Annual Report 2019

OUR PEOPLE, OUR RESOURCES

LES GAZ INDUSTRIELS LTD.

UNE VALEUR SÛRE

Est. 1952

Disciplined Team

Our People, Our Resources

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of Les Gaz Industriels Limited and its subsidiary for the year ended June 30, 2019, the contents of which are listed below.

This report was approved by the Board of Directors on September 26, 2019.

Antoine L. Harel
Chairman

Christopher Hart de Keating
Chief Executive Office

Contents

LGI at First Sight

One Stop Shop

44 12
Team

Life Saving Products

Madagascar
Growing Presence

Listed on Development & Enterprise Market of the Stock Exchange of Mauritius since 2007

Founded in
1952

2019

Rs. 156,683,520
Market Capitalisation

Rs. 108,221,580
Revenue

Rs. 147,390,481
Distributable Reserves

287
Shareholders

Power Energy

Laboratories

Leisure & Hospitality

Medical

Food & Beverages

Metal Works

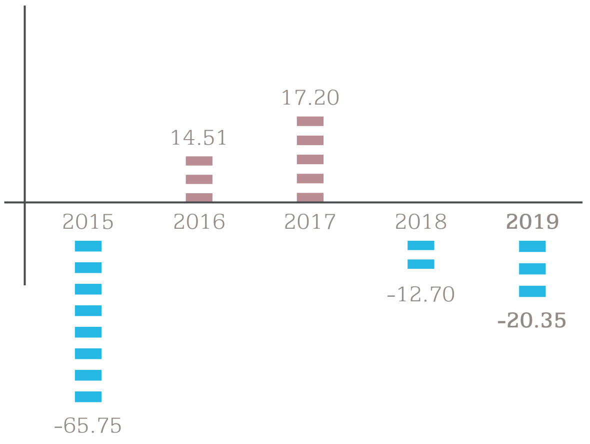
Dedicated To Healthcare

Our People, Our Resources

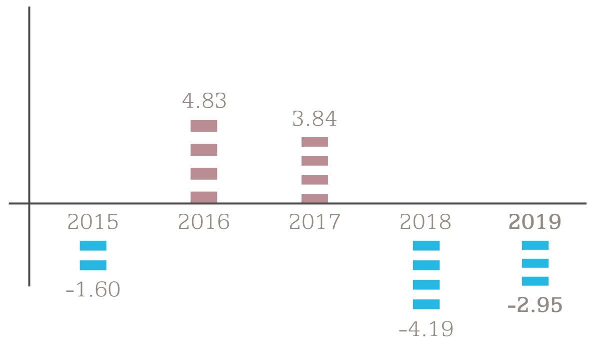
Financial Highlights

Year Ended June 30, 2019

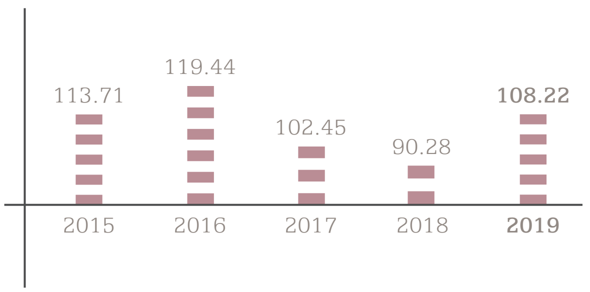
Price Earning Ratio *Number of times*



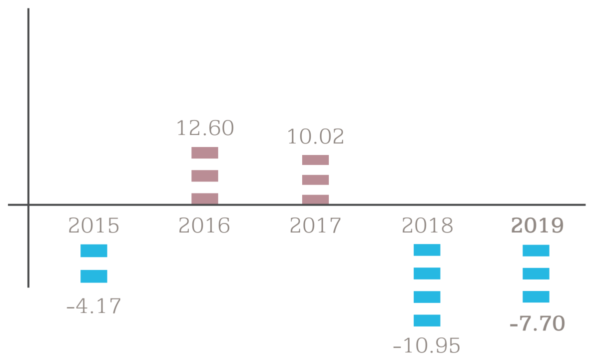
Earnings per Share *Rs.*



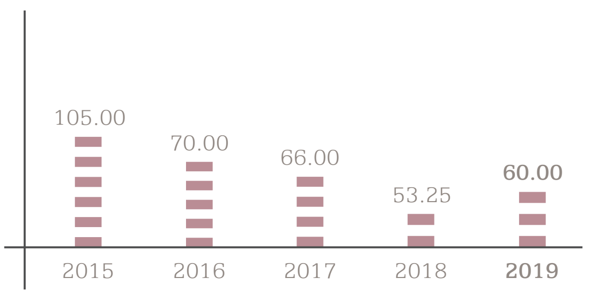
Revenue *Rs. (Million)*



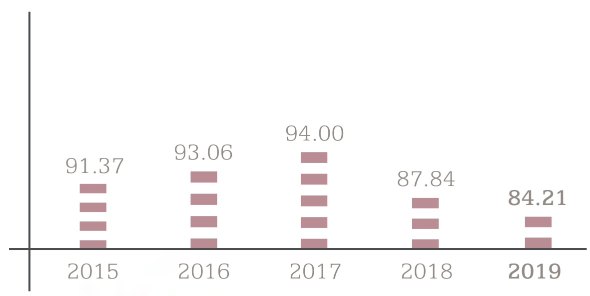
Profit after Taxatio *Rs. (Million)*



Market Price per Share *Rs.*



Net Assets per Share *Rs.*



Corporate Information

HEAD OFFICE
Pailles Road
G.R.N.W.
P.O.Box 673
Bell Village
Tel: (230) 212 8306
(230) 212 8311
(230) 212 1474
Fax: (230) 212 0235
Hotline: (230) 800 1133
Email: contactus@gaz-industriels.com
Website: www.gaz-industriels.com

REGISTERED OFFICE
18, Edith Cavell Street
Port-Louis
Republic of Mauritius
Tel: (230) 207 3000

SUBSIDIARY
Gaz Industriels Madagascar SA
Lot 4 - Bloc 1, Zone Industrielle Forello
Tanjombato, Antananarivo 101
Madagascar
Tel: (261) 20 22 576 00
Fax: (261) 20 22 576 00
Email: contacternous@gazindmada.com

REGISTRY & TRANSFER OFFICE
Harel Mallac Corporate Services Ltd
18, Edith Cavell Street
Port-Louis
Republic of Mauritius
Tel: (230) 207 3000

SECRETARY
HM Secretaries Ltd
18, Edith Cavell Street
Port-Louis
Republic of Mauritius
Tel: (230) 207 3000

BUSINESS REGISTRATION NUMBER
C07000817

EXTERNAL AUDITORS
BDO & Co.
Chartered Accountants
10, Frère Félix de Valois Street
Port Louis
Republic of Mauritius
Tel: (230) 202 3000
Fax: (230) 202 9993

INTERNAL AUDITORS
PricewaterhouseCoopers Ltd
PwC Centre
Avenue de Telfair, Telfair 80829
Moka
Republic of Mauritius
Tel: (230) 404 5000
Fax: (230) 404 5088

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

BANKERS
The Mauritius Commercial Bank Limited
Sir William Newton Street
Port-Louis
Republic of Mauritius
Tel: (230) 202 5000
Fax: (230) 212 2233

Banque des Mascareignes
Maeva Tower Ltd
9ème Etage
Cnr Silicon Avenue & Bank Street
Cybercity 72201
Tel: (230) 207 8600
Fax: (230) 212 4983

Statutory Disclosures

Year Ended June 30, 2019

DIRECTORS

Directors of the Company and of its subsidiary company at the end of the accounting period are as follows:

Les Gaz Industriels Limited

Messrs./Ms.
Antoine L. Harel (Chairman)
Laurent Bourgault du Coudray
Christopher Hart de Keating
Marius Johannes Kruger
Catherine McIlraith
Sivavalan Moodley
Michel Guy Rivalland (Alternate to Laurent Bourgault du Coudray)

Gaz Industriels Madagascar SA

Messrs.
Antoine L. Harel (Chairman)
Christopher Hart de Keating
Marius Johannes Kruger
Raphaël Jakoba

DIRECTORS' SERVICE CONTRACTS

Mr. Christopher Hart De Keating has a service contract with the Company without expiry date.

None of the other directors has 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	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Executive Directors				
- Full time	3,338,014	3,399,871	-	-
- Part time	-	-	-	-
Non-executive Directors	1,552,900	1,552,900	-	-
	4,890,914	4,952,771	-	-

The directors of the subsidiary company did not receive any remuneration and benefits from the subsidiary during the year ended June 30, 2019 (2018: Nil).

The directors do not have any contract of significance with the Company

Statutory Disclosures

Year Ended June 30, 2019

DONATIONS

	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Donations	50,000	50,000	50,000	50,000

AUDITORS FEES

	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Audit fees paid to:				
BDO & Co	365,000	350,000	365,000	350,000
Etika	57,200	54,999	-	-
	422,200	404,999	365,000	350,000
Fees paid for other services to:				
BDO & Co	95,000	95,000	95,000	95,000
PricewaterhouseCoopers Ltd	375,000	250,000	375,000	250,000
	470,000	345,000	470,000	345,000

Approved by the Board of Directors on September 26, 2019 and signed on its behalf by:

Antoine L. Harel
Chairman

Christopher Hart de Keating
Chief Executive Office

Committed to Safety

Our People, Our Resources

Board of Directors' Report

Year Ended June 30, 2019

Dear Shareholders,

The Board of Directors of Les Gaz Industriels Limited ("LGI") is pleased to submit its report for the year ended 30th June 2019.

Business review

The Group has been operating in an environment which witnessed radical changes over the last years. Even though the Mauritian economy has been stable lately, with a national growth rate estimated at 3.8%, the industry we operate in has shrunk in monetary terms over the past years as new entrants are servicing the markets with low-end products at relatively low prices. At LGI, we are committed to continue offering quality products for the safety of our customers and society at large.

As mentioned in previous years, this situation has resulted in the need for LGI to develop a diversification strategy while reviewing its cost base. Our cost-efficiency programme as well as the roll-out of our diversification strategy during the year under review show encouraging results. Growth was registered in both the medical and the export markets. Group revenue increased by 15.8% over the previous financial year to reach Rs. 109.7m and Group Results for the year show a significant improvement with an operational loss of Rs. 676k compared to a loss of Rs. 11.4m in 2018.

Net Assets of the Group stand at Rs. 220.3m at 30 June 2019.

GIM, our subsidiary in Madagascar, is now equipped with a new oxygen filling facility which is expected to bring about increased operational efficiencies and turnover

Group's worth

Distributable reserves amount to Rs. 146.1m. The Group's Net Asset Value per share was Rs. 84.39, which is 40.7% higher than the share price of Rs. 60.00 at 30 June 2019.

The Board declared a dividend of Rs. 1.20 per share for the year under review in line with its prudent dividend policy. LGI remains in a good financial health, with solid reserves built over many years.

Corporate governance

LGI remains committed to the highest principles of corporate governance. A Board Charter for the Company was adopted during the year in line with the recommendations of the Code of Corporate Governance for Mauritius.

Contribution to Society

The Group continues its contribution to the planet's welfare by working on innovative ecological projects.

The adherence to our strict Safety, Health, Environment & Quality ("SHEQ") in our daily operations remains as strong as ever for the better of our people, our customers and society at large.

The Drivers

Driving forward successfully will only be made possible by the team of LGI; both the Board and Management highly value the dedicated personnel of LGI. Best employment practices are in place with significant investment in training.

Looking Ahead

LGI is proactively evolving and adapting to the new prevailing market conditions. We will continue our growth strategy through product and market diversification whilst continuously improving the Group's cost base. The Board is confident in the future of the Group

Acknowledgment

The Board wishes to express its appreciation and gratitude to all the stakeholders, including LGI's customers' suppliers and partners, for their support and confidence in the Group

Last but not least, our gratitude goes to the Chief Executive Officer and his team for their continued dedication and commitment to the Group's purpose.

On behalf of the Board,

Antoine L. Harel
Chairman

September 26, 2019

Corporate Governance Report

Year Ended June 30, 2019

INTRODUCTION

Les Gaz Industriels Limited is committed to the highest standard of business integrity, transparency and professionalism to ensure that the activities within the Company are managed ethically and responsibly to enhance business value for all its stakeholders.

The new National Code of Corporate Governance for Mauritius ("the Code") adopted in 2016 employs an 'apply and explain approach'. In this report, the Board endeavours to explain how the Company has applied the Code.

GOVERNANCE STRUCTURE

The Company is a Public Interest Entity ("PIE") as defined under the inancial Reporting Act 2004.

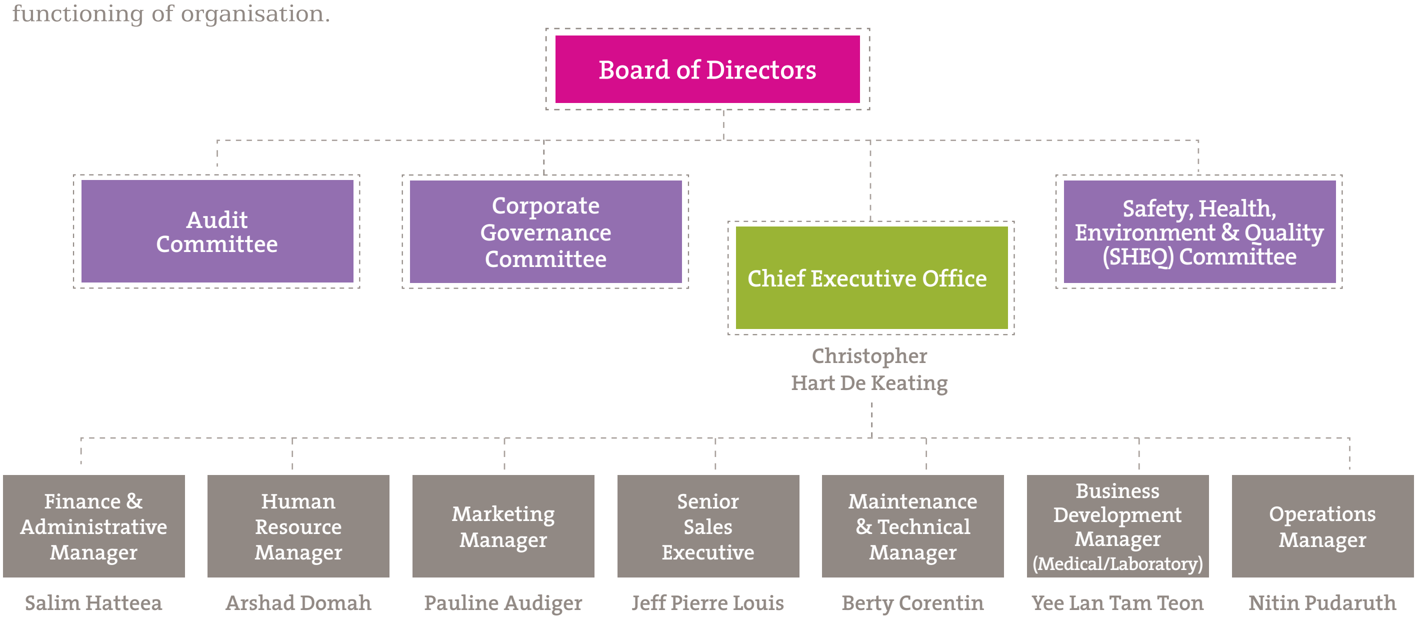
The Company is headed by an effective Board which meets regularly to fulfil its duties and responsibilities as defined in the Company's Memorandum and Articles of Association ("M&A") and in the Companies Act 2001 ("the Act").

