
Inventories	9	21,107,787	20,691,505	21,107,787	20,691,505
Trade and other receivables	10	38,458,933	50,625,005	40,056,781	51,824,899
Current tax assets	11(a)	193,865	-	193,865	-
Cash and cash equivalents	12	19,011,669	25,670,693	19,007,765	25,611,592
		78,772,254	96,987,203	80,366,198	98,127,996
Total assets		232,561,206	224,438,346	234,322,081	225,746,070
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	13	26,114,079	26,114,079	26,114,079	26,114,079
Revaluation and other reserves	14	42,229,601	44,712,902	42,193,165	44,486,359
Retained earnings		111,564,819	85,585,741	113,558,066	87,241,128
Owners' interest		179,908,499	156,412,722	181,865,310	157,841,566
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	15	16,374,846	11,479,810	16,374,846	11,479,810
Retirement benefit obligations	8	-	6,652,518	-	6,652,518
		16,374,846	18,132,328	16,374,846	18,132,328
Current liabilities					
Trade and other payables	16	36,277,861	40,440,192	36,081,925	40,319,072
Current tax liabilities	11(a)	-	4,230,320	-	4,230,320
Dividends	17(a)	-	5,222,784	-	5,222,784
		36,277,861	49,893,296	36,081,925	49,772,176
Total liabilities		52,652,707	68,025,624	52,456,771	67,904,504
Total equity and liabilities		232,561,206	224,438,346	234,322,081	225,746,070

These financial statements have been approved for issue by the Board of Directors on September 16, 2011.



Antoine L Harel
Chairman



Philippe de Bragard Hardy
Director

The notes on pages 37 to 60 form an integral part of these financial statements. Auditors' report on page 32.

Statements of Comprehensive Income - YEAR ENDED JUNE 30, 2011

	Notes	THE GROUP		THE COMPANY	
		2011	2010	2011	2010
		Rs.	Rs.	Rs.	Rs.
Revenue	2(k)	146,739,987	138,740,586	146,739,987	138,740,586
Cost of sales	18	(66,116,961)	(56,366,288)	(66,116,961)	(56,366,288)
Gross profit		80,623,026	82,374,298	80,623,026	82,374,298
Other income	19	4,171,059	9,947,322	4,530,847	10,306,846
Selling and distribution expenses	18	(18,694,458)	(19,085,928)	(18,694,458)	(19,085,928)
Administrative expenses	18	(32,808,497)	(30,418,096)	(32,835,257)	(30,011,737)
		33,291,130	42,817,596	33,624,158	43,583,479
Exceptional item	20	10,309,135	-	10,309,135	-
Net foreign exchange gains		707,500	2,664,839	707,500	2,815,656
Profit before taxation	21	44,307,765	45,482,435	44,640,793	46,399,135
Income tax	11(b)	(6,838,562)	(6,357,433)	(6,833,730)	(6,352,569)
Profit for the year		37,469,203	39,125,002	37,807,063	40,046,566
Other comprehensive income:					
Deferred tax on revaluation of land		(2,293,194)	-	(2,293,194)	-
Reclassification adjustment on disposal of available-for-sale financial assets		-	(5,422,173)	-	(5,422,173)
Currency translation differences		(190,107)	214,781	-	-
Total comprehensive income for the year		34,985,902	33,917,610	35,513,869	34,624,393
Earnings per share	22	14.35	14.98	14.48	15.34

The notes on pages 37 to 60 form an integral part of these financial statements. Auditors' report on page 32.

Statements of Changes in Equity - YEAR ENDED JUNE 30, 2011

	Note	Share	Share	Translation	Revaluation	Fair Value	Retained	Total
		Capital	Premium	Reserve	Surplus	Reserve	Earnings	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
THE GROUP								
Balance at July 1, 2010		26,113,920	159	226,543	44,486,359	-	85,585,741	156,412,722
Total comprehensive income for the year		-	-	(190,107)	(2,293,194)	-	37,469,203	34,985,902
Dividends	17(b)	-	-	-	-	-	(11,490,125)	(11,490,125)
		-	-	(190,107)	(2,293,194)	-	25,979,078	23,495,777
Balance at June 30, 2011		26,113,920	159	36,436	42,193,165	-	111,564,819	179,908,499

Balance at July 1, 2009		26,113,920	159	11,762	44,486,359	5,422,173	56,906,307	132,940,680
Total comprehensive income for the year		-	-	214,781	-	(5,422,173)	39,125,002	33,917,610
Dividends	17(b)	-	-	-	-	-	(10,445,568)	(10,445,568)
		-	-	214,781	-	(5,422,173)	28,679,434	23,472,042
Balance at June 30, 2010		26,113,920	159	226,543	44,486,359	-	85,585,741	156,412,722

	Note	Share	Share	Revaluation	Fair Value	Retained	Total
		Capital	Premium	Surplus	Reserve	Earnings	
		Rs.	Rs.	Rs.	Rs.	Rs.	
THE COMPANY							
Balance at July 1, 2010		26,113,920	159	44,486,359	-	87,241,128	157,841,566
Total comprehensive income for the year		-	-	(2,293,194)	-	37,807,063	35,513,869
Dividends	17(b)	-	-	-	-	(11,490,125)	(11,490,125)
		-	-	(2,293,194)	-	26,316,938	24,023,744
Balance at June 30, 2011		26,113,920	159	42,193,165	-	113,558,066	181,865,310

Balance at July 1, 2009		26,113,920	159	44,486,359	5,422,173	57,640,130	133,662,741
Total comprehensive income for the year		-	-	-	(5,422,173)	40,046,566	34,624,393
Dividends	17(b)	-	-	-	-	(10,445,568)	(10,445,568)
		-	-	-	(5,422,173)	29,600,998	24,178,825
Balance at June 30, 2010		26,113,920	159	44,486,359	-	87,241,128	157,841,566

The notes on pages 37 to 60 form an integral part of these financial statements. Auditors' report on page 32.