The process for the appointment and removal of the directors as well as the latter's duties and responsibilities are clearly defined in the Company's M&A and in the Act. The Company's M&A also provides appropriate framework as to the Board's composition, directors' remuneration and procedures for board meetings. The Board has also adopted a Board Charter which sets forth the roles, responsibilities and composition of the Board. The provisions in the Board Charter are complementary to the requirements regarding the Board and Board members contained in Mauritian legislation and regulations and the Company's M&A. The Board Charter is published on the Company's website.

The Board has set up three board committees namely the Audit Committee, the Corporate Governance Committee and the SHEQ Committee (Safety, Health, Environment and Quality Committee).

The Board of Directors oversees the general operations of the Company, including risk management. It also ensures compliance of all legal and regulatory requirements.

The Board has adopted a delegation of authority matrix to ensure that there is transparency, control and coherence in the functioning of organisation.



The job descriptions of the senior Management members and senior officers of the Company have been reviewed and agreed by the Board.

Code Of Ethics

The Company highly values ethics and the Code of Ethics adopted by the Board is at the core of the Company's culture. 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 effectiveness and efficiency of the Company's Code of Ethics are reviewed regularly by the Board of Directors to ensure the same is applied at all levels. The Code of Ethics is available on our website.

Corporate Governance Report

Year Ended June 30, 2019

Statement of Accountabilities

The Board of Directors sets the general strategies and policies of the Company, which are then implemented by senior officers with the support of their respective teams. These senior officers are experienced professionals in their fields. The Board also relies on the three specialised committees it has set up, namely the Audit Committee, the Corporate Governance Committee and the Safety, Health, Environment & Quality Committee.

THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

The Board

Les Gaz Industriels Limited has a unitary Board of Directors. The role of the Chairman and that of the CEO are separate. While the Chairman leads the Board and sees to it that the Board acts efficientl , the CEO manages and leads the business.

The Board is responsible for setting the Company's direction 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.

The Directors are entitled to seek independent professional advice at LGI's expense.

Balance

The Board of Directors at June 30, 2019, comprised of one executive member and five non-executive members, of whom two are independent. Board members are of both genders. The Board does not consider it 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 knowledge of the business and independence and objectivity for the effective execution of the Board's responsibilities.

Director's Independence Review

The Board is of the view that a director's independence is not dependent of his term of office. The Board believes that a director's independence is measured by the latter's ability to think, analyse and decide independently and the person's capacity to stand up to contrary views and opposing arguments. The Board has therefore taken the stand that it will ascertain a director's independence on these criteria rather than by the number of years spent on the Board.

Board Meetings And Attendance

Board meetings are set well in advance to maximise Directors' attendance. The meetings are prepared by the Chairman, the CEO and the Company Secretary. Board papers are circularised to the Directors generally at least three days before the meetings.

Corporate Governance Report

Year Ended June 30, 2019

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

Attendance of the Directors to the Board meetings is set out below.

Directors	Board Attendance
Antoine L. Harel	6/6
Catherine McIlraith	6/6
Laurent Bourgault de Coudray	6/6
Christopher Hart De Keating	6/6
Marius Kruger	6/6
Sivavalan Moodley	6/6

Company Secretary

All the Directors have access to the advice and services of 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 and with regard to their responsibilities as Directors with regard to the statutory environment in which the Company operates.

Board Committees

In order to help it carry out its duties and responsibilities, the Board has set up three committees. The Chairpersons of these committees regularly report to the Board on all matters discussed during the committee meetings and the Board proceeds with appropriate decision making.

Audit Committee

The Audit Committee is chaired by Mrs Catherine McIlraith and comprises Messrs Laurent Bourgault du Coudray and Marius Kruger. The Committee met five times during the period under review. The Chief Executive Office , 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 financia 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 risk register;
- 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.

The Audit Committee is entitled to seek external professional support, if required, at the Company's expense.

Corporate Governance Committee

The Corporate Governance Committee presently comprises three members, namely Mr Antoine L. Harel (Chairman), Mrs Catherine McIlraith and Mr Marius Kruger.

The Committee met four times during the financial year under review. The Chief Executive Officer 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.

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.

Safety, Health, Environment & Quality (SHEQ) Committee

Les Gaz Industriels Limited's (LGI) commitment to sustainable development as a strategic priority encompasses its commitment towards SHEQ. A SHEQ Committee was set up on September 27, 2013 to assist the Board in overseeing the effectiveness of SHEQ management systems within LGI and its subsidiary and to make recommendations to the Board on SHEQ issues.

The SHEQ Committee presently consists of two members namely Messrs Sivavalan Moodley (Chairman) and Christopher Hart de Keating. The Committee met four times during the year under review. The SHEQ Executive, the Operations Manager and the Technical and Development Executives attend the Committee's meetings.

Committee Attendance

Directors	Corporate Governance	Audit Committee	SHEQ Committee
Antoine L. Harel	4/4	-	-
Catherine McIlraith	4/4	5/5	-
Laurent Bourgault du Coudray	-	5/5	-
Christopher Hart De Keating	-	-	4/4
Marius Kruger	4/4	5/5	-
Sivavalan Moodley	-	-	4/4

DIRECTORS' APPOINTMENT PROCEDURES

The appointment of Directors is governed by the Company's M&A and the Act. Directors are appointed by the Company's shareholders with the exception of Nominated Directors who shall be two in numbers when the Board comprises of 6 directors and three when the Board consists of nine members. The Board may, as per the M&A, appoint a director to fill in a casual vacancy.

Board Induction

Newly appointed Directors follow an induction programme to allow them to familiarise themselves with the Company and the Group. The Company Secretary supports the Chairman in this task.

Professional Development

Directors' trainings are organised whenever the need arises to update the board on the latest trends that can affect the governance, the management and the performance of company.

Succession Plan

Succession plan at Board and Management levels is regularly discussed at the Board.

Corporate Governance Report

Year Ended June 30, 2019

Directors' Profi es and details of external appointments on listed entities and public entities

● Antoine L. Harel (62)

Independent Non-Executive Chairman - External - Resident of Mauritius

Antoine L. Harel is a Fellow Member of the Institute of Chartered Accountants in England and Wales. He holds a BA (Hons) degree in Accounting and Computing. He joined Harel Mallac & Co. Ltd in 1987 and launched the Company's Information Technology Division and held the positions of CEO of Harel Mallac & Co. Ltd. from 1998 to 2005. He is since then the Chairman of Harel Mallac & Co Ltd. He was President of the Mauritius Chamber of Commerce & Industry from 1992 to 1993. He chairs the boards of a number of listed and non-listed companies. Antoine L. Harel was first appointed to the Board of LGI in 2003

External appointments – listed entities:

Harel Mallac & Co. Ltd
The Mauritius Chemical and Fertilizer Industry Limited

Skills, expertise and experience:

Accounting and Finance, Information Technology, Strategy and Corporate Governance.

● Christopher Hart de Keating (48)

Executive Director - Internal - Resident of Mauritius

Christopher Hart de Keating is the Chief Executive Officer of LGI since July 2015. He holds a 'Maîtrise Audit et Contrôle de Gestion' from the Université of Paris Dauphine and a diploma in Strategy from HEC Paris. This accomplished leader has a track record of more than 10 years in senior management positions. Before joining LGI, he had a fruitful career in renowned companies of different sectors. Christopher Hart de Keating has been involved in the activity of the cluster Textile Madagascar (as Chairperson in 2009) and is a past President of the Association of Mauritian Manufacturers. Christopher Hart de Keating was first appointed to the Board of LGI in 2015.

External appointments – listed entities:

None

Skills, expertise and experience:

Leadership, Strategy, Management and Economics

● Catherine McIlraith (55)

Independent Non-Executive Director - External - Resident of Mauritius

Catherine McIlraith holds a Bachelor of Accountancy degree from the University of the Witwatersrand, South Africa and has been a member of the South African Institute of Chartered Accountants since 1992. After serving her Articles at Ernst & Young in Johannesburg, she held various senior positions in the Investment Banking industry in South Africa before returning to Mauritius in 2004 to join Investec Bank as Head of Banking until 2010. Catherine McIlraith is a past President and Fellow Member of the Mauritius Institute of Directors ("MIoD"). She is an Independent Non-Executive Director of a number of public and private companies in Mauritius. Catherine McIlraith was first appointed to the Board of LGI in 2012.

External appointments – listed entities:

CIEL Limited
Astoria Investments Limited
The Mauritius Union Assurance Company Limited
Grit Real Estate Income Group Limited
Paradise Property Investments Ltd.

Skills, expertise and experience:

Audit and risk, Accounting,
Corporate Governance,
Banking and Corporate Finance

Marius Kruger (49)

Non-Executive Director - External - Non-Resident of Mauritius

Marius Kruger has been working in the industrial gases business for the past 22 years in South Africa. Marius Kruger is based at African Oxygen Limited where he is the General Manager for all the Linde Operations in Sub-Saharan Africa outside of South Africa. Marius Kruger holds a post graduate degree in Finance and is an associate member of the Chartered Institute of Management Accountants in the United Kingdom. Marius Kruger was first appointed to the Board of LGI in 2015

External appointments – listed entities:

None

Skills, expertise and experience:

General management, financial audits and advisory services, business planning, financial and management reporting, strategy formulation, implementation and reviews.

Laurent Bourgault du Coudray (33)

Non-Executive Director - External - Resident of Mauritius

Laurent Bourgault du Coudray graduated in accounting and finance from Curtin University in Perth, Australia and is a member of the Institute of Chartered Accountants in Australia. He has worked over four years in Perth providing corporate and international tax services before joining United Investments Limited (UIL) in January 2013 where he acted as Project Manager and Business Developer. With a focus on the hospitality sector, Laurent joined in April 2019 one of UIL's investees, namely Attitude Hospitality Management Ltd, as the Chief Business Development Office .

External appointments – listed entities:

Novus Properties Ltd

Skills, expertise and experience:

Management and Leadership

Sivavalan Moodley (56)

Non-Executive Director - External - Non-Resident of Mauritius

Sivavalan Moodley holds a Diploma in both Safety and Production Management and is a member of the South African National Accreditation audit team for Gas Test Stations. He is a professional with over 30 years expertise in the operation field of the gas industry. He is based in South Africa where he is working as Operations Manager at Afrox Ltd. Sivavalan Moodley is a member of the Afrox EMOC committee & Engineering audit team, and of the N2O global ToE team. He is DRI for Acetylene Directives for the African region.

External appointments – listed entities:

None

Skills, expertise and experience:

Safety risk management, operational experience in gas and gas-related fields and internal logistics.

Michel Guy Rivalland (40)

Alternate Director to Laurent Bourgault du Coudray – External – Resident of Mauritius

Michel Guy Rivalland is a graduate in Economics. He started his career at ACMS, as 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 Investments Ltd, an investment holding company quoted on the DEM market.

External appointments – listed entities:

United Investments Ltd

Skills, expertise and experience:

Management and Leadership

Corporate Governance Report

Year Ended June 30, 2019

Senior Management Team

Each member of the Senior Management Team has a job description that defines clearly the position's duties, responsibilities and accountabilities.

The Senior Management Team supports the CEO in implementing the strategy and direction set out by the Board and in managing the day-to-day operations of the Company. The job descriptions of Senior Management members and senior officers of the Company have been reviewed and agreed by the Board

Profi es of Key Senior Management Officer

Christopher Hart de Keating

Chief Executive Office

Christopher Hart de Keating is the Chief Executive Officer of LGI since July 2015. He holds a 'Maîtrise Audit et Contrôle de Gestion' from the Université of Paris Dauphine and a diploma in Strategy from HEC Paris. This accomplished leader has a track record of more than 10 years in senior management positions. Before joining LGI, he had a fruitful career in renowned companies of different sectors. Christopher Hart de Keating has been involved in the activity of the cluster Textile Madagascar (as Chairperson in 2009) and is a past President of the Association of Mauritian Manufacturers.

Salim Hatteea

Finance and Administrative Manager

Salim Hatteea joined LGI in December 2015 as Finance and Administrative Manager. He holds a BSc (Hons) in Accounting from the University of Mauritius and is a Fellow of the Association of Chartered Certified Accountants (ACCA). He is also a member of the Mauritius Institute of Professional Accountants (MIPA). Salim Hatteea has acquired extensive experience in his field, having worked in both practice and industry in Mauritius and London, in a career spanning over more than 15 years.

Nitin Pudaruth

Operations Manager

Nitin Pudaruth joined Les Gaz Industriels Limited in November 2017 as Operations Manager. He holds an MBA and a degree in Engineering Technology. Nitin Pudaruth has occupied several managerial positions in his career and was the Operations/ Production Manager of a large company in the building materials sector before joining Les Gaz Industriels Limited.

Corporate Governance Report

Year Ended June 30, 2019

DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

The Director's duties are set in the Company M&A and in the Act.

The Directors are aware of the provisions of the Act with respect to conflict of interest. At the start of each meeting members are required to declare any interests that may affect the agenda items to be considered at the meeting. Such declarations of interest are recorded in the minutes of the meeting.

The Directors abide by the Company's Code of Ethics and the Company's policies whenever applicable.

Interest of Directors

The interests of Directors and other senior officers in the equity of the Company as at June 30, 2019 are as follows

	Direct Interest	Indirect Interest
Directors	Number of Ordinary shares	Number of Ordinary shares
Antoine L. Harel	Nil	14,946
Michel Guy Rivalland	Nil	68,418

None of the other directors or senior officers holds direct or indirect interest in the shares of the Compan .

The Directors confi m that they have followed the principles set in the DEM rules on restrictions on deals by Directors, with regard to their dealings in the shares of LGI.

During the year under review none of the Directors bought or sold any LGI shares.

Interests Register

An Interests Register, which contains all disclosures of interest required by the Companies Act 2001, is maintained by the Company Secretary and is updated as and when required. The Interests Register can be inspected by any shareholder upon written request made to the Company Secretary.

Related Party Transactions

The Directors confi m that related party transactions are made in the normal course of business and in accordance with the code of ethics. The related party transactions are detailed on pages 72 and 73 of the financial statements

Information, Information Technology and Information Security Governance

The Board ensures that an appropriate and efficient framework for information management is in place within the Company. Significant emphasis is laid on the confidentialit , integrity, availability and protection of information. IT policies are in place and reviewed periodically.

Board evaluation

With a view to enhance the Board's effectiveness, the Board's and the committees' performance are evaluated periodically. The evaluation is done in such a way that the Directors can reflect on and evaluate the processes in place for the Board and the Committee meetings, the performance of the Board and its committees and the director's self-performance as a Board member.

Directors' Remuneration

Non-Executive as well as Independent Directors are paid fees in relation to their appointment on the Board and Board Committees. No Directors' fees are paid to the Company's Directors sitting on the Board of the Company's subsidiary.

The Directors' remuneration is given on page 6. 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.

Directors' remuneration is reviewed yearly and is periodically benchmarked against market practices as LGI participates in surveys on Directors' remuneration in Mauritius while taking into consideration the industry, the size and the other specificities of LGI

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 and Senior Management remuneration includes base pay and variable performance-related incentives.

Employee Share Option Plan

No employee share option plan is available at Les Gaz Industriels Limited.

RISK GOVERNANCE AND INTERNAL CONTROL

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.

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 define across LGI.
- The Chief Executive Office and his management team are responsible for embedding the risk management framework as approved by the Board.

The Company's risk management protocol, including Business Continuity Plan and Disaster Recovery Plan, is being assessed and an updated risk register which encompasses all the potential risks faced by the Company is prepared and updated by Management. This register is presented to and approved by the Board on a quarterly basis.

Management of Key Risks

Strategic Risks

Les Gaz Industriels Limited is operating in a highly competitive industry. There is now fierce competition in our traditional medical gas market, resulting in a loss of revenue. The Company is addressing this by diversifying its revenue stream to reduce exposure on the public medical healthcare sector.

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.

Corporate Governance Report

Year Ended June 30, 2019

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

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 and 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 holds employee education programmes on a regular basis. Furthermore, our Employees Handbook, consulted by all the employees, covers the handling of information with a view to 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 fi mness 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 a 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 to further improve debtors' management.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company finances its operations through cash generated by the business and short-term bank credit facilities. Liquidity risk faced by the Company is mitigated by having diverse sources of finance available to it and maintaining substantial unutilized bank facilities.

Currency Risk

The current business environment in which the Company operates is subject to some major foreign currency risks. The Company has remained prudent in its approach with regard to its foreign currency risk and has opened different foreign currency accounts in the main currencies the Company trades namely United States Dollars, Euros, South African Rands and Singapore Dollars. The objective of doing this was to match foreign currency receipts against foreign currency payments so as to minimise the impact of foreign exchange variations. However, the Company shall use forward exchange contracts to hedge large foreign transactions so as to further reduce its foreign currency risks in situations where it does not have sufficient foreign cu rency to match its foreign commitments.

Other information on financial risks management is given on note 3 to the inancial Statements on pages 51 to 53.

Compliance Risk

Compliance risks are those risks arising from potential changes in laws and regulations in all territories where Les Gaz Industriels Limited operate. Management continuously monitors any announced changes that can impact the operations of the Company and make any relevant recommendation to the Board to ensure the Company is law compliant.

Internal Control

Internal control is a process designed to provide reasonable assurance regarding the achievement of the Company's objectives and is performed by the Board of Directors, the management and other personnel. It is applicable to, and is built into, various business processes so as to cover all significant enterprise areas

Systems and processes have been implemented and are regularly reviewed by the internal audit function to ensure that they are effective and are being adhered to. Several reviews were performed by the Internal Audit during the year. Internal audit reports are reviewed by the Audit Committee which makes its recommendations for modifications or upgrading of systems and processes as and when necessary to enhance their effectiveness.

During the year, the Board has not come across any significant deficiencies or risks related to the Company's internal control systems. No fraud was reported by the internal auditors or the Management.

Whistle-blowing

The Company's whistle-blowing policy is reviewed on an annual basis. This service has been outsourced to Transparency Mauritius, a reputable NGO, who handles this function in a professional manner. All employees are encouraged to report anonymously any malpractice or other issues that they might encounter or come across while on duty.

REPORTING WITH INTEGRITY

The Directors are responsible for preparing financial statements that give a true and fair view of the state of affairs of the Company. Those financial statements are in accordance with applicable laws and regulations and comply with International Financial Reporting Standards.

This Annual Report is published on the Company's website.

Safety, Health, Environment and Sustainability Reporting

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 minimizes its 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, fir prevention and emergency procedures;
- Enforce health and safety measures and discipline in the workplace;
- Provide sufficien 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 have responsibility and SHEQ 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 Safety, Health, Environment and Quality (SHEQ) policies 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 behaviou , 100% of the time".

Corporate Governance Report

Year Ended June 30, 2019

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. Critical SHEQ interventions are tracked and measured by means of leading and lagging indicators. Performance targets are agreed with the business and set at the beginning of the financial year and then monitored and reported to the Top Management.

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), which is based on total quality management principles and ensures compliance with the relevant legislative requirements. The system allows for integrated audit risks assessments and management reviews.

Over and above the system, LGI has a series of specific audits namely the Engineering audits done by professional consultants.

Audit findings are then rated based on their potential impact on the business and management has a specific number of days to close these findings, depending on their importance and urgencies

The protection of the environment is also another important aspect of how we conduct our business. The Company is committed to minimise the environmental impact of its 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.

LGI's objective is to be profitable in such a manner that it is accountable to the Company's employees, the broader society, communities in which the Company operates and other stakeholders. Engagement with its stakeholders internally and externally is important for developing constructive relationships. LGI works closely with government bodies, communities and industry associations to meet the challenges of sustainable development.

Corporate Social Responsibility

At LGI, we believe that the Corporate Social Responsibility is a continuous commitment to behave ethically and contribute to economic and social development while improving the quality of life of our workforce and their families.

Blending well in our neighbourhood is also very important to us. We have been part of our current neighbourhood since our beginnings in 1952 and we therefore believe in the need to be inclusive and support the local community as much as possible. Beyond pecuniary support, the commitment of our team to contribute in improving our environment and surroundings is central to our social responsibility.

We also provide, through a dedicated Sales Representative, home delivery of medical oxygen to needy people around the island seven days a week. This subsidised service is also part of LGI's contribution to the wellbeing of the Mauritian society.

Donations

Charitable Donations

Charitable donations made by LGI during the year ended June 30, 2019 to 1 organisation amounted to Rs.50,000 (2018: Rs. 50,000 to 1 organisation).

Corporate Governance Report

Year Ended June 30, 2019

Political Contributions

No political contributions were made by LGI or its subsidiary operating in Madagascar during the year under review (2018: Nil).

AUDIT

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 PricewaterhouseCoopers (PWC), Public Accountants, and is led by an engagement partner. The Internal Auditor has unrestricted access to the records, management and employees of LGI.

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.

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.

During the year under review, the Internal Auditor performed the following audit visits during which the system controls listed below have been audited:

(a) Health and Safety Review
(b) Information Technology General Controls
(c) Follow-up of Open Findings from previous assignments

Proposed recommendations in respect to issues identified were discussed with management and internal audit reports submitted to the Audit Committee.

Different significant areas are covered by internal audit assignments on a rotation basis, based on 2 or 3 audit assignments yearly. Over time, the Directors do not consider that any significant area within Les Gaz Industriels Limited has been left uncovered. Furthermore, the internal auditors perform a regular review to ensure that recommendations of previous assignments have been put in place.

External Audit

The current external auditors of Les Gaz Industriels Limited is BDO & Co. There has been no change in external auditors for more than 15 years. The Finance Act 2016 and regulation Government Notice No 64 of 2017, request listed companies to rotate auditors every seven years at most. In line with this Regulation, BDO & Co will have to be replaced by a new external auditor as from the financial year ending 30 June 2020. The Board will propose the appointment of a new external auditor at the next Annual Meeting of Shareholders.

The external auditors have direct access to the Chairperson and members of the Audit Committee and meetings can be organised between them without the presence of Management. Discussions between the Audit Committee members and external auditors include, but are not limited to, accounting policies and new or amended accounting principles (IFRS and IAS).

The Management Letter issued by the external auditors and their work in general is the subject of discussions within the Audit Committee. The Audit Committee also bases itself on the reports, management letter and feedback given by the external auditors to assess the value added that they bring to the Company.

Non-audit services rendered by external auditor

Services rendered	2019	2018
	Rs.	Rs.
Review of quarterly reporting and corporate governance report	95,000	95,000

The Directors ascertain that the external auditor's objectivity and independence are safeguarded despite these non-audit services provided due to the relative low complexity of the services rendered. In fact, the external auditors are only reviewing reports without having any say in their contents.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

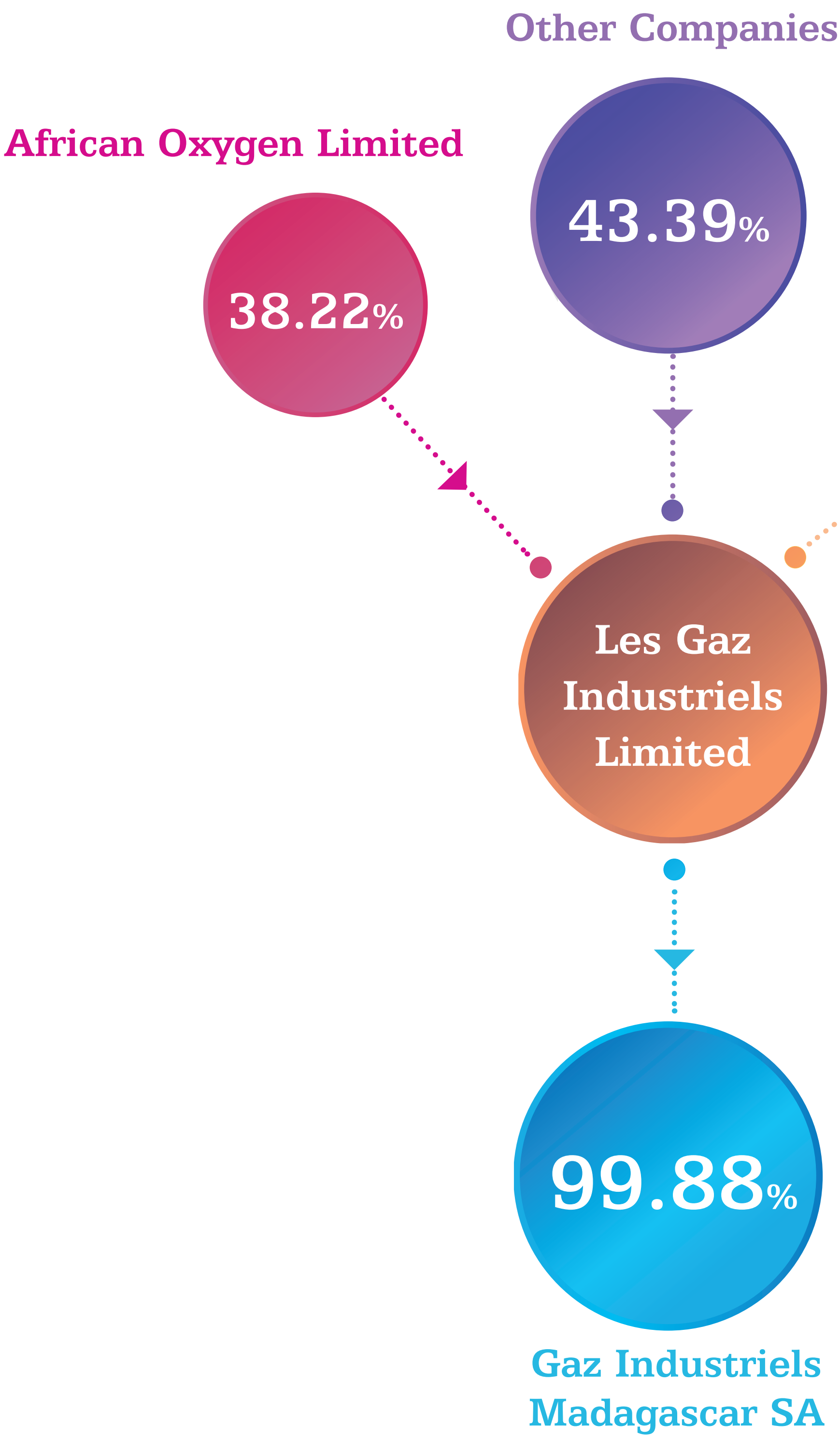
The key stakeholders of Les Gaz Industriels Limited, as identified by the Board, are

- Shareholders
- Employees
- Customers
- Suppliers
- Regulatory authorities
- Providers of financ
- Technical partner

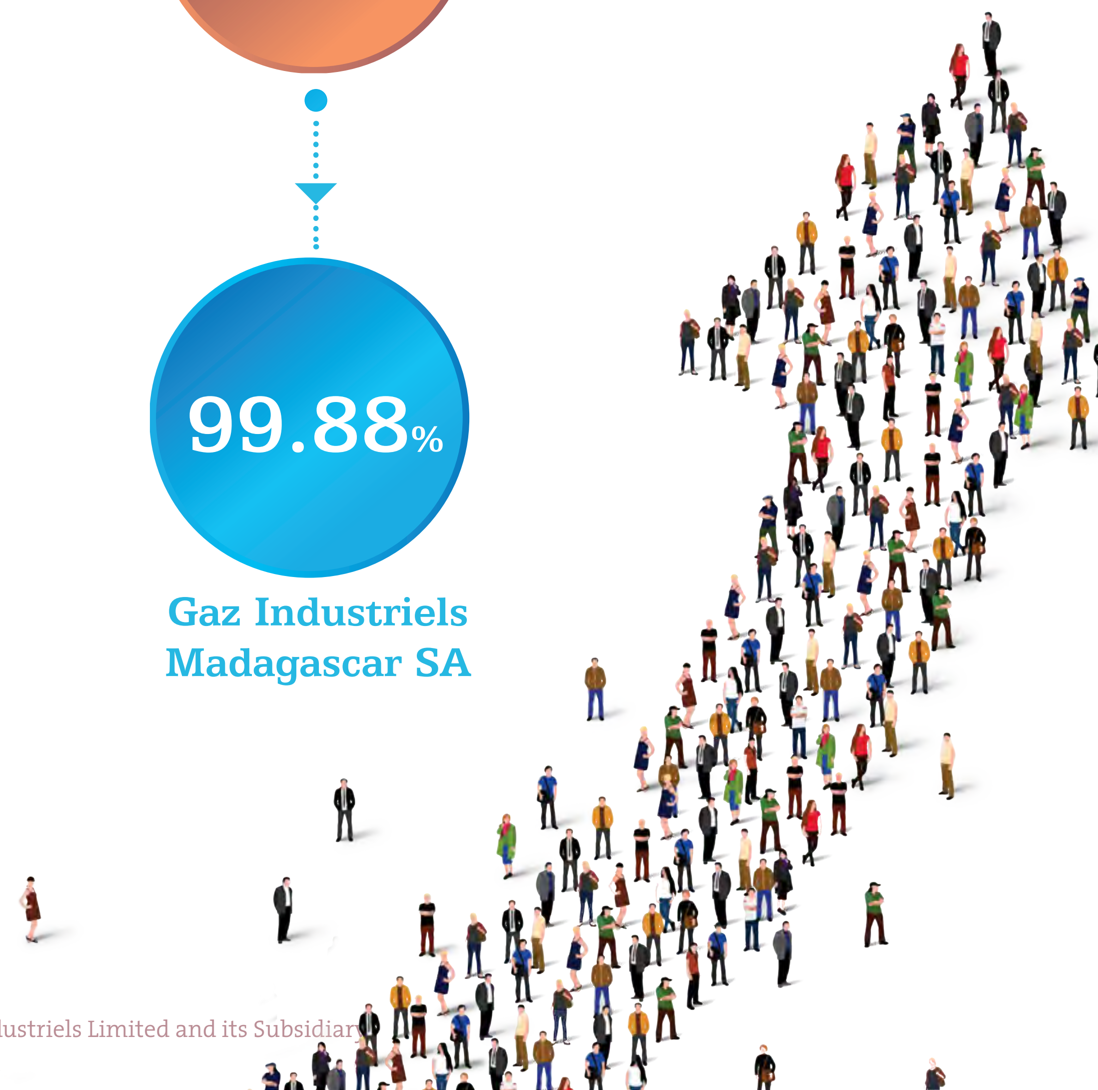
The Board of Directors believes that an efficient flow of information between the Company, its shareholders and other stakeholders is essential in order to achieve an inclusive management approach.