Statements of Cash Flows – YEAR ENDED JUNE 30, 2011

	Notes	THE GROUP		THE COMPANY	
		2011	2010	2011	2010
		Rs.	Rs.	Rs.	Rs.
Cash flows from operating activities					
Cash generated from operations	23(a)	45,199,521	25,107,923	45,059,779	25,345,519
Interest received		1,284,068	1,325,187	1,284,068	1,325,187
Income tax paid		(8,660,905)	(3,743,520)	(8,656,073)	(3,738,656)
Net cash generated from operating activities		37,822,684	22,689,590	37,687,774	22,932,050
Cash flows used in investing activities					
Proceeds from sale of financial assets		-	7,907,040	-	7,907,040
Purchase of property, plant and equipment	23(b)	(28,869,866)	(19,645,710)	(28,869,866)	(19,645,710)
Purchase of intangible assets		(500,000)	(835,230)	(500,000)	(835,230)
Proceeds from sale of property, plant and equipment		1,791,174	633,467	1,791,174	633,467
Investment in subsidiary		-	-	-	(320)
Dividends received		-	24,445	-	24,445
Net cash used in investing activities		(27,578,692)	(11,915,988)	(27,578,692)	(11,916,308)
Cash flows used in financing activity					
Dividends paid	17(a)	(16,712,909)	(10,184,429)	(16,712,909)	(10,184,429)
Net cash used in financing activity		(16,712,909)	(10,184,429)	(16,712,909)	(10,184,429)
Net (decrease)/increase in cash and cash equivalents		(6,468,917)	589,173	(6,603,827)	831,313
Movement in cash and cash equivalents					
At July 1,		25,670,693	24,866,739	25,611,592	24,780,279
(Decrease)/increase		(6,468,917)	589,173	(6,603,827)	831,313
Effect of foreign exchange rate changes		(190,107)	214,781	-	-
At June 30,	12	19,011,669	25,670,693	19,007,765	25,611,592

The notes on pages 37 to 60 form an integral part of these financial statements. Auditors' report on page 32.

Notes to the Financial Statements – YEAR ENDED JUNE 30, 2011

1. GENERAL INFORMATION

Les Gaz Industriels Limited is a public company incorporated and domiciled in Mauritius. The principal activity of the company and the subsidiary company is the manufacture and distribution of medical and industrial gases (in bulk and in cylinders) and of welding electrodes. The company also provides welding and cutting equipment and accessories as well as installation of gas reticulation. The address of its registered office is 18, Edith Cavell Street, Port Louis and its place of operations is at Pailles Road, G.R.N.W.

The subsidiary has not started its activities yet.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of shareholders of the company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of Les Gaz Industriels Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:

- (i) freehold land and buildings are carried at revalued amounts; and
- (ii) plant and machinery are carried at revalued amounts.

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

Amendments to IFRS 1, 'Additional Exemptions for First-time Adopters' exempt entities that use the full cost method for oil and gas properties from retrospective application of IFRSs. It also exempts entities with existing leasing contracts from reassessing the classification of those contracts in accordance with IFRIC 4, 'Determining whether an arrangement contains a lease'. The amendment is not expected to have any impact on the Group's financial statements.

Amendments to IFRS 2, 'Group Cash-settled Share-based Payment Transactions'. In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation. This amendment is not expected to have any impact on the Group's financial statements.

Amendment to IAS 32, 'Classification of rights issues', addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. This amendment is not expected to have any impact on the Group's financial statements.

Amendment to IFRS 1 Limited Exemption from Comparatives IFRS 7 Disclosures for First-time Adopters provides first-time adopters relief from presenting comparative information for the new disclosures required by the March 2009 amendments to IFRS 7 'Financial Instruments: Disclosures'. This amendment is not expected to have any impact on the Group's financial statements.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments', clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. This IFRIC will not have any impact on the Group's financial statements.

Improvements to IFRSs (issued 16 April 2009)

IAS 1 (Amendment), 'Presentation of Financial Statements'. The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. This amendment is not expected to have any impact on the Group's financial statements.

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

IAS 7 (Amendment), 'Statement of Cash Flows', clarifies that only expenditure that results in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities. This amendment is unlikely to have an impact on the Group's financial statements.

IAS 17 (Amendment) 'Leases', clarifies that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with IAS 17's general principles. Prior to the amendment, IAS 17 generally required a lease of land with an indefinite useful life to be classified as an operating lease, unless title passed at the end of the lease term. A lease newly classified as a finance lease should be recognised retrospectively. The amendment will not have an impact on the Group's operations.

IAS 18 (Amendment), 'Revenue'. An additional paragraph has been added to the appendix to IAS 18, providing guidance on whether an entity is acting as principal or agent.

IAS 36 (Amendment), 'Impairment of Assets', clarifies that for the purpose of impairment testing, the cash-generating unit or groups of cash-generating units to which goodwill is allocated should not be larger than an operating segment (as defined by IFRS 8, 'Operating segments') before aggregation. The amendment will not have an impact on the Group's operations.

IAS 38 (Amendment), 'Intangible Assets', clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment removes the exceptions from recognising intangible assets on the basis that their fair values cannot be reliably measured. Intangible assets acquired in a business combination that are separable or arise from contractual or other legal rights should be recognised. The amendment specifies different valuation techniques that may be used to value intangible assets where there is no active market. The amendment is unlikely to have an impact on the Group's financial statements.

IAS 39 (Amendment), 'Financial Instruments: Recognition and Measurement' clarifies that the scope exemption within IAS 39 only applies to forward contracts that will result in a business combination at a future date, as long as the term of the forward contract does 'not exceed a reasonable period normally necessary to obtain any required approvals and to complete the transaction'. The amendment removes reference to transactions between segments as being hedgeable transactions in individual or separate financial statements and clarifies that amounts deferred in equity are only reclassified to profit or loss when the underlying hedged cash flows affect profit or loss. The amendment is not expected to have an impact on the Group's statements of comprehensive income.

IFRS 5 (Amendment), 'Non-current Assets Held for Sale and Discontinued Operations'. The amendment clarifies that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1. The amendment will not have an impact on the Group's operations.

IFRS 8 (Amendment), 'Operating Segments', clarifies that the requirement for disclosing a measure of segment assets is only required when the Chief Operating Decision Maker reviews that information. This amendment is unlikely to have an impact on the Group's financial statements.

Improvements to IFRSs (issued 6 May 2010)

IFRS 3 (Amendment), 'Business Combinations', clarifies that the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by IFRS. The application guidance in IFRS 3 applies to all share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards. This amendment is unlikely to have an impact on the Group's financial statements.

IAS 27 (Amendment), 'Consolidated and Separate Financial Statements', clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively. This amendment is unlikely to have an impact on the Group's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2011 or later periods, but which the Group has not early adopted.

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

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

Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement
IAS 24 Related Party Disclosures (Revised 2009)
Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to IFRS1)
Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)
Disclosures – Transfers of Financial Assets (Amendments to IFRS 7)
Amendments to IAS 1 Presentation of Items of Other Comprehensive Income
IFRS 9 Financial Instruments
IAS 27 Separate Financial Statements
IAS 28 Investments in Associates and Joint Ventures
IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IFRS 13 Fair Value Measurement
IAS 19 Employee Benefits (Revised 2011)

Improvements to IFRSs (issued 6 May 2010)

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRS 7 Financial Instruments: Disclosures
IAS 1 Presentation of Financial Statements
IAS 34 Interim Financial Reporting
IFRIC 13 Customer Loyalty Programmes

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

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

(b) Property, plant and equipment

Land and buildings, held for use in the production or supply of goods or for administrative purposes, are stated at their fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Plant and machinery are also stated at revalued amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Plant and machinery is stated at revalued amount less subsequent depreciation. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to the statement of comprehensive income.

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

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(b) Property, plant and equipment (cont'd)**

Depreciation is calculated on the straight-line method to write off the cost or revalued amounts of the asset to their residual values over their estimated useful lives as follows:

	Per annum
Buildings	2%
Plant and machinery	2% - 7.5%
Motor vehicles	20%
Furniture and fittings	10%
Office equipment	25%

Land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are included in the statement of comprehensive income. On disposal of revalued assets, amounts in revaluation surplus relating to that asset are transferred to retained earnings.

(c) Intangible assets*Computer software*

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised over their estimated useful life of 4 years.

Costs associated with developing or maintaining computer software are recognised as an expense as incurred.

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

(d) Investment in subsidiary company*Separate financial statements of the investor*

In the separate financial statements of the investors, investment in subsidiary company is initially carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investment.

Consolidated financial statements

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(d) Investment in subsidiary company (cont'd)**

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(e) Financial instruments**(i) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the statement of comprehensive income.

(ii) Trade payables

Trade payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

(iii) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other financial institutions, other short-term highly liquid investments with original maturities of 6 months or less.

(iv) Share capital

Ordinary shares are classified as equity.

(f) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted by the end of the reporting period and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(h) Retirement benefit obligations**(i) Defined contribution plan**

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee the benefits relating to employee service in the current and prior periods.

The Group operates a defined contribution retirement benefit plan for all qualifying employees. Payments to defined contribution retirement plans are charged as an expense as they fall due.

(ii) Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(h) Retirement benefit obligations (cont'd)***(ii) Defined benefit plans (cont'd)*

The Group also contributes to a defined benefit plan for some of its ex-employees/pensioners. The cost of providing benefits is determined using the Projected Unit Credit method so as to spread the regular cost over the service lives of ex-employees in accordance with the advice of qualified actuaries who carry out a full valuation of plans annually.

Cumulative actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans in excess of the greater of 10% of the value of the plan assets or 10% of the defined benefit obligation are spread to income over the average remaining working lives of the related ex-employees. Actuarial gains and losses are recognised in the statement of comprehensive income.

Past-service costs are recognised immediately in income unless the changes to the pension plan are conditional on the ex-employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

The assets of the fund are held independently and administered by The Anglo Mauritius Assurance Society Limited.

(i) Foreign currencies*(i) Functional and presentation currency*

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Mauritian rupees, which is the company'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 the statement of comprehensive income.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the statement of comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) Group company

The results and financial position of the subsidiary that has a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position presented are translated at the closing rates at the date of that statement of financial position.
- (b) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions dates, in which case income and expenses are translated at the dates of the transactions); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(j) Impairment of assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

(k) Revenue recognition

Revenue comprises the fair value for the sale of goods net of value-added tax, rebates and discounts and after eliminating sales within the group.

Sales of goods are recognised when goods are delivered and title has passed. Sales of services are recognised in the accounting year in which the services are rendered (by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of total services to be provided).

Other revenues earned by the company are recognised on the following bases:

- Interest income - on a time-proportion basis using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.
- Other income - on an accruals basis

(l) Dividend distribution

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

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

(n) Exceptional items

Exceptional items are events or transactions which by virtue of their size or nature, have been disclosed in order to improve a reader's understanding of the financial statements.

(o) Segment reporting

Segment information relates to operating segments that engage in business activities for which revenues are earned and expenses incurred.

3. FINANCIAL RISK MANAGEMENT**3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks:

- Market risk (including currency risk and price risk);
- Credit risk; and
- Liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the Group's financial performance.

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

3. FINANCIAL RISK MANAGEMENT (CONT'D)**3.1 Financial risk factors (cont'd)****(a) Market risk****(i) Currency risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro, ZAR and the US dollar. Foreign exchange risk arises mainly from future commercial transactions. The Group has bank accounts denominated in foreign currencies to hedge its exposure to foreign currency risk when future commercial transactions crystallise.