Shareholding Structure

The stated capital of the Company is made up of 2,611,392 shares with a par value of Rs. 10 per share. The breakdown of the shareholding of the Company and its Subsidiary is illustrated as follows.



Other Companies
43.39%
African Oxygen Limited
38.22%
Other Individuals
18.39%
Les Gaz Industriels Limited
99.88%
Gaz Industriels Madagascar SA



Corporate Governance Report

Year Ended June 30, 2019

Shareholding Profi e

Profi e of Company's Shareholders as at June 30, 2019

Ownership of ordinary share capital at June 30, 2019 was as follows:

Size of Shareholding	Number of Shareholders	Number of Shares Owned	% Holding
1-500	158	20,451	0.78
501-1,000	36	28,327	1.09
1,001-5,000	58	142,815	5.47
5,001-10,000	14	95,369	3.65
10,001-50,000	15	320,543	12.27
50,001-100,000	1	50,963	1.95
100,001-250,000	2	285,871	10.95
250,001-500,000	2	669,035	25.62
Over 500,000	1	998,018	38.22
Total	**287**	**2,611,392**	**100.00**

Category of Shareholders	Number of Shareholders	Number of Shares Owned	% Holding
Individual	235	480,355	18.39
Insurance and assurance companies	1	10	0.00
Pension and provident funds	1	3,900	0.15
Investment and Trust Companies	5	503,023	19.26
Other corporate bodies	45	1,624,104	62.20
Total	**287**	**2,611,392**	**100.00**

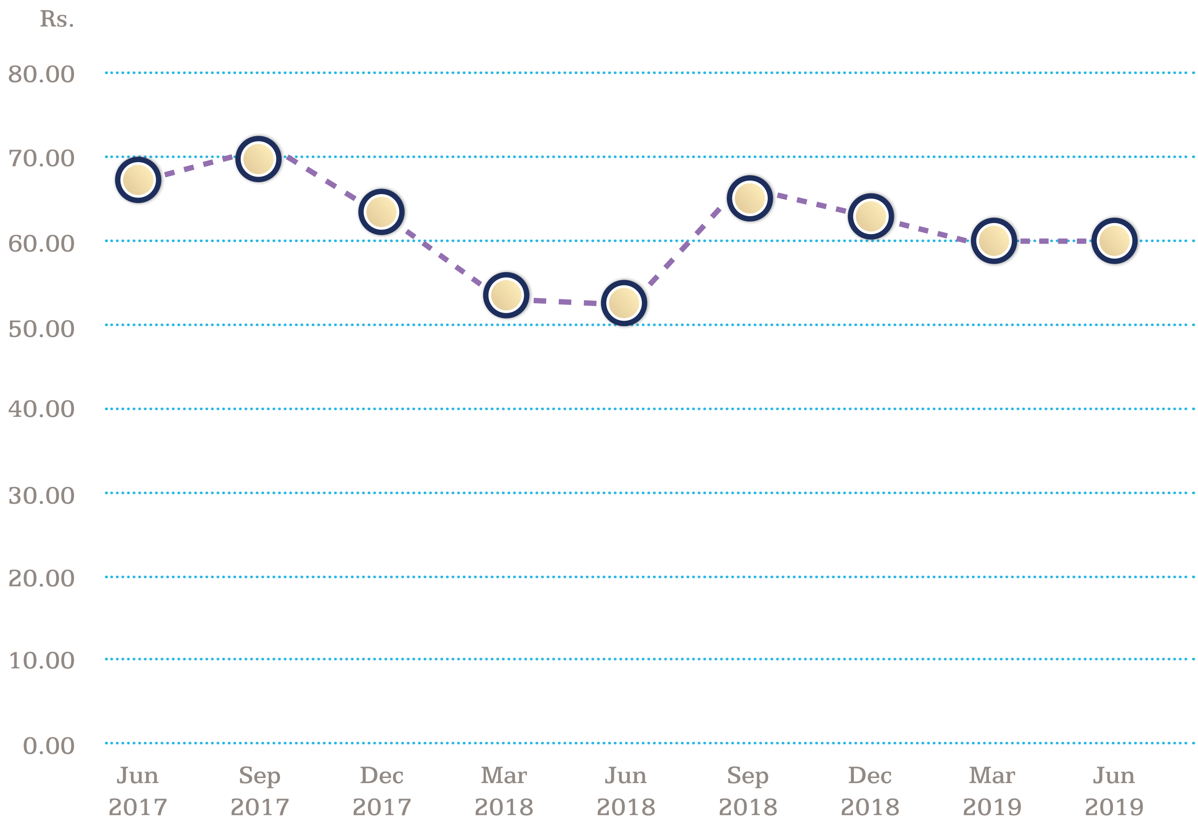
Substantial Shareholders

Substantial shareholders are those who exercise at least 5% of voting rights at shareholders' meetings.

The substantial shareholders of Les Gaz Industriels Limited as at 30 June 2019 are detailed below.

Name of Shareholder	Number of Shares Owned	% Holding
African Oxygen Limited	998,018	38.22
United Investments Ltd	503,015	19.26
Brista & Cie	332,320	12.72

Share Price Information



Dividend Policy

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

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

Financial Year	Interim / Final	Date Declared	Dividend per Share	Dividend Cover	Dividend Yield
			(Rs.)	(times)	(%)
2014	Interim	February 14, 2014	3.00	2.56	2.48
2015	Final	September 11, 2015	1.50	(1.06)	1.43
2016	Interim	June 03, 2016	1.50	3.22	2.14
2016	Final	September 21, 2016	1.20	4.02	1.71
2017	Final	September 01, 2017	2.70	1.42	4.09
2018	-	-	0.00	0.00	0.00
2019*	**Final**	**September 26, 2019**	**1.20**	**(2.46)**	**2.00**

*On September 26, 2019, the Board of Directors declared a final dividend of Rs 1.20 per share for the financial year ended June 30, 2019.

Corporate Governance Report

Year Ended June 30, 2019

Material Clauses of the Company's M&A

The Company's M&A 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 Board, there has been no such agreement with any of its Shareholders for the year under review.

Shareholder Information

Forthcoming annual meeting

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

Calendar of planned events

Planned Events	Month
Publication of condensed results for first quarter to 30 September 201	November 2019
Consider declaration of dividend – Interim	November 2019
Annual Meeting of Shareholders	December 2019
Publication of condensed results for half year to 31 December 2019	February 2020
Publication of condensed results for third quarter to 31 March 2020	May 2020
Consider declaration of dividend – Final	May 2020
Financial year end	June 30
Publication of condensed audited results for year ended 30 June 2020	September 2020

Third Party Management Agreement

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

Website

LGI has a website on which the Annual Report is published, as well as other info relating to our business and corporate governance. We aim to continually improve our website to include corporate governance information not already available.

Adding Value Everyday

Our People, Our Resources

Statement of Directors' Responsibilities

Year Ended June 30, 2019

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.

b) The Code of Corporate Governance has been adhered to. Reasons have been provided where there has not been compliance.

(iii) the annual report is published in full on the Company's website.

Signed on behalf of the Board of Directors:

Antoine L. Harel
Chairman

Christopher Hart de Keating
Chief Executive Office

Statement Of Compliance

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

Name of PIE:

Les Gaz Industriels Limited

Reporting Period:

Year end June 30, 2019

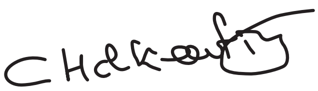
We, the Directors of Les Gaz Industriels Limited, confi m that to the best of our knowledge, the Company has complied with all of its obligations and requirements under the Code of Corporate Governance.

The area of non-compliance, whose reason has been explained in the Report, is:

Principle 4:
Details of the remuneration paid to each individual director

Besides, in order to comply with the provisions of the Code, LGI will revamp its website to communicate with its shareholders and stakeholders.

Antoine L. Harel
Chairman



Christopher Hart de Keating
Chief Executive Office

September 26, 2019

Secretary's Certificat

Year Ended June 30, 2019

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 26, 2019

Competence Driven

Our People, Our Resources

Value Added Statement

Year Ended June 30, 2019

	2019	2018	2017	2016	2015
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	108,221,580	90,282,290	102,447,835	119,443,880	113,708,908
Paid to suppliers for materials and services	(74,346,835)	(61,158,050)	(47,421,954)	(60,760,448)	(74,588,063)
Value added	33,874,745	29,124,240	55,025,881	58,683,432	39,120,845
Distributed as follows:					
Salaries, wages and other benefit to employees	29,998,306	30,559,430	32,105,002	30,076,740	27,034,541
Government taxes on earnings					
Taxation	805,954	(1,715,038)	1,453,957	3,434,350	3,209,457
Providers of capital					
Dividend to shareholders	-	7,050,757	3,133,670	7,834,176	-
Retained to ensure future growth					
Depreciation	10,773,008	11,232,227	11,451,595	12,572,139	13,049,899
Profit retained for the yea	(7,702,523)	(18,003,136)	6,881,657	4,766,027	(4,173,052)
	3,070,485	(6,770,909)	18,333,252	17,338,166	8,876,847
Total wealth distributed and retained	33,874,745	29,124,240	55,025,881	58,683,432	39,120,845

Distributed as follows:	2019	2018	2017	2016	2015
	Rs.	Rs.	Rs.	Rs.	Rs.
Salaries, wages, and other benefit to employees	29,998,306	30,559,430	32,105,002	30,076,740	27,034,541
Government taxes on earnings	805,954	(1,715,038)	1,453,957	3,434,350	3,209,457
Providers of capital	-	7,050,757	3,133,670	7,834,176	-
Retained to ensure future growth	3,070,485	(6,770,909)	18,333,252	17,338,166	8,876,847
	33,874,745	29,124,240	55,025,881	58,683,432	39,120,845
Paid to suppliers for materials and services					
Cost of sales	58,212,630	55,409,372	47,796,303	46,488,833	50,880,518
Sellling and distribution expenses	21,003,867	19,973,159	19,410,895	17,611,800	17,640,376
Administrative expenses	25,804,977	27,064,671	25,556,277	38,014,816	35,730,268
Less staff cost	(29,998,306)	(30,559,430)	(32,105,002)	(30,076,740)	(27,034,541)
Less depreciation	(10,773,008)	(11,232,227)	(11,451,595)	(12,572,139)	(13,049,899)
Other operating income	(1,163,465)	(1,068,881)	(47,750)	(1,723,050)	(2,642,073)
Share of (profit)/loss from Joint Ventur	21,484	9,341	43,773	2,534	38,900
Finance costs	(872,438)	(858,463)	(1,780,947)	3,014,394	1,512,386
Exceptional item	12,111,094	2,420,508	-	-	11,512,128
	74,346,835	61,158,050	47,421,954	60,760,448	74,588,063

Independent Auditor's Report

To the Shareholders of Les Gaz Industriels Limited

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Les Gaz Industriels Limited and its subsidiary (the Group), and the Company's separate financial statements on pages 38 to 74 which comprise the statements of financial position as at June 30, 2019, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies

In our opinion, the financial statements on pages 38 to 74 give a t ue and fair view of the financial position of the Group and of the Company as at June 30, 2019, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

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

Key Audit Matters

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

KEY AUDIT MATTER	AUDIT RESPONSE
1. Recoverability of amount receivables from subsidiary company	
At June 30, 2019, Investment in subsidiary company amounted to Rs. 8,415,082 and amount receivables from the subsidiary Company amounted to Rs.11,815,021. Despite the difficult economic situation prevailing in Madagascar, the activity of the subsidiary company has started to pick up slowly and profitability is yet to be achieved. Recoverability of the receivable of Rs. 11,815,021 is doubtful.	A 4-year business plan has been provided to us to show the sustainability of the operation in Madagascar. We have discussed with management, reviewed and challenged the strategies in respect of assumptions used in the preparation of the business plan. It may be difficult for a turnaround of the subsidiary company during that 4-year period and thus, the investment has been impaired by Rs. 3,998,975 to a fair estimate of Rs. 4,416,107 and receivables have been impaired by Rs. 8,112,119 to its estimated recoverable amount of Rs. 3,702,902.

Independent Auditor's Report

To the Shareholders of Les Gaz Industriels Limited

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

KEY AUDIT MATTER

2. Contracts

A significant proportion of the Company's turnover relies on medical contract to supply medical gases.

The contract to supply such gases expired in December 2016 and the new contract was awarded to one of the Company's competitors with effect from January 2017, with the exception of liquid oxygen, medical air and nitrous oxide which are still being supplied by the Company and that up to March 2020.

During the financial year ended June 30, 2019, 21% of the total revenue was in respect of that medical contract. The Company's strategy is to reduce its reliance on such medical contract by diversifying its revenue stream.

Failure to achieve this diversification strategy, may result in turnover falling in future years.

AUDIT RESPONSE

Management's forecasts include a number of assumptions on future cash flows and associated risks. Our audit work was focused on evaluating and assessing the reasonableness of these assumptions and their impact on the forecast period. Specificall , we obtained, reviewed and assessed management's forecasts and performed procedures, including:

- assessment that the medical contract will be renewed on expiry in March 2020;
- challenging management as to the reasonableness of obtaining new clients and new contracts;
- verifying the consistency of key inputs relating to future costs and production to other financial and operational information obtained during our audit;
- performing sensitivity analysis on management's ''base case'', including applying potential downside scenarios.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon

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

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

Corporate Governance Report

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

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

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

In preparing the financial statements, the Directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

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

Independent Auditor's Report

To the Shareholders of Les Gaz Industriels Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financia statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financia statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficien appropriate audit evidence regarding the financia information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

To the Shareholders of Les Gaz Industriels Limited

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

Other Matter

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & Co
Chartered Accountants

Per Georges Chung Ming Kan F.C.C.A.
Licensed by FRC

Port Louis,
Mauritius

September 26, 2019

Statements of Financial Position

As at June 30, 2019

	Notes	The Group		The Company	
		2019	2018	2019	2018
ASSETS		Rs.	Rs.	Rs.	Rs.
Non-current assets					
Property, plant and equipment	5	249,558,568	257,095,885	244,867,116	257,095,885
Intangible assets	6	301,829	827,741	301,829	827,741
Investment in subsidiary company	7	-	-	4,416,107	787,244
		249,860,397	257,923,626	249,585,052	258,710,870
Current assets					
Inventories	8	15,429,304	13,269,016	14,454,649	13,150,071
Trade and other receivables	9	19,324,942	27,420,737	18,453,596	31,888,155
Financial assets at amortised cost	9A	4,307,048	-	7,424,831	-
Prepayments		9,978,777	-	9,949,103	-
Cash and cash equivalents	26(b)	16,959,241	3,326,057	14,105,313	2,099,354
		65,999,312	44,015,810	64,387,492	47,137,580
Total assets	Rs.	315,859,709	301,939,436	313,972,544	305,848,450
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	10	26,114,079	26,114,079	26,114,079	26,114,079
Revaluation and other reserves	11	48,053,011	50,347,999	46,398,204	48,172,542
Retained earnings		146,195,261	147,674,807	147,390,481	155,093,004
Owners' interest		220,362,351	224,136,885	219,902,764	229,379,625
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	12	24,915,311	24,998,158	24,915,311	24,998,158
Retirement benefit obligation	13	9,723,928	7,101,324	9,723,928	7,101,324
		34,639,239	32,099,482	34,639,239	32,099,482
Current liabilities					
Trade and other payables	14	52,196,250	45,206,415	50,768,672	43,872,689
Current tax liabilities	15(a)	575,683	-	575,683	-
Borrowings	16	8,086,186	496,654	8,086,186	496,654
		60,858,119	45,703,069	59,430,541	44,369,343
Total liabilities		95,497,358	77,802,551	94,069,780	76,468,825
Total equity and liabilities	Rs.	315,859,709	301,939,436	313,972,544	305,848,450

These financial statements have been approved for issue by the Board of Directors on September 26, 2019

Antoine L. Harel
Chairman

Christopher Hart de Keating
Chief Executive Office

The notes on pages 43 to 74 form an integral part of these financial statements
Auditor’s report on pages 34 to 37.