At June 30, 2011, if the rupee had weakened/strengthened by 5% against US dollar, ZAR and Euro with all other variables held constant, post-tax profit for the year would have been Rs.177,720 (2010: Rs.259,266) higher/lower, mainly as a result of foreign exchange gains/losses on transaction of US dollar, ZAR and Euro denominated cash and cash equivalents, trade receivables and trade payables.

(b) Credit risk

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current economic environment. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

The table below shows the percentage balances of its major counterparties at the end of the reporting period:

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
6 major counterparties	42.27%	49.40%	42.27%	49.40%
Others	57.73%	50.60%	57.73%	50.60%
	100.00%	100.00%	100.00%	100.00%

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The company aims at maintaining flexibility in funding by keeping committed credit lines available.

As at June 30, 2010 and 2011, all the group financial liabilities were repayable within one year.

3.2 Fair value estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Group for similar financial instruments.

3.3 Capital risk management

The Group's objectives when managing capital are:

- to safeguard the group's ability to continue as going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amounts of capital in proportion to risk. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group's strategy for the financial year 2010 and 2011 was not to have any debt.

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates 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 are discussed below.

(a) Pension benefits

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

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

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 8.

(b) Revaluation of property, plant and equipment

The Group measures land and buildings and plant and machinery at revalued amounts with changes in fair value being recognised in other comprehensive income.

(c) Asset lives and residual values

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

(d) Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group would currently obtain from disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(e) Revenue recognition

Management exercises judgement in assessing whether significant risks and rewards have been transferred to the customer to permit revenue to be recognised.

Revenue arising from maintenance and repair work in progress is recognised on the percentage of completion basis.

(f) Impairment of assets

Property, plant and equipment and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value.

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

5. PROPERTY, PLANT AND EQUIPMENT					
(a) THE GROUP AND THE COMPANY	Freehold Land & Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Office Equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
(i) COST/VALUATION					
At July 1, 2010	51,223,028	83,621,957	18,350,121	13,263,640	166,458,746
Additions	4,318,855	25,457,089	2,000,116	2,898,784	34,674,844
Disposals	-	(254,983)	(3,167,941)	(60,000)	(3,482,924)
At June 30, 2011					
Cost	11,529,883	55,033,560	17,182,296	16,102,424	99,848,163
Valuation	44,012,000	53,790,503	-	-	97,802,503
	55,541,883	108,824,063	17,182,296	16,102,424	197,650,666
DEPRECIATION					
At July 1, 2010	4,501,614	18,387,340	10,251,687	8,066,851	41,207,492
Charge for the year	1,351,651	3,867,735	2,833,223	2,070,526	10,123,135
Disposal adjustments	-	(10,316)	(2,361,142)	(60,000)	(2,431,458)
At June 30, 2011	5,853,265	22,244,759	10,723,768	10,077,377	48,899,169
NET BOOK VALUES					
At June 30, 2011	49,688,618	86,579,304	6,458,528	6,025,047	148,751,497
(ii) COST/VALUATION					
At July 1, 2009	48,731,346	73,723,810	16,593,138	10,753,501	149,801,795
Additions	2,491,682	9,902,365	4,675,375	2,576,288	19,645,710
Disposals	-	(4,218)	(2,918,392)	(66,149)	(2,988,759)
At June 30, 2010					
Cost	7,211,028	29,831,454	18,350,121	13,263,640	68,656,243
Valuation	44,012,000	53,790,503	-	-	97,802,503
	51,223,028	83,621,957	18,350,121	13,263,640	166,458,746
DEPRECIATION					
At July 1, 2009	3,266,197	14,998,212	10,167,207	6,173,637	34,605,253
Charge for the year	1,235,417	3,389,972	3,002,872	1,921,750	9,550,011
Disposal adjustments	-	(844)	(2,918,392)	(28,536)	(2,947,772)
At June 30, 2010	4,501,614	18,387,340	10,251,687	8,066,851	41,207,492
NET BOOK VALUES					
At June 30, 2010	46,721,414	65,234,617	8,098,434	5,196,789	125,251,254

(b) The company's plant and machinery were last revalued at June 30, 2005 by Consultec Ltd, an independent valuer. Valuations were made on the basis of open market value. The gain in revaluation net of deferred income taxes was credited to revaluation surplus in shareholders' equity (note 14).

(c) The company's freehold land and buildings were last revalued at April 30, 2006 by Gexim Real Estate Ltd, an independent valuer. Valuations were made on the basis of value for existing use and cost of replacement of buildings. The revaluation surplus net of deferred income taxes was credited to revaluation surplus in shareholders' equity (note 14).

(d) Additions include Rs.2,552,928 assets in progress as at June 30, 2011 and Rs.3,846,095 assets in transit as at June 30, 2011 and received after year-end.

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)				
	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
(e) If revalued assets were stated on the historical cost basis, the amounts would be as follows:				
Freehold Land and Buildings				
Cost	39,578,268	35,259,413	39,578,268	35,259,413
Accumulated depreciation	(4,029,079)	(3,237,514)	(4,029,079)	(3,237,514)
Net book value	35,549,189	32,021,899	35,549,189	32,021,899
Plant and Machinery				
Cost	99,862,724	74,660,618	99,862,724	74,660,618
Accumulated depreciation	(37,923,509)	(32,930,373)	(37,923,509)	(32,903,373)
Net book value	61,939,215	41,730,245	61,939,215	41,757,245
(f) Depreciation charge for the year has been included in:				
Cost of sales				
Selling and distribution expenses	2,393,400	3,161,404	2,393,400	3,161,404
Administrative expenses	2,459,316	1,834,393	2,459,316	1,834,393
	10,123,135	9,550,011	10,123,135	9,550,011
6. INTANGIBLE ASSETS				
Computer Software				
(a) COST				
At July 1,	6,296,516	5,461,286	6,296,516	5,461,286
Additions	500,000	835,230	500,000	835,230
At June 30,	6,796,516	6,296,516	6,796,516	6,296,516
AMORTISATION				
At July 1,	4,096,627	3,221,547	4,096,627	3,221,547
Charge for the year	924,427	875,080	924,427	875,080
At June 30,	5,021,054	4,096,627	5,021,054	4,096,627
NET BOOK VALUES	1,775,462	2,199,889	1,775,462	2,199,889

(b) Amortisation charge for the year has been included in administrative expenses.

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

7. INVESTMENT IN SUBSIDIARY COMPANY - COST

	2011	2010
	Rs.	Rs.
THE COMPANY		
At July 1, 2010 and June 30, 2011	166,931	166,931

(a) Details of the subsidiary company are as follows:

Name of company	Class of shares held	Year end	Proportion of direct ownership interest		Country of incorporation and operation	Main business
			2011	2010		
Gaz Industriels Madagascar SA	Ordinary	June 30,	99.4%	99.4%	Madagascar	Production and sale of gases

8. RETIREMENT BENEFIT (ASSETS)/OBLIGATIONS

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Amounts recognised in the Statements of financial position as non-current (assets)/ liabilities:				
Pension benefits (note (a))	(3,261,993)	6,652,518	(3,261,993)	6,652,518
Statements of comprehensive income (credit)/charge - Pension benefits	(9,914,511)	1,777,263	(9,914,511)	1,777,263

(a) Pension benefits

(i) The assets of the fund are held independently and administered by The Anglo Mauritius Assurance Society Ltd.

(ii) The amounts recognised in the statements of financial position are as follows:

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Present value of funded obligations	7,649,741	29,997,429	7,649,741	29,997,429
Fair value of plan assets	(10,644,200)	(22,295,811)	(10,644,200)	(22,295,811)
	(2,994,459)	7,701,618	(2,994,459)	7,701,618
Unrecognised actuarial gains	(267,534)	(1,049,100)	(267,534)	(1,049,100)
(Asset)/ liability in the statements of financial position	(3,261,993)	6,652,518	(3,261,993)	6,652,518

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

8. RETIREMENT BENEFIT (ASSETS)/OBLIGATIONS (CONT'D)

(a) Pension benefits (cont'd)

(iii) Movement in the pension benefits recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
At July 1,	6,652,518	5,924,870	6,652,518	5,924,870
Total (credited)/ charged in the statements of comprehensive income	(9,914,511)	1,777,263	(9,914,511)	1,777,263
Contributions paid	-	(1,049,615)	-	(1,049,615)
At June 30,	(3,261,993)	6,652,518	(3,261,993)	6,652,518

(iv) The movement in the defined benefit obligation over the year is as follows:

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
At July 1,	29,997,429	27,238,182	29,997,429	27,238,182
Current service cost	-	1,076,195	-	1,076,195
Interest cost	2,341,151	2,700,511	2,341,151	2,700,511
Actuarial gains	(12,020,890)	-	(12,020,890)	-
Benefits paid	(12,667,949)	(1,017,459)	(12,667,949)	(1,017,459)
At June 30,	7,649,741	29,997,429	7,649,741	29,997,429

(v) The movement in the fair value of plan assets for the year is as follows:

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
At July 1,	22,295,811	21,184,090	22,295,811	21,184,090
Expected return on plan assets	2,003,357	2,214,716	2,003,357	2,214,716
Actuarial losses	(930,193)	(919,879)	(930,193)	(919,879)
Cost of insuring risk benefits	(52,815)	(176,863)	(52,815)	(176,863)
Scheme expenses	(4,015)	(38,410)	(4,015)	(38,410)
Employer contributions	-	1,049,616	-	1,049,616
Benefits paid	(12,667,945)	(1,017,459)	(12,667,945)	(1,017,459)
At June 30,	10,644,200	22,295,811	10,644,200	22,295,811

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

8. RETIREMENT BENEFIT (ASSETS)/OBLIGATIONS (CONT'D)

(vi) The amounts recognised in the statements of comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Current service cost	-	1,076,195	-	1,076,195
Interest cost	2,341,151	2,700,511	2,341,151	2,700,511
Expected return on plan assets	(2,003,357)	(2,214,716)	(2,003,357)	(2,214,716)
Scheme expenses	4,015	38,410	4,015	38,410
Cost of insuring risk benefits	52,815	176,863	52,815	176,863
Effect of curtailments/settlements	(10,309,135)	-	(10,309,135)	-
Total included in employee benefit expense	(9,914,511)	1,777,263	(9,914,511)	1,777,263

Total employee benefit expense charged to the statements of comprehensive income is analysed as follows:

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Cost of sales	-	436,834	-	436,834
Selling and distribution expenses	-	592,252	-	592,252
Administrative expenses	394,624	748,177	394,624	748,177
Exceptional item	(10,309,135)	-	(10,309,135)	-
	(9,914,511)	1,777,263	(9,914,511)	1,777,263
Actual return on plan assets	1,073,164	1,294,837	1,073,164	1,294,837

(vii) The assets in the plan and the expected rate of return were:

	THE GROUP AND THE COMPANY			
	2011		2010	
	Amount	Expected rate of return	Amount	Expected rate of return
	Rs.	Rs.	%	%
Local Equities	3,991,574	8,360,928	12.5%	13.0%
Overseas Equities	2,394,945	5,016,557	12.5%	13.0%
Fixed Interest	3,725,471	7,803,534	9.5%	10.0%
Properties	532,210	1,114,792	6.0%	8.0%
Total Market value of assets	10,644,200	22,295,811		

(viii) No contributions to past-employment benefit plans are expected for the Group and the Company for the year ending June 30, 2012.