Statements of Profit or Los

Year Ended June 30, 2019

	Notes		The Group		The Company	
			2019	2018	2019	2018
			Rs.	Rs.	Rs.	Rs.
Revenue	17		109,655,541	94,656,011	108,221,580	90,282,290
Cost of sales	18		(58,706,382)	(57,752,810)	(58,212,630)	(55,409,372)
Gross profit			50,949,159	36,903,201	50,008,950	34,872,918
Other income	19		1,163,465	1,152,171	1,163,465	1,068,881
Selling and distribution expenses	18		(22,543,722)	(21,131,013)	(21,003,867)	(19,973,159)
Administrative expenses	18		(31,093,448)	(29,197,167)	(25,804,977)	(27,064,671)
			(1,524,546)	(12,272,808)	4,363,571	(11,096,031)
Finance income	20		872,438	858,463	872,438	858,463
(Loss)/profit from ordinary activitie			(652,108)	(11,414,345)	5,236,009	(10,237,568)
Share of loss from joint venture	21		(21,484)	(9,341)	(21,484)	(9,341)
(Loss)/profit before exceptional item			(673,592)	(11,423,686)	5,214,525	(10,246,909)
Exceptional items	22		-	-	(12,111,094)	(2,420,508)
Loss before taxation	23		(673,592)	(11,423,686)	(6,896,569)	(12,667,417)
Taxation	15(b)		(805,954)	1,715,038	(805,954)	1,715,038
Loss for the year		Rs.	(1,479,546)	(9,708,648)	(7,702,523)	(10,952,379)
Loss per share	24	Rs.	(0.57)	(3.72)		

The notes on pages 43 to 74 form an integral part of these financial statements
Auditor's report on pages 34 to 37.

Statements of Profit or Loss and Other Comprehensive Income

Year Ended June 30, 2019

	Notes	The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Loss for the year		(1,479,546)	(9,708,648)	(7,702,523)	(10,952,379)
Other comprehensive income:					
Items that will not be reclassified to profi or loss:					
Remeasurement of post employment benefit obligations	11	(2,087,456)	2,257,997	(2,087,456)	2,257,997
Deferred tax relating to components of other comprehensive income	11	313,118	(338,699)	313,118	(338,699)
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations	11	(520,650)	(2,971,031)	-	-
Other comprehensive income for the year		(2,294,988)	(1,051,733)	(1,774,338)	1,919,298
Total comprehensive income for the year	Rs.	(3,774,534)	(10,760,381)	(9,476,861)	(9,033,081)

The notes on pages 43 to 74 form an integral part of these financial statements
Auditor's report on pages 34 to 37.

Statements of Changes in Equity

Year Ended June 30, 2019

	Note	Share Capital	Share Premium	Translation Reserve	Revaluation Surplus	Actuarial gains/ (losses) reserve	Retained Earnings	Total
THE GROUP		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2018		26,113,920	159	2,175,457	55,813,691	(7,641,149)	147,674,807	224,136,885
Loss for the year		-	-	-	-	-	(1,479,546)	(1,479,546)
Other comprehensive income for the year		-	-	(520,650)	-	(1,774,338)	-	(2,294,988)
Total comprehensive income for the year		-	-	(520,650)	-	(1,774,338)	(1,479,546)	(3,774,534)
Balance at June 30, 2019	Rs.	26,113,920	159	1,654,807	55,813,691	(9,415,487)	146,195,261	220,362,351
Balance at July 1, 2017		26,113,920	159	5,146,488	55,813,691	(9,560,447)	164,434,212	241,948,023
Loss for the year		-	-	-	-	-	(9,708,648)	(9,708,648)
Other comprehensive income for the year		-	-	(2,971,031)	-	1,919,298	-	(1,051,733)
Total comprehensive income for the year		-	-	(2,971,031)	-	1,919,298	(9,708,648)	(10,760,381)
Dividends - 2018	25	-	-	-	-	-	(7,050,757)	(7,050,757)
Balance at June 30, 2018	Rs.	26,113,920	159	2,175,457	55,813,691	(7,641,149)	147,674,807	224,136,885

	Note	Share Capital	Share Premium	Revaluation Surplus	Actuarial gains/ (losses) reserve	Retained Earnings	Total
THE COMPANY		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2018		26,113,920	159	55,813,691	(7,641,149)	155,093,004	229,379,625
Loss for the year		-	-	-	-	(7,702,523)	(7,702,523)
Other comprehensive income for the year		-	-	-	(1,774,338)	-	(1,774,338)
Total comprehensive income for the year		-	-	-	(1,774,338)	(7,702,523)	(9,476,861)
Balance at June 30, 2019	Rs.	26,113,920	159	55,813,691	(9,415,487)	147,390,481	219,902,764
Balance at July 1, 2017		26,113,920	159	55,813,691	(9,560,447)	173,096,140	245,463,463
Loss for the year		-	-	-	-	(10,952,379)	(10,952,379)
Other comprehensive income for the year		-	-	-	1,919,298	-	1,919,298
Total comprehensive income for the year		-	-	-	1,919,298	(10,952,379)	(9,033,081)
Dividends - 2018	25	-	-	-	-	(7,050,757)	(7,050,757)
Balance at June 30, 2018	Rs.	26,113,920	159	55,813,691	(7,641,149)	155,093,004	229,379,625

The notes on pages 43 to 74 form an integral part of these financial statements
Auditor's report on pages 34 to 37.

Statements of Cash Flows

Year Ended June 30, 2019

	Notes		The Group		The Company	
			2019	2018	2019	2018
			Rs.	Rs.	Rs.	Rs.
Cash flows from operating activitie						
Cash generated from operations	26(a)		8,916,309	13,510,620	1,946,646	10,834,939
Interest received			340	27,586	340	27,586
Interest paid			(77,091)	(116,431)	(77,091)	(116,431)
Net cash generated from operating activities			8,839,558	13,421,775	1,869,895	10,746,094
Cash flows used in investing activitie						
Purchase of property, plant and equipment			(3,142,141)	(14,462,010)	(3,142,141)	(14,462,010)
Purchase of intangible assets			-	(182,400)	-	(182,400)
Proceeds from sale of property, plant and equipment			866,885	1,162,738	5,688,673	1,162,738
Net cash (used in)/from investing activities		Rs.	(2,275,256)	(13,481,672)	2,546,532	(13,481,672)
Cash flows used in financing activiti						
Dividends paid			-	(7,050,757)	-	(7,050,757)
Proceeds from short-term borrowings			11,228,290	-	11,228,290	-
Payment on borrowings			(3,690,241)	(3,792,340)	(3,690,241)	(3,792,340)
Net cash from/(used in) financing activitie			7,538,049	(10,843,097)	7,538,049	(10,843,097)
Net increase/(decrease) in cash and cash equivalents			14,102,351	(10,902,994)	11,954,476	(13,578,675)
Movement in cash and cash equivalents						
At July 1,			2,829,403	16,703,428	1,602,700	15,181,375
Increase/(decrease)			14,102,351	(10,902,994)	11,954,476	(13,578,675)
Effect of foreign exchange rate changes			(520,650)	(2,971,031)	-	-
At June 30,	26(b)	Rs.	16,411,104	2,829,403	13,557,176	1,602,700

The notes on pages 43 to 74 form an integral part of these financial statements
Auditor's report on pages 34 to 37.

Notes to the Financial Statements

Year Ended June 30, 2019

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.

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.

2.1 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). The financial statements include the consolidated financial statements of the parent company and its subsidiary company (The Group) and the separate financial statements of the parent company (The Company). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest unit, except when otherwise indicated.

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 freehold land and buildings are carried at revalued amounts and plant and machinery are stated at deemed cost.

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

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financia assets and hedge accounting. The adoption of IFRS 9 Financial Instruments from January 1, 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 2.5. The Group has elected to apply the exemption in IFRS 9 paragraph 7.2.15 not to restate prior periods in the year of initial application of the standard. The Group has chosen to adopt the simplified expected credit loss model for trade receivables in accordance with IFRS 9 paragraph 5.5.15.

IFRS 15 Revenue from Contracts with Customers is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The group has adopted IFRS 15 Revenue from Contracts with Customers from January 1, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 2.15. In accordance with the transition provisions in IFRS 15, the group has not restated comparatives for the 2018 financial yea .

Classification and Measurement of Share-based ayment Transactions (Amendments to IFRS 2)
The amendments clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. The amendment has no impact on the Group's financial statements

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 for entities that meet specifi requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. The amendment has no impact on the Group's financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Annual Improvements to IFRSs 2014-2016 Cycle

- IFRS 1 - deleted short-term exemptions covering transition provisions of IFRS 7, IAS 19 and IFRS 10 which are no longer relevant.
- IAS 28 - clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profi or loss should be made separately for each associate or joint venture at initial recognition. The amendment has no impact on the Group's financial statements

IFRIC 22 Foreign Currency Transactions and Advance Consideration.The interpretation clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. The amendment has no impact on the Group's financial statements

Transfers of Investment Property (Amendments to IAS 40). The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The amendment has no 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 January 1, 2019 or later periods, but which the Group has not early adopted.

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

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
IFRS 16 Leases
IFRS 17 Insurance Contracts
IFRIC 23 Uncertainty over Income Tax Treatments
Prepayment Features with negative compensation (Amendments to IFRS 9)
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)
Annual Improvements to IFRSs 2015-2017 Cycle
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)
Definition of a Business (Amendments to IFRS 3
Definition of Materia (Amendments to IAS 1 and IAS 8)

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

Notes to the Financial Statements
Year Ended June 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 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, but at least trennial valuations by external independent valuers, less subsequent depreciation for buildings. Plant and machinery is stated at deemed cost less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

All other 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 profit and loss

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

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% - 25%
Plant and machinery	2% - 7.5%
Motor vehicles	20%
Furniture and fitting	10%
Office equipmen	25%

Land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively, 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 disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

2.3 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 using the straight line method 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 asset is reviewed annually and adjusted for permanent impairment where it is considered necessary.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Investment in subsidiary company

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

Consolidated financial statement
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the 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 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 profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

Unrealised losses are also eliminated. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purp e for which the asset was acquired. The Group's accounting policy for each category is as follows:

(i) Amortised cost
These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confi mation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Financial assets (cont'd)

(i) Amortised cost (cont'd)

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantl , lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position

2.6 Financial liabilities

The Group accounting policy in respect of financial liabilities is as follows

- Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

2.7 Current and deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax
The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred 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 at or substantively enacted at the reporting date 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 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.

2.9 Retirement benefit obli ations

(i) **Defined co tribution plans**

A defined contribution plan is a pension plan under which the Group pays fi ed 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 employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

(ii) **Defined benefit pla**

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define 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.

The liability recognised in the statements of financial position in respect of defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent perio

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined liability/(asset), taking into account any changes in the net define liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss

(iii) **Gratuity on retirement**

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Employment Rights Act 2008 is calculated by a qualified actua y and provided for. The obligations arising under this item are not funded.

2.10 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Foreign currencies (cont'd)

(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 profit or loss

Foreign exchange gains and losses that relate to cash and cash equivalents are recognised in profit or loss within finance income or cost

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 rate at the date the fair value was determined.

(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 representing profit or loss and other 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 the disposal of a foreign operation, the cumulative amount of the exchange differences deferred in the separate components of equity relating to that foreign operation is recognised in profit or loss as part of the gain or loss on disposal.

2.11 Share capital

Ordinary shares are classified as equit .

2.12 Trade and other payables

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

2.13 Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

2.14 Impairment of non-fi ancial 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. Any 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 levels for which there are separately identifiable cash flow (cash-generating units).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Revenue recognition

(a) Revenue from contracts with customers

Performance obligations and timing of revenue recognition
Revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer.

Determining the transaction price
Revenue is derived from fi ed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fi ed prices.

Allocating amounts to performance obligations
For most contracts, there is a fi ed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Company is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Practical Exemptions
The Company has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods or services to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

(b) Other revenues earned by the Group are recognised on the following bases:

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

2.16 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.

2.17 Joint venture

The interest in the jointly controlled entity is accounted for by the equity method. The investment is initially recognised at cost and adjusted by post-acquisition changes in the Group's share of the net assets of the joint venture less any impairment in the value of individual investments.

When the Group's share of losses exceeds its interest in a joint venture, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the joint venture.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.18 Segment reporting

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

2.19 Exceptional item

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of expense that have been shown separately due to the significance of their nature or amount

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to the following financial risks

- Currency 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

(a) 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, Singaporean dollar 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, 2019, if the rupee had weakened/strengthened by 5% against US dollar, ZAR, Singaporean dollar and Euro with all other variables held constant, post-tax profit for the year would have been Rs.1,056,194 (2018: Rs.656,074) higher/lower, mainly as a result of foreign exchange gains/losses on transaction of US dollar, ZAR, Singaporean dollar and Euro denominated cash and cash equivalents, trade receivables and trade payables.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties are accepted

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

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

	The Group		The Company	
	2019	2018	2019	2018
6 major counterparties	63%	64%	65%	69%
Others	37%	36%	35%	31%
	100%	100%	100%	100%

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

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by the delive y of cash or another financial asset

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 Group aims at maintaining fl xibility in funding by keeping committed credit lines available.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

THE GROUP	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At June 30, 2019				
Bank overdraft	548,137	-	-	-
Trade and other payables	52,196,250	-	-	-
At June 30, 2018				
Bank overdraft	496,654	-	-	-
Trade and other payables	45,206,415	-	-	-

THE COMPANY	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At June 30, 2019				
Bank overdraft	548,137	-	-	-
Trade and other payables	50,768,672	-	-	-
At June 30, 2018				
Bank overdraft	496,654	-	-	-
Trade and other payables	43,872,689	-	-	-

(d) Cash flow and fair value interest rate ris

At June 30, 2019, if interest rates on rupee-denominated borrowings had been 10 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been Rs.1,233 (2018: Rs.1,767) lower/higher, mainly as a result of higher/lower interest expense on floating rate bo rowings.

3.2 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

The fair value of instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required for fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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 cash flows at the current market interest rate that is available to the Group for similar financial inst uments.

Notes to the Financial Statements

Year Ended June 30, 2019

3. FINANCIAL RISK MANAGEMENT (CONT'D)

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, an
- 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 Group 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		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Total debt		8,086,186	496,654	8,086,186	496,654
Less: Cash and cash equivalents		(16,959,241)	(3,326,057)	(14,105,313)	(2,099,354)
Net debt	Rs.	(8,873,055)	(2,829,403)	(6,019,127)	(1,602,700)
Total equity	Rs.	220,362,351	224,136,885	219,902,764	229,379,625
Debt-to-capital ratio		N/A	N/A	N/A	N/A

There were no changes in the Group's approach to capital risk management during the year.