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

8. RETIREMENT BENEFIT (ASSETS)/OBLIGATIONS (CONT'D)

(ix) Amounts for the current and previous four years are as follows:

	THE GROUP AND THE COMPANY				
	2011	2010	2009	2008	2007
	Rs.	Rs.	Rs.	Rs.	Rs.
Present value of defined benefit obligation	7,649,741	29,997,429	27,238,182	25,126,244	22,238,440
Fair value of plan assets	(10,644,200)	(22,295,811)	(21,184,090)	(19,070,790)	(15,743,703)
(Assets)/deficit	(2,994,459)	7,701,618	6,054,092	6,055,454	6,494,737
Experience gains/(losses) on plan liabilities	12,020,890	-	777,763	(200,243)	(574,696)
Experience (losses)/gains on plan assets	(930,193)	(919,879)	(976,291)	300,023	66,145

(x) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	%	%	%	%
Discount rate	9.5%	10.0%	9.5%	10.0%
Expected return on plan assets	10.0%	10.5%	10.0%	10.5%
Future salary increase	8.0%	8.0%	8.0%	8.0%
Future pension increase	0.0%	0.0%	0.0%	0.0%

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

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

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

There is no available benchmark to the expected return on properties. This is based on a subjective judgement of the property market.

9. INVENTORIES

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Finished goods	13,972,602	11,363,398	13,972,602	11,363,398
Raw materials	5,021,544	7,647,676	5,021,544	7,647,676
Spare parts	2,113,641	1,680,431	2,113,641	1,680,431
	21,107,787	20,691,505	21,107,787	20,691,505

(a) The cost of inventories recognised as expense and included in cost of sales amounted to Rs. 39,508,123 (2010: Rs.33,205,887) for the group and for the company.

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

10. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Trade receivables	36,900,808	39,759,930	36,900,808	39,759,930
Provision for bad debts	(6,580,946)	(5,538,530)	(6,580,946)	(5,538,530)
Trade receivables net of provision	30,319,862	34,221,400	30,319,862	34,221,400
Receivable from subsidiary	-	-	2,009,302	1,272,302
Prepayments	4,309,914	13,522,180	4,309,914	13,522,180
Other receivables	3,829,157	2,881,425	3,417,703	2,809,017
	38,458,933	50,625,005	40,056,781	51,824,899

The carrying amounts of trade and other receivables approximate their fair values.

As of June 30, 2011, trade receivables of Rs.11,366,054 (2010: Rs.12,862,908) were fully performing.

As of June 30, 2011, trade receivables of Rs.7,474,203 (2010: Rs.8,284,528) were impaired for the group and the company. The amount of the provision was Rs.6,580,946 as of June 30, 2011 (2010: Rs.5,538,530). The individually impaired receivables relate mainly to rental charges of cylinders for which customers are not agreeable. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
1 to 3 months	1,810,703	1,038,774	1,810,703	1,038,774
Over 3 months	5,663,500	7,245,754	5,663,500	7,245,754
	7,474,203	8,284,528	7,474,203	8,284,528

As of June 30, 2011, trade receivables of Rs.18,060,551 (2010: Rs.18,612,494) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
1 to 3 months	9,506,138	16,814,273	9,506,138	16,814,273
Over 3 months	8,554,413	1,798,221	8,554,413	1,798,221
	18,060,551	18,612,494	18,060,551	18,612,494

The carrying amounts of the trade and other receivables of the group and the company are denominated in the following currencies.

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
USD	3,555,141	-	3,555,141	-
Rupee	34,903,792	50,625,005	36,501,640	51,824,899
	38,458,933	50,625,005	40,056,781	51,824,899

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

10. TRADE AND OTHER RECEIVABLES (CONT'D)

Movements on the provision for impairment of trade receivables are as follows:

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
At July 1,	5,538,530	4,746,499	5,538,530	4,746,499
Provision for receivable impairment	1,066,468	792,031	1,066,468	792,031
Receivables written off during the year as uncollectible	(24,052)	-	(24,052)	-
At June 30,	6,580,946	5,538,530	6,580,946	5,538,530

As at June 30, 2011, other receivables of Rs.1,275,886 had been impaired.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security.

11. INCOME TAX

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
(a) Statements of financial position				
At July 1,	4,230,320	2,444,881	4,230,320	2,444,881
Current tax on the adjusted profit for the year at 15% (2010: 15%)	3,934,983	5,528,959	3,930,151	5,524,095
Tax paid during the year	(8,660,905)	(3,743,520)	(8,656,073)	(3,738,656)
Underprovision in previous year	301,737	-	301,737	-
At June 30,	(193,865)	4,230,320	(193,865)	4,230,320

(b) Statements of comprehensive income

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Current tax on the adjusted profit for the year at 15% (2010: 15%)	3,934,983	5,528,959	3,930,151	5,524,095
Deferred tax (note 15 (b))	2,601,842	828,474	2,601,842	828,474
Underprovision in previous year	301,737	-	301,737	-
Charge for the year	6,838,562	6,357,433	6,833,730	6,352,569

(c) Tax reconciliation

The tax on the group's and company's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the company as follows:

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Profit before taxation	44,307,765	45,482,435	44,640,793	46,399,135
Tax calculated at the rate of 15% (2010:15%)	6,646,165	6,822,365	6,696,119	6,959,870
Income tax paid by subsidiary	(4,832)	(4,864)	-	-
Income not subject to tax	(5,157,791)	(3,509,387)	(5,157,791)	(3,509,387)
Expenses not deductible for tax purposes	2,391,823	2,048,205	2,391,823	2,048,205
Tax in subsidiary	59,618	147,233	-	-
Deferred tax	2,601,842	828,474	2,601,842	828,474
Underprovision in previous year	301,737	25,407	301,737	25,407
	6,838,562	6,357,433	6,833,730	6,352,569

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

12. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
Cash in hand and at bank	8,811,669	4,670,693	8,807,765	4,611,592
Bank deposits	10,200,000	21,000,000	10,200,000	21,000,000
	19,011,669	25,670,693	19,007,765	25,611,592

13. STATED CAPITAL

	THE GROUP AND THE COMPANY			
	Number of shares	Ordinary shares	Share premium	Total
	2011 & 2010	2011 & 2010	2011 & 2010	2011 & 2010
	Rs.	Rs.	Rs.	Rs.
At July 1, 2010 and June 30, 2011	2,611,392	26,113,920	159	26,114,079

The total authorised number of ordinary share is 6,000,000 (2010: 6,000,000 shares) with a par value of Rs.10 per share (2010: Rs.10 per share). All issued shares are fully paid.

14. REVALUATION AND OTHER RESERVES

	Translation reserve	Revaluation surplus	Total
	Rs.	Rs.	Rs.
(a) THE GROUP			
At July 1, 2010	226,543	44,486,359	44,712,902
Deferred tax on revaluation of land	-	(2,293,194)	(2,293,194)
Currency translation differences	(190,107)	-	(190,107)
At June 30, 2011	36,436	42,193,165	42,229,601
At July 1, 2009	11,762	44,486,359	44,498,121
Currency translation differences	214,781	-	214,781
At June 30, 2010	226,543	44,486,359	44,712,902

(b) THE COMPANY

	Revaluation surplus
	Rs.
At July 1, 2010	44,486,359
Deferred tax on revaluation of land	(2,293,194)
At June 30, 2011	42,193,165

At July 1, 2009 and June 30, 2010 **44,486,359**

Revaluation surplus

The revaluation surplus relates to the revaluation of property, plant and equipment.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

15. DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method at 15% (2010: 15%).

- (a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position:

	THE GROUP		THE COMPANY	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
Deferred tax liabilities	16,374,846	12,477,688	16,374,846	12,477,688
Deferred tax assets	-	(997,878)	-	(997,878)
	16,374,846	11,479,810	16,374,846	11,479,810

- (b) The movement on the deferred income tax account is as follows:

	THE GROUP		THE COMPANY	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
At July 1,	11,479,810	10,651,336	11,479,810	10,651,336
Charged to statements of comprehensive income (note 11(b))	2,601,342	828,474	2,601,342	828,474
Deferred tax on revaluation of land (note 14)	2,293,194	-	2,293,194	-
At June 30,	16,374,346	11,479,810	16,374,346	11,479,810

- (c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

(i) Deferred tax liabilities

	THE GROUP AND THE COMPANY			
	Accelerated tax depreciation	Revaluation of assets	Retirement benefit assets	Total
	Rs.	Rs.	Rs.	Rs.
At June 30, 2009	5,907,037	5,633,030	-	11,540,067
Credited to statements of comprehensive income	937,621	-	-	937,621
At June 30, 2010	6,844,658	5,633,030	-	12,477,688
Charged to statements of comprehensive income	1,114,665	-	489,299	1,603,964
Movement during the year	-	2,293,194	-	2,293,194
At June 30, 2011	7,959,323	7,926,224	489,299	16,374,846

(ii) Deferred tax assets

	THE GROUP AND THE COMPANY	
	2011 Rs.	2010 Rs.
At July 1,	997,878	888,731
(Charged)/credited to statements of comprehensive income	(997,878)	109,147
At June 30,	-	997,878

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

16. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Trade payables	5,408,732	11,863,002	5,212,795	11,741,882
Amount due to related parties (note 26)	1,275,391	5,032,497	1,275,391	5,032,497
Deposits from customers	15,240,719	19,214,634	15,240,719	19,214,634
Accrued expenses	10,369,872	2,236,081	10,369,872	2,236,081
Other payables	3,983,147	2,093,978	3,983,148	2,093,978
	36,277,861	40,440,192	36,081,925	40,319,072

The carrying amounts of trade and other payables approximate their fair values.

17. DIVIDENDS

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
(a) At July 1,	5,222,784	4,961,645	5,222,784	4,961,645
Dividends declared during the year Rs.4.40 per share (2010 - Rs.4.00 per share)	11,490,125	10,445,568	11,490,125	10,445,568
Paid during the year	(16,712,909)	(10,184,429)	(16,712,909)	(10,184,429)
At June 30,	-	5,222,784	-	5,222,784

(b) Dividends declared during the year

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Interim ordinary dividend of Rs.2.00 per share (2010 - Rs.2.00)	5,222,784	5,222,784	5,222,784	5,222,784
Final ordinary dividend of Rs. 2.40 per share (2010 - Rs.2.00)	6,267,341	5,222,784	6,267,341	5,222,784
	11,490,125	10,445,568	11,490,125	10,445,568

18. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Depreciation of property, plant and equipment	10,123,135	9,550,011	10,123,135	9,550,011
Amortisation of intangible assets	924,427	875,080	924,427	875,080
Employee benefit expense (note 21(a))	23,318,755	23,944,578	23,318,755	23,944,578
Charges in inventories of finished goods	2,609,204	2,924,223	2,609,204	2,924,223
Raw materials and consumables used	39,508,123	33,205,887	39,508,123	33,205,887
Transport costs	4,515,894	4,731,389	4,515,894	4,731,389
Provision for bad debts	2,342,354	866,696	2,342,354	866,696
Advertising costs	329,896	160,561	329,896	160,561
Other expenses	33,948,128	29,611,887	33,974,888	29,205,528
	117,619,916	105,870,312	117,646,676	105,463,953

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

19. OTHER INCOME

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Interest income	499,356	1,997,602	499,356	1,997,602
Dividend income	-	23,245	-	23,245
Profit on disposal of financial assets	-	5,583,934	-	5,583,934
Profit on disposal of property, plant and equipment	739,708	592,480	739,708	592,480
Others	2,806,970	1,725,061	3,166,758	2,084,585
	4,046,034	9,922,322	4,405,822	10,281,846
Insurance reimbursement	125,025	25,000	125,025	25,000
	4,171,059	9,947,322	4,530,847	10,306,846