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 significa risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financia year are discussed below.

(a) Pension benefit

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. 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 Group 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 13.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Critical accounting estimates and assumptions (cont'd)

(b) Revaluation of property, plant and equipment

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in profit or loss. The Group engaged valuation specialists to determine fair value as at April 30, 2013

(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, 2019

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

	Freehold land & buildings	Plant and machinery	Motor vehicles	Furniture, fittings and offic equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
(i) COST/VALUATION					
At July 1, 2018	79,687,865	217,618,649	9,376,863	44,615,841	351,299,218
Additions	-	252,031	2,299,210	590,900	3,142,141
Disposals	-	(351,618)	-	(340,665)	(692,283)
At June 30, 2019					
Cost	25,137,865	217,519,062	11,676,073	44,866,076	299,199,076
Valuation	54,550,000	-	-	-	54,550,000
	79,687,865	217,519,062	11,676,073	44,866,076	353,749,076
DEPRECIATION					
At July 1, 2018	10,671,518	47,082,422	7,315,458	29,133,935	94,203,333
Charge for the year	1,505,994	5,297,389	630,428	2,943,621	10,377,432
Disposal adjustments	-	(49,837)	-	(340,420)	(390,257)
At June 30, 2019	12,177,512	52,329,974	7,945,886	31,737,136	104,190,508
NET BOOK VALUES					
At June 30, 2019	67,510,353	165,189,088	3,730,187	13,128,940	249,558,568

	Freehold land & buildings	Plant and machinery	Motor vehicles	Furniture, fittings and offic equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
(ii) COST/VALUATION					
At July 1, 2017	75,688,440	211,685,241	8,347,398	43,511,809	339,232,888
Additions	3,999,425	6,105,928	2,335,708	2,020,949	14,462,010
Disposals	-	(172,520)	(1,306,243)	(916,917)	(2,395,680)
At June 30, 2017					
Cost	25,137,865	217,618,649	9,376,863	44,615,841	296,749,218
Valuation	54,550,000	-	-	-	54,550,000
	79,687,865	217,618,649	9,376,863	44,615,841	351,299,218
DEPRECIATION					
At July 1, 2017	9,134,351	42,202,502	8,228,425	26,501,452	86,066,730
Charge for the year	1,537,167	4,951,637	393,276	3,528,760	10,410,840
Disposal adjustments	-	(71,717)	(1,306,243)	(896,277)	(2,274,237)
At June 30, 2018	10,671,518	47,082,422	7,315,458	29,133,935	94,203,333
NET BOOK VALUES					
At June 30, 2018 Rs.	69,016,347	170,536,227	2,061,405	15,481,906	257,095,885

Notes to the Financial Statements
Year Ended June 30, 2019

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

(b) THE COMPANY

	Freehold land & buildings	Plant and machinery	Motor vehicles	Furniture, fittings and offic equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
(i) COST/VALUATION					
At July 1, 2018	79,687,865	217,618,649	9,376,863	44,615,841	351,299,218
Additions	-	252,031	2,299,210	590,900	3,142,141
Disposals	-	(5,427,147)	-	(340,665)	(5,767,812)
At June 30, 2019					
Cost	25,137,865	212,443,533	11,676,073	44,866,076	294,123,547
Valuation	54,550,000	-	-	-	54,550,000
	79,687,865	212,443,533	11,676,073	44,866,076	348,673,547
DEPRECIATION					
At July 1, 2018	10,671,518	47,082,422	7,315,458	29,133,935	94,203,333
Charge for the year	1,505,994	5,167,053	630,428	2,943,621	10,247,096
Disposal adjustments	-	(303,578)	-	(340,420)	(643,998)
At June 30, 2019	12,177,512	51,945,897	7,945,886	31,737,136	103,806,431
NET BOOK VALUES					
At June 30, 2019	67,510,353	160,497,636	3,730,187	13,128,940	244,867,116

	Freehold land & buildings	Plant and machinery	Motor vehicles	Furniture, fittings and offic equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
(ii) COST/VALUATION					
At July 1, 2017	75,688,440	211,685,241	8,347,398	43,511,809	339,232,888
Additions	3,999,425	6,105,928	2,335,708	2,020,949	14,462,010
Disposals	-	(172,520)	(1,306,243)	(916,917)	(2,395,680)
At June 30, 2018					
Cost	25,137,865	217,618,649	9,376,863	44,615,841	296,749,218
Valuation	54,550,000	-	-	-	54,550,000
	79,687,865	217,618,649	9,376,863	44,615,841	351,299,218
DEPRECIATION					
At July 1, 2017	9,134,351	42,202,502	8,228,425	26,501,452	86,066,730
Charge for the year	1,537,167	4,951,637	393,276	3,528,760	10,410,840
Disposal adjustments	-	(71,717)	(1,306,243)	(896,277)	(2,274,237)
At June 30, 2018	10,671,518	47,082,422	7,315,458	29,133,935	94,203,333
NET BOOK VALUES					
At June 30, 2018 Rs.	69,016,347	170,536,227	2,061,405	15,481,906	257,095,885

(c) 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 11). It is no longer the Company's policy to revalue plant and machinery. The revalued amount at June 30, 2005 is considered to be the 'Deemed Cost'.

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

(d) The Company's freehold land and buildings were revalued on April 30, 2013 by Gexim Real Estate Ltd, an independent valuer. Valuations were made on the basis of open market value. The revaluation surplus net of deferred income taxes was credited to revaluation surplus in shareholders' equity (note 11).

(e) Details of the Group's and the Company's land and buildings and plant and machinery measured at fair value and information about the fair value hierarchy as at June 30, 2019 are as follows:

	The Group	The Company
	Level 2	Level 2
	Rs.	Rs.
Freehold land and buildings	67,510,353	67,510,353
Plant and machinery	165,189,088	160,497,636

(f) If freehold land and buildings were stated on the historical cost basis, the amounts would be as follows:

		The Group		The Company	
		2019	2018	2019	2018
Freehold land and buildings		Rs.	Rs.	Rs.	Rs.
Cost		53,674,997	53,674,997	53,674,997	53,674,997
Accumulated depreciation		(12,337,479)	(11,263,979)	(12,337,479)	(11,263,979)
Net book value	Rs.	41,337,518	42,411,018	41,337,518	42,411,018

(g) If plant and machinery were stated on the historical cost basis, the amounts would be as follows:

		The Group		The Company	
		2019	2018	2019	2018
Plant and machinery		Rs.	Rs.	Rs.	Rs.
Cost		223,170,203	223,269,790	218,094,674	223,269,790
Accumulated depreciation		(94,120,061)	(85,207,618)	(93,866,320)	(85,207,618)
Net book value	Rs.	129,050,142	138,062,172	124,228,354	138,062,172

(h) Depreciation charge for the year has been included in:

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Cost of sales		7,794,548	7,987,924	7,794,548	7,987,924
Selling and distribution expenses		1,029,097	1,051,125	1,029,097	1,051,125
Administrative expenses		1,553,787	1,371,791	1,423,451	1,371,791
	Rs.	10,377,432	10,410,840	10,247,096	10,410,840

(i) Bank borrowings were secured by fi ed charge on the assets of the Group including property, plant and equipment.

6. INTANGIBLE ASSETS

	The Group		The Company	
	2019	2018	2019	2018
Computer software	Rs.	Rs.	Rs.	Rs.
(a) COST				
At July 1,	11,472,919	11,290,519	11,472,919	11,290,519
Additions	-	182,400	-	182,400
At June 30,	11,472,919	11,472,919	11,472,919	11,472,919
AMORTISATION				
At July 1,	10,645,178	9,823,791	10,645,178	9,823,791
Charge for the year	525,912	821,387	525,912	821,387
At June 30,	11,171,090	10,645,178	11,171,090	10,645,178
NET BOOK VALUES Rs.	301,829	827,741	301,829	827,741

(b) Amortisation charge of Rs.4,594 (2018: Rs.4,594) has been included in cost of sales, Rs.519,068 (2018: Rs.807,793) in administrative expenses and Rs.2,250 (2018: Rs.9,000) in selling and distribution expenses.

7. INVESTMENT IN SUBSIDIARY COMPANY - COST

	2019	2018
	Rs.	Rs.
THE COMPANY		
At July 1,	787,244	1,513,931
Amount receivables from subsidiary converted into investment	7,627,838	-
Impairment losses	(3,998,975)	(726,687)
At June 30, Rs.	4,416,107	787,244

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

Name of Company	Class of shares held	Year end	Stated Capital	Proportion of direct ownership interest		Country of incorporation and operation	Main business
				2019	2018		
			Rs.				
Gaz Industriels Madagascar SA	Ordinary	June 30,	1,823,044	99.9%	99.9%	Madagascar	Production and sale of gases

8. INVENTORIES

	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Finished goods	10,922,116	7,667,588	6,943,256	7,548,643
Raw materials	265,269	620,408	265,269	620,408
Spare parts	4,241,919	4,981,020	7,246,124	4,981,020
Rs.	15,429,304	13,269,016	14,454,649	13,150,071

(a) The cost of inventories recognised as expense and included in cost of sales amounted to Rs.35,696,054 (2018: Rs.36,461,170) and Rs.34,563,845 (2018: Rs.33,328,719) for the Group and for the Company respectively.

9. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Trade receivables	29,726,493	34,705,440	27,379,290	31,606,815
Provision for bad debts	(10,401,551)	(13,119,687)	(8,925,694)	(13,119,687)
Trade receivables net of provision	19,324,942	21,585,753	18,453,596	18,487,128
Receivable from subsidiary (note 28)	-	-	-	8,693,760
Prepayments	-	1,885,272	-	1,853,991
Other receivables	-	3,949,712	-	2,853,276
Rs.	19,324,942	27,420,737	18,453,596	31,888,155

Trade receivables may be analysed as follows:

	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
- To third parties	25,242,861	30,847,398	22,895,658	27,748,773
- To related parties (note 28)	4,483,632	3,858,042	4,483,632	3,858,042
Rs.	29,726,493	34,705,440	27,379,290	31,606,815

(i) *Impairment Of Trade Receivables*

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before June 30, 2019 or July 1, 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identifie the GDP of Mauritius, where it sells most of its goods and services, to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at June 30, 2019 in compliance with IFRS 9 was determined as follows for trade receivables:

THE GROUP At June 30, 2019	Current	More than 1 day past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Expected loss rate	3.77%	8.29%	12.96%	56.38%	100.00%	
Gross carrying amount - trade receivables	9,616,424	7,266,193	290,953	142,200	12,410,723	29,726,493
Less: guaranteed receivables	-	-	-	-	(3,058,932)	(3,058,932)
Less: specific provisio	-	-	-	-	(5,850,000)	(5,850,000)
Net carrying amount	9,616,424	7,266,193	290,953	142,200	3,501,791	20,817,561
Loss allowance Rs.	(329,689)	(602,192)	(37,708)	(80,171)	(3,501,791)	(4,551,551)

9. TRADE AND OTHER RECEIVABLES (CONT'D)

THE GROUP (CONT'D)

At July 1, 2018		Current	More than 1 day past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Expected loss rate		3.30%	4.38%	10.22%	33.06%	100.00%	
Gross carrying amount - trade receivables		9,619,782	4,489,036	41,704	5,816,564	14,738,354	34,705,440
Less: guaranteed receivables		-	-	-	-	(3,964,768)	(3,964,768)
Less: specific provisio		-	-	-	-	(5,850,000)	(5,850,000)
Net carrying amount		9,619,782	4,489,036	41,704	5,816,564	4,923,586	24,890,672
Loss allowance	Rs.	(222,371)	(196,619)	(4,261)	(1,922,850)	(4,923,586)	(7,269,687)

THE COMPANY

At July 1, 2019		Current	More than 1 day past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Expected loss rate		3.77%	8.29%	12.96%	56.38%	100.00%	
Gross carrying amount - trade receivables		8,745,078	7,266,193	290,953	142,200	10,934,866	27,379,290
Less: guaranteed receivables		-	-	-	-	(3,058,932)	(3,058,932)
Less: specific provisio		-	-	-	-	(5,850,000)	(5,850,000)
Net carrying amount		8,745,078	7,266,193	290,953	142,200	2,025,934	18,470,358
Loss allowance	Rs.	(329,689)	(602,192)	(37,708)	(80,171)	(2,025,934)	(3,075,694)

At July 1, 2018		Current	More than 1 day past due	More than 60 day past due	More than 90 day past due	More than 120 day past due	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Expected loss rate		3.30%	4.38%	10.22%	33.18%	100.00%	
Gross carrying amount - trade receivables		6,521,157	4,489,036	41,704	5,816,564	14,738,354	31,606,815
Less: guaranteed receivables		-	-	-	-	(3,964,768)	(3,964,768)
Less: specific provisio		-	-	-	-	(5,850,000)	(5,850,000)
Net carrying amount		6,521,157	4,489,036	41,704	5,816,564	4,923,586	21,792,047
Loss allowance	Rs.	(215,198)	(196,619)	(4,261)	(1,930,023)	(4,923,586)	(7,269,687)

9. TRADE AND OTHER RECEIVABLES (CONT'D)

The closing loss allowances for trade receivables as at June 30, 2019 reconcile to the opening loss allowances as follows:

		The Group		The Company	
		Trade receivables		Trade receivables	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
At June 30 (IAS 39)		13,119,687	13,780,108	13,119,687	13,780,108
Amounts restated through opening retained earnings		-	-	-	-
Loss allowance as at July 1, (IFRS 9)		13,119,687	13,780,108	13,119,687	13,780,108
Loss allowance recognised in profit or loss during the year		1,475,857	-	-	-
Unused amounts reversed		(145,211)	(660,421)	(145,211)	(660,421)
Receivables written off during the year		(4,048,782)	-	(4,048,782)	-
At June 30,	Rs.	10,401,551	13,119,687	8,925,694	13,119,687

In previous years, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables, the estimated impairment losses were recognised in a separate provision for impairment.

The carrying amounts of the Group's and Company's trade and other receivables are denominated in the following currencies:

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Mauritian rupee		15,663,608	22,364,628	15,663,608	21,236,911
US Dollar		2,789,988	1,957,484	2,789,988	10,651,244
Malagasy Ariary		871,346	3,098,625	-	-
	Rs.	19,324,942	27,420,737	18,453,596	31,888,155

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

In previous years, trade receivables were 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 was established when there was objective evidence that the Group would not be able to collect all amounts due according to the original terms of receivables.

9A. FINANCIAL ASSETS AT AMORTISED COST

		The Group	The Company
		2019	2019
		Rs.	Rs.
Receivable from related parties (note 28)		-	3,720,902
Other receivables (see note (a) below)		4,307,048	3,703,929
	Rs.	4,307,048	7,424,831

(a) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Collateral is not normally obtained.

9A. FINANCIAL ASSETS AT AMORTISED COST (CONT'D)

(b) Fair values of fi ancial assets at amortised cost

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(c) Impairment and risk exposure

(i) Financial assets at amortised cost include loss allowance of Rs.19,805,940 as at June 30, 2019 (2018: Rs.11,693,821).

(ii) All of the financial assets at amortised cost are denominated in Mauritian rupee. As a result, there is no exposure to foreign currency risk.