20. EXCEPTIONAL ITEM

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Curtailment gain on conversion of pension scheme from a defined benefit plan to a defined contribution plan	10,309,135	-	10,309,135	-

21. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Profit before taxation is arrived at after:				
crediting :				
Profit on disposal of plant and equipment	739,708	592,480	739,708	592,480
and charging :				
Depreciation on property, plant and equipment	10,123,135	9,550,011	10,123,135	9,550,011
Amortisation of intangible assets	924,427	875,080	924,427	875,080
Cost of inventories recognised as expense	39,508,123	33,205,887	39,508,123	33,205,887
Employee benefit expense (note (a) below)	23,318,755	23,944,578	23,318,755	23,944,578

(a) Employee benefit expense

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Wages and salaries	22,008,049	21,229,316	22,008,049	21,229,316
Social security costs	916,082	937,999	916,082	937,999
Retirement benefit obligations	394,624	1,777,263	394,624	1,777,263
	23,318,755	23,944,578	23,318,755	23,944,578

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

22. EARNINGS PER SHARE

		THE GROUP		THE COMPANY	
		2011	2010	2011	2010
Profit attributable to ordinary shareholders	Rs.	37,469,203	39,125,002	37,807,063	40,046,566
Number of ordinary shares in issue		2,611,392	2,611,392	2,611,392	2,611,392
Earnings per share (share of Rs.10 each)	Rs.	14.35	14.98	14.48	15.34

23. NOTES TO THE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
(a) Cash generated from operations	Rs.	Rs.	Rs.	Rs.
Profit before taxation	44,307,765	45,482,435	44,640,793	46,399,135
Adjustments for:				
Depreciation of property, plant and equipment	10,123,135	9,550,011	10,123,135	9,550,011
Amortisation of intangible assets	924,427	875,080	924,427	875,080
Investment income	-	(23,245)	-	(23,245)
Interest income	(499,356)	(1,997,602)	(499,356)	(1,997,602)
Profit on disposal of property, plant and equipment	(739,708)	(592,480)	(739,708)	(592,480)
Profit on disposal of financial assets	-	(5,583,934)	-	(5,583,934)
Retirement benefit obligations	(9,914,511)	727,648	(9,914,511)	727,648
	44,201,752	48,437,913	44,534,780	49,354,613
Changes in working capital:				
Inventories	(416,282)	(9,532,688)	(416,282)	(9,532,688)
Trade and other receivables	11,381,360	(19,907,921)	10,983,406	(20,613,518)
Trade and other payables	(9,967,309)	6,110,619	(10,042,125)	6,137,112
Cash generated from operations	45,199,521	25,107,923	45,059,779	25,345,519

(b) Purchases of property, plant and equipment

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Total acquisitions	34,674,844	19,645,710	34,674,844	19,645,710
Less assets acquired but not yet paid for	(5,804,978)	-	(5,804,978)	-
Property, plant and equipment acquired for cash	28,869,866	19,645,710	28,869,866	19,645,710

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

24. SEGMENT REPORTING

The Company is engaged in the manufacture and distribution of medical and industrial gases (in bulk and in cylinders) and of welding electrodes. The company also provides welding and cutting equipment and accessories as well as gas reticulation. The Board of Directors considers the business as a single reportable segment.

The Company trades mostly with local companies with the objective of maximising profit for the shareholders.

The internal reporting provided to the Managing Director for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS.

There were no changes in the reportable segment during the year.

The Company is domiciled in Mauritius. Most of the Company's income is from sale of goods to companies incorporated in Mauritius.

The Company also has a diversified shareholder population.

25. COMMITMENTS

Capital expenditure contracted for at the end of the reporting date but not recognised in the financial statements:

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Property, plant and equipment	2,139,543	2,227,855	2,139,543	2,227,855

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011

26. RELATED PARTY TRANSACTIONS

	Technical fees	Purchase of goods	Dividends paid	Dividends payable	Amount owed by related parties	Amount owed to related parties
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) THE GROUP						
Trading transactions						
Year ended June 30, 2011						
Major shareholder	1,118,263	14,134,582	4,391,279	-	-	1,275,391
Directors and key management personnel	-	-	5,170	-	-	-
	1,118,263	14,134,582	4,396,449	-	-	1,275,391
Trading transactions						
Year ended June 30, 2010						
Major shareholder	1,165,441	19,348,631	3,992,072	1,996,036	-	5,032,497
Directors and key management personnel	-	-	4,700	2,350	-	-
	1,165,441	19,348,631	3,996,772	1,998,386	-	5,032,497
(b) THE COMPANY						
(i) Trading transactions						
Year ended June 30, 2011						
Major shareholder	1,118,263	14,134,582	4,391,279	-	-	1,275,391
Subsidiary	-	-	-	-	2,009,302	-
Directors and key management personnel	-	-	5,170	-	-	-
	1,118,263	14,134,582	4,396,449	-	2,009,302	1,275,391
(ii) Trading transactions						
Year ended June 30, 2010						
Major shareholder	1,165,441	19,348,631	3,992,072	1,996,036	-	5,032,497
Subsidiary	-	-	-	-	1,272,302	-
Directors and key management personnel	-	-	4,700	2,350	-	-
	1,165,441	19,348,631	3,996,772	1,998,386	1,272,302	5,032,497

(c) (i) The above transactions have been made at arm's length, on normal commercial terms and in the normal course of business.

(ii) The major shareholder is African Oxygen Limited.

Technical fees payable are in accordance with the substance of the relevant agreements.

(d) Key management personnel compensation

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Short-term employee benefits	8,051,318	5,814,028	8,051,318	5,814,028
Termination benefits	-	4,505,000	-	4,505,000
Post-employment benefits	444,744	203,704	444,744	203,704
	8,496,062	10,522,732	8,496,062	10,522,732

Notes to the Financial Statements - YEAR ENDED JUNE 30, 2011