(d) The fi ancial assets at amortised cost were accounted for as receivables in the previous year.

10. STATED CAPITAL

	The Group and The Company			
	Number of shares	Ordinary shares	Share Premium	Total
	2019 & 2018	2019 & 2018	2019 & 2018	2019 & 2018
	Rs.	Rs.	Rs.	Rs.
At July 1, 2018 and June 30, 2019	2,611,392	26,113,920	159	26,114,079

The total authorised number of ordinary share is 6,000,000 (2018: 6,000,000 shares) with a par value of Rs.10 per share (2018: Rs.10 per share). All issued shares are fully paid. The Company has one class of ordinary share and each share carries a right to vote and to dividend.

11. REVALUATION AND OTHER RESERVES

	Translation reserve	Revaluation surplus	Actuarial gains/(losses) reserve	Total
(a) THE GROUP	Rs.	Rs.	Rs.	Rs.
At July 1, 2018	2,175,457	55,813,691	(7,641,149)	50,347,999
Remeasurement of defined benefit obligatio	-	-	(2,087,456)	(2,087,456)
Deferred tax relating to components of other comprehensive income	-	-	313,118	313,118
Currency translation differences	(520,650)	-	-	(520,650)
At June 30, 2019 Rs.	1,654,807	55,813,691	(9,415,487)	48,053,011

	Translation reserve	Revaluation surplus	Actuarial gains/(losses) reserve	Total
	Rs.	Rs.	Rs.	Rs.
At July 1, 2017	5,146,488	55,813,691	(9,560,447)	51,399,732
Remeasurement of defined benefit obligatio	-	-	2,257,997	2,257,997
Deferred tax relating to components of other comprehensive income	-	-	(338,699)	(338,699)
Currency translation differences	(2,971,031)	-	-	(2,971,031)
At June 30, 2018 Rs.	2,175,457	55,813,691	(7,641,149)	50,347,999

11. REVALUATION AND OTHER RESERVES (CONT'D)

		Revaluation surplus	Actuarial gains/(losses) reserve	Total
(b) THE COMPANY		Rs.	Rs.	Rs.
At July 1, 2018		55,813,691	(7,641,149)	48,172,542
Remeasurement of defined benefit obligatio		-	(2,087,456)	(2,087,456)
Income tax relating to components of other comprehensive income		-	313,118	313,118
At June 30, 2019	Rs.	55,813,691	(9,415,487)	46,398,204

		Revaluation surplus	Actuarial gains/(losses) reserve	Total
		Rs.	Rs.	Rs.
At July 1, 2017		55,813,691	(9,560,447)	46,253,244
Remeasurement of defined benefit obligatio		-	2,257,997	2,257,997
Income tax relating to components of other comprehensive income		-	(338,699)	(338,699)
At June 30, 2018	Rs.	55,813,691	(7,641,149)	48,172,542

Translation reserve

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

Revaluation surplus

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

Actuarial gains/(losses) reserve

The actuarial gains/(losses) reserve represents the cumulative remeasurement of defined benefit obligation recognised.

12. DEFERRED INCOME TAXES

(a) Deferred income taxes are calculated on all temporary differences under the liability method at 15% (2018: 15%).

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 entit .

The following amounts are shown in the statements of financial position

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities		26,373,900	26,446,859	26,373,900	26,446,859
Deferred tax assets		(1,458,589)	(1,448,701)	(1,458,589)	(1,448,701)
Net deferred tax liabilities	Rs.	24,915,311	24,998,158	24,915,311	24,998,158

At the end of the reporting date, the Company did not have any unused tax losses available for offset against future profits (2018: tax losses of Rs.2,556,682). Defe red tax asset has been recognised in respect of tax losses.

12. DEFERRED INCOME TAXES (CONT'D)

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

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
At July 1,		24,998,158	26,374,497	24,998,158	26,374,497
Charged/(credited) to profit or los (note 15(b))		230,271	(1,715,038)	230,271	(1,715,038)
(Credited)/charged to other comprehensive income		(313,118)	338,699	(313,118)	338,699
At June 30,	Rs.	24,915,311	24,998,158	24,915,311	24,998,158

(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	Total
		Rs.	Rs.	Rs.
At June 30, 2017		22,514,875	5,514,324	28,029,199
Credited to profit or los		(1,582,340)	-	(1,582,340)
At June 30, 2018		20,932,535	5,514,324	26,446,859
Credited to profit or los		(72,959)	-	(72,959)
At June 30, 2019	Rs.	20,859,576	5,514,324	26,373,900

(ii) Deferred tax assets

		The Group and The Company		
		Retirement benefi obligations	Tax losses	Total
		Rs.	Rs.	Rs.
At June 30, 2017		(1,351,945)	(302,757)	(1,654,702)
Credited to profit or los		(51,953)	(80,745)	(132,698)
Charged to other comprehensive income		338,699	-	338,699
At June 30, 2018		(1,065,199)	(383,502)	(1,448,701)
(Credited)/charged to profit or los		(80,272)	383,502	303,230
Credited to other comprehensive income		(313,118)	-	(313,118)
At June 30, 2019	Rs.	(1,458,589)	-	(1,458,589)

13. RETIREMENT BENEFIT OBLIGATIONS

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Amounts recognised in the statements of financial position					
- Pension benefit	Rs.	9,723,928	7,101,324	9,723,928	7,101,324
Amounts charged to profit or loss					
- Pension benefits	Rs.	535,148	346,355	535,148	346,355
Amounts charged to other comprehensive income:					
- Pension benefits	Rs.	(2,087,456)	2,257,997	(2,087,456)	2,257,997

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Pension benefit

(i) The Group operates a defined benefit pension plan. The plan is a final salary plan, which provides benefits to members in the form of a guaranteed level of pension payable for 5 years. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement

The assets of the fund are invested in the Deposit Administration Policy underwritten by Swan Life Ltd.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at June 30, 2019 by Swan Life Ltd (Actuarial Valuer). The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Unit Credit Method.

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

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Present value of funded obligations		24,547,399	21,339,595	24,547,399	21,339,595
Fair value of plan assets		(14,823,471)	(14,238,271)	(14,823,471)	(14,238,271)
Liability in the statements of financial positio	Rs.	9,723,928	7,101,324	9,723,928	7,101,324

The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follow

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
At July 1,		(7,101,324)	(9,012,966)	(7,101,324)	(9,012,966)
Charged to profit or los		(535,148)	(346,355)	(535,148)	(346,355)
(Charged)/credited to other comprehensive income		(2,087,456)	2,257,997	(2,087,456)	2,257,997
At June 30,	Rs.	(9,723,928)	(7,101,324)	(9,723,928)	(7,101,324)

(iii) The movement in the net defined benefit obligations over the year is as follow

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
At July 1,		21,339,595	22,768,029	21,339,595	22,768,029
Interest cost		1,074,613	1,124,089	1,074,613	1,124,089
Current service cost		143,843	9,845	143,843	9,845
Benefits pai		-	(579,549)	-	(579,549)
Actuarial losses/(gains)		1,989,348	(1,982,819)	1,989,348	(1,982,819)
At June 30,	Rs.	24,547,399	21,339,595	24,547,399	21,339,595

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

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
At July 1,		14,238,271	13,755,063	14,238,271	13,755,063
Expected return on plan assets		703,307	807,579	703,307	807,579
Scheme expenses		(20,000)	(20,000)	(20,000)	(20,000)
Actuarial (losses)/gains		(98,107)	275,178	(98,107)	275,178
Benefits pai		-	(579,549)	-	(579,549)
At June 30,	Rs.	14,823,471	14,238,271	14,823,471	14,238,271

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Pension benefits (co t'd)

(v) The amounts recognised in profit or loss are as follows

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Current service cost		163,843	29,845	163,843	29,845
Net interest cost		371,305	316,510	371,305	316,510
Total included in employee benefit expense (Note 23(a))	Rs.	535,148	346,355	535,148	346,355
Actual return on plan assets	Rs.	605,200	1,062,757	605,200	1,062,757

(vi) The amounts recognised in other comprehensive income are as follows:

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Experience (losses)/gains on the liabilities		(1,989,349)	1,982,819	(1,989,349)	1,982,819
(Losses)/gains on pension scheme assets		(98,107)	275,178	(98,107)	275,178
Total in other comprehensive income	Rs.	(2,087,456)	2,257,997	(2,087,456)	2,257,997

(vii) The principal actuarial assumptions used for the purposes of the actuarial valuations were:

	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Discount rate	5.80%	6.50%	5.80%	6.50%
Future long-term salary increase	4.50%	3.00%	4.50%	3.00%

(viii) Sensitivity analysis on defined benefit obligations at end of the reporting dat

		The Group and The Company	
		Increase	Decrease
		Rs.	Rs.
Discount rate (1% movement)	Rs.	1,323,047	1,184,692
Future long-term salary increase (1% movement)	Rs.	564,267	473,585

The sensitivity above has been determined based on a method that extrapolates the impact on net define benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit metho

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would incur in isolation of one another as some of the key assumptions may be correlated.

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

(ix) The defined benefit pension plan exposes the Group to actuarial risks such as longevity risk, currency risk, interest rate risk and market (investment) risk.

(x) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(xi) No contribution is expected to be made by the Group and the Company to post-employment benefit plans for th year ending June 30, 2020.

(xii) The weighted average duration of the defined benefit obligation is 16 years for the Group and the Compa .

14. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Trade payables	6,800,250	4,028,915	6,462,041	2,956,759
Deposits from customers	29,427,829	27,947,629	29,427,829	27,947,629
Accrued expenses	6,978,560	5,680,701	6,978,560	5,680,701
Amount due to related parties (note 28)	5,579,717	5,060,756	5,579,717	5,060,756
Other payables	3,409,894	2,488,414	2,320,525	2,226,844
Rs.	52,196,250	45,206,415	50,768,672	43,872,689

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

15. INCOME TAX EXPENSE

(a) Amounts shown in statements of financial position are as follows

	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
At July 1,	-	-	-	-
Current tax on the adjusted profit for the year at 15% (2018: 15%)	575,683	-	575,683	-
At June 30, Rs.	575,683	-	575,683	-

	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
(b) Current tax on the adjusted profit for the year at 15% (2018: 15%)	575,683	-	575,683	-
Deferred tax (note 12(b))	230,271	(1,715,038)	230,271	(1,715,038)
Tax charge/(credit) Rs.	805,954	(1,715,038)	805,954	(1,715,038)

(c) Tax Reconcilation

The tax on the Group's and Company's loss before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Loss before taxation	(673,592)	(11,423,686)	(6,896,569)	(12,667,417)
Tax calculated at a rate of 15% (2018: 15%)	(101,039)	(1,713,553)	(1,034,485)	(1,900,113)
Income not subject to tax	(123,107)	(156,194)	(123,107)	(156,194)
Expenses not deductible for tax purposes	1,202,142	236,466	2,135,588	423,026
Excess of capital allowance over depreciation	(17,453)	1,633,281	(17,453)	1,633,281
Utilisation of tax losses	(384,860)	-	(384,860)	-
Deferred tax	230,271	(1,715,038)	230,271	(1,715,038)
Tax charge/(credit) Rs.	805,954	(1,715,038)	805,954	(1,715,038)

16. BORROWINGS

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Current					
Bank overdrafts		548,137	496,654	548,137	496,654
Bank borrowings		7,538,049	-	7,538,049	-
Total borrowings	Rs.	8,086,186	496,654	8,086,186	496,654

(a) The borrowings are secured by floating charges on the assets of the Group including property, plant and equipment. The rate of interest on those borrowings is 6.25% per annum.

(b) The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates are as follows:

		6 months or less	6-12 months	1-5 years	Over 5 years	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
(i) THE GROUP						
At June 30, 2019	Rs.	8,086,186	-	-	-	8,086,186
At June 30, 2018	Rs.	496,654	-	-	-	496,654

		6 months or less	6-12 months	1-5 years	Over 5 years	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
(ii) THE COMPANY						
At June 30, 2019	Rs.	8,086,186	-	-	-	8,086,186
At June 30, 2018	Rs.	496,654	-	-	-	496,654

(c) The borrowings are denominated in Mauritain Rupees and the carrying amounts are not materially different from their fair values.

17. REVENUE

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Sales of goods		104,956,012	90,722,866	103,522,051	86,349,145
Sales of services		4,699,529	3,933,145	4,699,529	3,933,145
	Rs.	109,655,541	94,656,011	108,221,580	90,282,290
Timing of revenue recognition:					
At a point in time		109,655,541	94,656,011	108,221,580	90,282,290
Over time		-	-	-	-
	Rs.	109,655,541	94,656,011	108,221,580	90,282,290

18. EXPENSES BY NATURE

	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Employee benefit expense (note 23(a)	31,285,105	31,833,227	29,998,306	30,559,430
Raw materials and consumables used	35,696,054	36,461,170	34,563,845	33,328,719
Depreciation of property, plant and equipment	10,377,432	10,410,840	10,247,096	10,410,840
Amortisation of intangible assets	525,912	821,387	525,912	821,387
Professional fees	13,095,638	12,298,878	10,902,246	10,765,016
Repairs & maintenance	4,081,169	4,234,531	4,079,298	4,234,306
Motor vehicle running expenses	4,171,737	3,859,573	4,171,737	3,859,573
Electricity	5,795,263	4,594,371	5,773,266	4,587,530
Advertising costs	385,177	298,192	385,177	298,192
Provision for bad debts	1,475,857	-	-	-
Reversal of provision for bad debts	(145,211)	(660,421)	(145,211)	(660,421)
Provision for stock obsolescence	274,947	-	274,947	-
Reversal of provision for stock obsolescence	-	(520,469)	-	(520,469)
Other expenses	5,324,472	4,449,711	4,244,855	4,763,099
Rs.	112,343,552	108,080,990	105,021,474	102,447,202

Other expenses comprise of miscellaneous expenses incurred during the year.

19. OTHER INCOME

	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Profit on disposal of property, plant and equipmen	564,859	1,041,295	564,859	1,041,295
Interest income	340	27,586	340	27,586
Sundry income	598,266	83,290	598,266	-
Rs.	1,163,465	1,152,171	1,163,465	1,068,881

20. FINANCE INCOME

	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Net foreign transactions gains	949,529	974,894	949,529	974,894
Interest expense on other loan not repayable by instalments	(77,091)	(116,431)	(77,091)	(116,431)
Rs.	872,438	858,463	872,438	858,463

21. INTEREST IN JOINT VENTURE

	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
At July 1,	(58,105)	(48,764)	(58,105)	(48,764)
Share of loss	(21,484)	(9,341)	(21,484)	(9,341)
At June 30, Rs.	(79,589)	(58,105)	(79,589)	(58,105)

(a) The Group has an interest in a joint venture, Medical Gases JV. The joint venture is incorporated and operates in Maurtius. The main activity of the joint venture is to supply medical gases (liquid oxygen, nitrous oxide and compressed air) to the Ministry of Health and Quality of Life during the period April 01, 2018 to March 31, 2020.

According to the joint venture agreement, revenue for the goods provided is being split and attributed to each party according to the goods supplied by them to Medical Gases JV. Assets and liabilities are split in the proportion of sales revenue whilst all expenses are being shared equally.

Medical Gases JV is a private company and there is no quoted market price for its shares.

The above joint venture is accounted for using the equity method.

21. INTEREST IN JOINT VENTURE (CONT'D)

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financia information below represents amounts shown in the joint venture's financial statements

(i) Summarised statement of financial position of Medical Gases JV

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Current assets	Rs.	12,334,956	9,406,142	12,334,956	9,406,142
Current liabilities	Rs.	12,417,981	9,446,199	12,417,981	9,446,199
The above amounts of assets and liabilities include the following:					
Cash and cash equivalents	Rs.	115,987	1,156,399	115,987	1,156,399

(ii) Summarised statement of profit or loss of Medical Gases J :

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Revenue	Rs.	31,048,478	16,835,787	31,048,478	16,835,787
Loss for the year	Rs.	(29,949)	(41,878)	(29,949)	(41,878)

The Group does not have any commitments and contingent liabilities relating to its joint venture.

22. EXCEPTIONAL ITEMS

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Impairment of investment in subsidiary		-	-	3,998,975	726,687
Impairment of receivable from subsidiary		-	-	8,112,119	1,693,821
	Rs.	-	-	12,111,094	2,420,508

23. LOSS BEFORE TAXATION

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Loss before taxation is arrived at after:					
crediting:					
Profit on disposal of property, plant and equipmen		564,859	1,041,295	564,859	1,041,295
and charging:					
Depreciation on property, plant and equipment		10,377,432	10,410,840	10,247,096	10,410,840
Amortisation of intangible assets		525,912	821,387	525,912	821,387
Cost of inventories recognised as expense		35,696,054	36,461,170	34,563,845	33,328,719
Employee benefit expense (note (a) below	Rs.	31,285,105	31,833,227	29,998,306	30,559,430

23. LOSS BEFORE TAXATION (CONT'D)

(a) Employee benefit expens	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Wages and salaries	27,741,746	28,287,633	26,454,947	27,013,836
Social security costs	1,097,889	1,145,945	1,097,889	1,145,945
Pension costs - defined contributions plan	1,910,322	2,053,294	1,910,322	2,053,294
Pension costs - defined benefit plan (note 13(v))	535,148	346,355	535,148	346,355
Rs.	31,285,105	31,833,227	29,998,306	30,559,430

24. LOSS PER SHARE

		The Group	
		2019	2018
		Rs.	Rs.
Loss attributable to ordinary shareholders	Rs.	(1,479,546)	(9,708,648)
Number of ordinary shares in issue		2,611,392	2,611,392
Loss per share	Rs.	(0.57)	(3.72)

25. DIVIDENDS

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Amounts recognised as distributions to equity holders in the year:					
Paid and distributed during the year - Nil (2018: Rs.2.70 per share)	Rs.	-	7,050,757	-	7,050,757

26. NOTES TO THE STATEMENTS OF CASH FLOWS

	The Group		The Company	
	2019	2018	2019	2018
(a) Cash generated from operations	Rs.	Rs.	Rs.	Rs.
Loss before taxation	(673,592)	(11,423,686)	(6,896,569)	(12,667,417)
Adjustments for:				
Depreciation of property, plant and equipment	10,377,432	10,410,840	10,247,096	10,410,840
Amortisation of intangible assets	525,912	821,387	525,912	821,387
Impairment of investment in subsidiary	-	-	3,998,975	726,687
Interest income	(340)	(27,586)	(340)	(27,586)
Interest expense	77,091	116,431	77,091	116,431
Profit on disposal of property, plant and equipment	(564,859)	(1,041,295)	(564,859)	(1,041,295)
Amount receivables converted into investment	-	-	(7,627,838)	-
Retirement benefit obligation	535,148	346,355	535,148	346,355
	10,276,792	(797,554)	294,616	(1,314,598)
Changes in working capital:				
Inventories	(2,160,288)	2,188,994	(1,304,578)	1,188,314
Trade and other receivables	8,095,795	14,491,831	13,434,559	15,815,243
Financial assets at amortised cost	(4,307,048)	-	(7,424,831)	-
Prepayments	(9,978,777)	-	(9,949,103)	-
Trade and other payables	6,989,835	(2,372,651)	6,895,983	(4,854,020)
Cash generated from operations Rs.	8,916,309	13,510,620	1,946,646	10,834,939

26. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(b) Cash and cash equivalents and bank overdrafts include the following for the purpose of the cash flow statement:

		The Group		The Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Cash in hand and at bank		16,959,241	3,326,057	14,105,313	2,099,354
Bank overdrafts		(548,137)	(496,654)	(548,137)	(496,654)
Cash and cash equivalents	Rs.	16,411,104	2,829,403	13,557,176	1,602,700

(c) Reconciliation of liabilities arising from financing activitie

		2018	Cash Flows	2019
		Rs.	Rs.	Rs.
Short term borrowings		-	7,538,049	7,538,049
Total liabilities from financing activities	Rs.	-	7,538,049	7,538,049

27. SEGMENT INFORMATION

(a) The Group is engaged in the manufacture and distribution of medical and industrial gases (in bulk and in cylinders). 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 internal reporting provided to the Chief Executive Officer for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles under IFRS.

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

(b) Geographical information

		Revenues from external customers		Non-current assets	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Local		94,873,049	83,580,598	249,860,397	257,923,626
Foreign		14,782,492	11,075,413	-	-
	Rs.	109,655,541	94,656,011	249,860,397	257,923,626

28. RELATED PARTY TRANSACTIONS

		Technical fees	Sales of goods and services	Purchase of goods	Dividends paid	Amount owed by related parties	Amount owed to related parties
(a) THE GROUP		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trading transactions							
Year ended June 30, 2019							
Major shareholder		563,487	-	4,363,589	-	-	5,579,717
Joint Venture		-	23,368,828	-	-	4,483,632	-
	Rs.	563,487	23,368,828	4,363,589	-	4,483,632	5,579,717
Trading transactions							
Year ended June 30, 2018							
Major shareholder		587,869	-	4,165,922	2,694,800	-	5,060,756
Joint Venture		-	15,151,625	-	-	3,858,042	-
	Rs.	587,869	15,151,625	4,165,922	2,694,800	3,858,042	5,060,756

28. RELATED PARTY TRANSACTIONS (CONT'D)

	Technical fees	Sales of goods and services	Purchase of goods	Dividends paid	Amount owed by related parties	Amount owed to related parties
(b) THE COMPANY	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trading transactions						
Year ended June 30, 2019						
Major shareholder	563,487	-	4,363,589	-	-	5,579,717
Subsidiary	-	10,763,439	-	-	3,720,902	-
Joint Venture	-	23,368,828	-	-	4,483,632	-
Rs.	563,487	34,132,267	4,363,589	-	8,204,534	5,579,717
Trading transactions						
Year ended June 30, 2018						
Major shareholder	587,869	-	4,165,922	2,694,800	-	5,060,756
Subsidiary	-	1,545,784	-	-	8,693,760	-
Joint Venture	-	15,151,625	-	-	3,858,042	-
Rs.	587,869	16,697,409	4,165,922	2,694,800	12,551,802	5,060,756

(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.

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

(iv) Provision made for doubtful debts in respect of amounts owed by related parties amounts to Rs.19,805,940 (2018: Rs.11,693,821).

(d) Key management personnel compensation

	The Group		The Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Short-term employee benefit	10,590,127	9,593,470	10,590,127	9,593,470
Termination benefit	-	569,600	-	569,600
Post-employment benefit	641,453	588,987	641,453	588,987
Rs.	11,231,580	10,752,057	11,231,580	10,752,057

29. CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers on the Group's financial statements

(a) Impact on the financial statement

IFRS 9 and IFRS 15 were adopted without restating comparative information. The reclassification and the adjustments arising from the new accounting policies are therefore not reflected in the comparative figures for the year ended June 30, 2018 but are recognised during the year ended June 30, 2019 due to the insignificance of the items.

The following tables show the reclassification adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

29. CHANGES IN ACCOUNTING POLICIES (CONT'D)

(a) Impact on the financial statements Cont'd)

Statement of financial position (extract)

	As previously stated June 30, 2018	IFRS 9	IFRS 15	July 1, 2018
THE GROUP	Rs.	Rs.	Rs.	Rs.
Current assets				
Trade and other receivables	27,420,737	(27,420,737)	-	-
Trade receivables	-	17,727,711	-	17,727,711
Financial assets at amortised cost	-	7,807,754	-	7,807,754
Prepayments	-	1,885,272	-	1,885,272
THE COMPANY				
Current assets				
Trade and other receivables	31,888,155	(31,888,155)	-	-
Trade receivables	-	14,629,086	-	14,629,086
Financial assets at amortised cost	-	15,405,078	-	15,405,078
Prepayments	-	1,853,991	-	1,853,991

Trade receivables and retained earnings of the Group and the Company at July 1, 2018 were not changed as the impact of the adpotion of IFRS 9 and IFRS 15 is considered immaterial.

(b) IFRS 9 Financial Instruments

Impairment of financial assets

The Group's trade receivables are subject to IFRS 9's new expected credit loss model.

The Group was required to revise its impairment methodology under IFRS 9 for the above financial assets. The impact of the change in impairment methodology on the Group was not material and has been accounted in profit or loss for the year ended June 30, 2019.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(c) IFRS 15 Revenue from Contracts with customers

The Group has applied IFRS 15 for the first time using the modified retrospective method of adoption with the date of application from July 1, 2018. There are no changes to the amounts reported in the financial statements for the year ended June 30, 2019 under IFRS 15 to the amounts that would have been reported had the Company continued to report in accordance with IAS 18, Revenue.

30. CONTINGENT LIABILITIES

Competition commission claims

Les Gaz Industriels Limited was informed by the Competition Commission of Mauritius that a compliant has been received by the said Commission to the effect that Medical Gases JV, a duly registered joint venture, formed by the Company and Gaz Carbonique Ltd with the sole purpose of bidding for government medical tenders, were involved in a collusive agreement by fixing the prices of medical gases

Therefore, an investigation has been launched in order to establish whether there was any breach of the Competition Act 2007, and if found guilty, a financial penalty up to 10% of the Compan 's turnover could be imposed.

The directors are confident about the outcome of the investigation will be in favour of the Company and hence no provision shall be made in the financial statements in respect of any potential claims from the said Commission

31. EVENT AFTER THE REPORTING PERIOD

In July 2019, the Company has disposed 780 m2 of land to the Government of Mauritius for a consideration of Rs.3.08 m.

Notice of Meeting
67th Annual Meeting

NOTICE IS HEREBY GIVEN that the Annual Meeting of LES GAZ INDUSTRIELS LIMITED ('the Company') will be held at the offices of the Compan , Pailles Road, GRNW, on December 5, 2019 at 11.45 hrs to transact the following business:

1. To approve the minutes of proceedings of the 66th Annual Meeting of the shareholders of the Company held on November 29, 2018.

2. To consider the annual report of the Company for the year ended June 30, 2019.

3. To consider and approve the Audited Financial Statements of the Company for the year ended June 30, 2019 and the report of the Directors and Auditors thereon.

4. To re-elect Mr. Laurent Bourgault du Coudray who retires by rotation and being re-eligible offers himself for re-election as director of the Company.

5. To re-elect Mrs. Catherine McIlraith who retires by rotation and being re-eligible offers herself for re-election as director of the Company.

6. To appoint Baker Tilly Mauritius Ltd as the Company's Auditors to hold office until the conclusion of the next Annual Meeting, and authorise the Board of Directors to fix their remuneration

7. To approve the Company's directors' emoluments.

By order of the Board
HM SECRETARIES LTD.
Secretary

Port Louis, this 10 October 2019

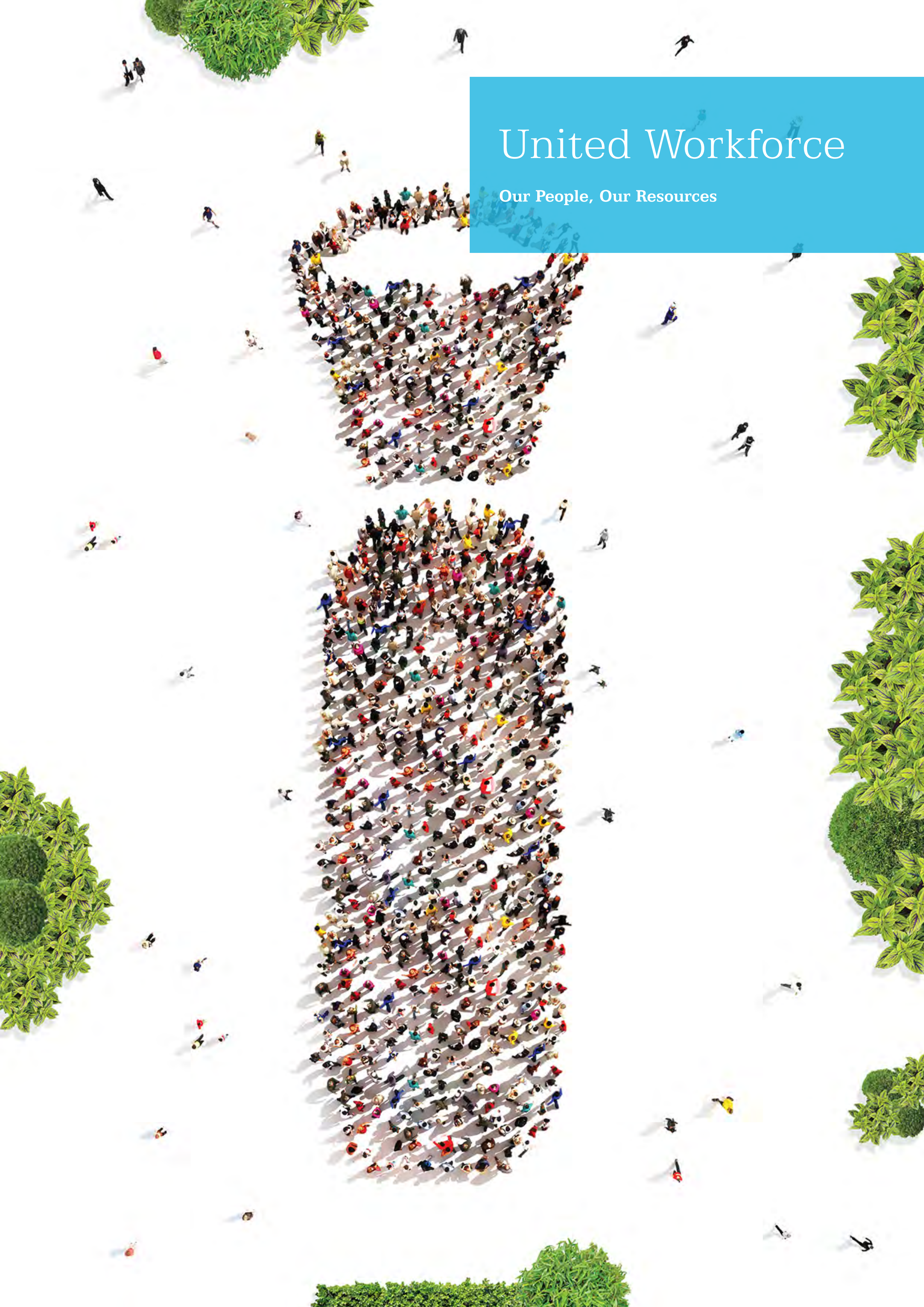
Note: The profiles of the directors sitting for re-election are available on pages 14 and 15 of the 2019 Annual eport of the Company.

Winning Attitude

Our People, Our Resources

United Workforce

Our People, Our Resources



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