Annual Report 2024

# To Enhance Life & Growth

LES GAZ INDUSTRIELS
UNE VALEUR SÛRE
EST. 1952

# Consolidating Our Regional Partnership

## Contents

Dear Shareholders,

The Board of Directors is pleased to present the Annual Report of Les Gaz Industriels Limited and its subsidiaries for the year ended 30 June 2024, the contents of which are listed below.

Les Gaz Industriels Limited, the "Company", and its subsidiaries and associates are together referred to as the Group.

This report was approved by the Board of Directors on 11 October 2024.

**Antoine L. Harel**
Chairman

**Christophe Desvaux de Marigny**
Chief Executive Officer

# LGI At First Sight

**Founded in 1952**

One Stop Shop

Life saving products

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

Team 49 10

**Insight *2024***

Market Capitalisation: Rs. 130,308,461

Distributable Reserves: Rs. 162,716,776

Shareholders: 347

Revenue: Rs. 147,678,566

Growing Presence: Madagascar, Seychelles, Reunion, Mayotte, South Africa

Medical

Homecare

Oceanography

Power Energy

Metal Works

Leisure & Hospitality

Laboratories

Food & Beverages

# Corporate Information

**30 JUNE 2024**

## HEAD OFFICE
Pailles Road, G.R.N.W
P.O.Box 673, Bell Village

Tel: (230) 212 8306
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

## SUBSIDIARIES
Africamed Ltd
C/o Les Gaz Industriels Limited
Pailles Road, G.R.N.W.

Tel: (230) 212 8306
Fax: (230) 212 0235
Email: info@africamed.mu

**Gaz Industriels Madagascar SA (Up to 20 February 2024)**
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
DTOS Registry Services Ltd
19, Cybercity
10th Floor, Standard Chartered Tower
Ebène
Republic of Mauritius

Tel: (230) 404 6000

## COMPANY SECRETARY
HM Secretaries Ltd
18, Edith Cavell Street
Port-Louis
Republic of Mauritius

Tel: (230) 207 3000

## EXTERNAL AUDITORS
Grant Thornton
Chartered Accountants
9th Floor, Ebene Tower
52 Cybercity
Ebène 72201
Republic of Mauritius

Tel: (230) 467 3001
Fax: (230) 454 7295

## INTERNAL AUDITORS
KPMG
KPMG Centre
31, Cybercity
Ebène
Republic of Mauritius

Tel: (230) 406 9999
Fax: (230) 406 9988

## TECHNICAL PARTNER
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

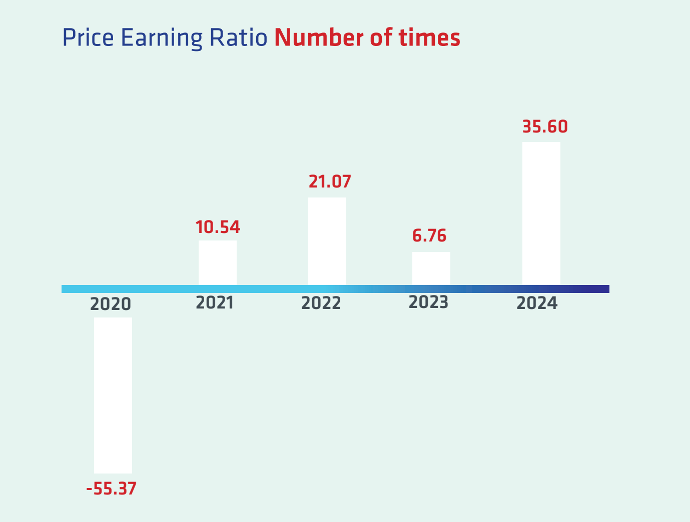
Tel: (230) 202 5000

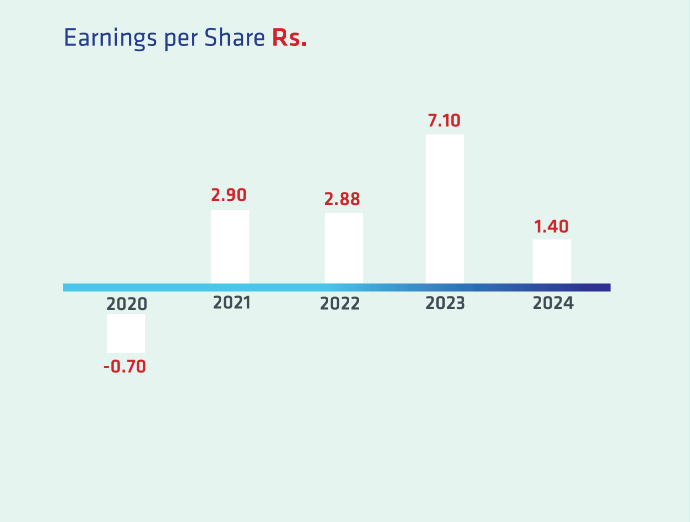
BCP Bank (Mauritius) Limited
Maeva Tower Ltd
Cnr Silicon Avenue & Bank Street
Cybercity 72201, Ebène
Republic of Mauritius

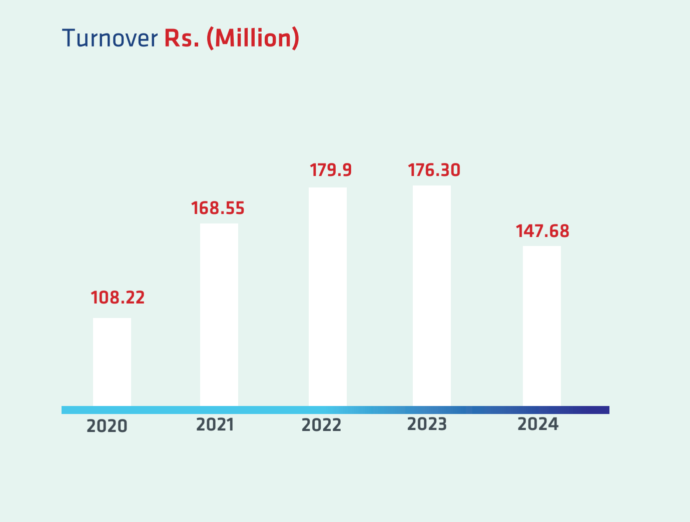
Tel: (230) 207 8600
Fax: (230) 212 4983

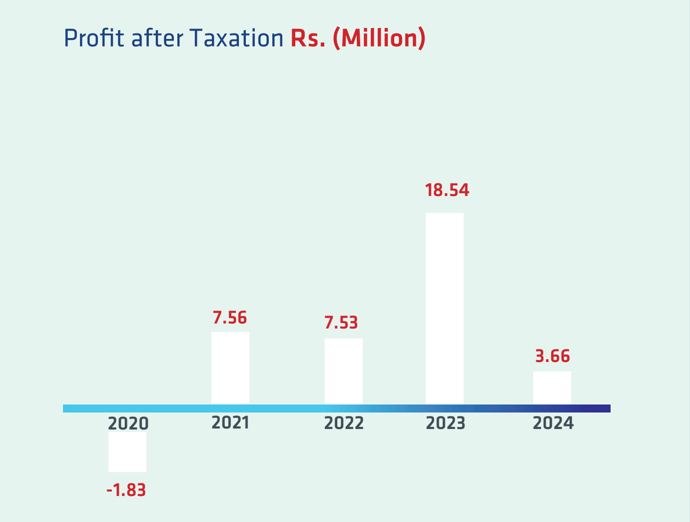
## BUSINESS REGISTRATION NUMBER
C07000817

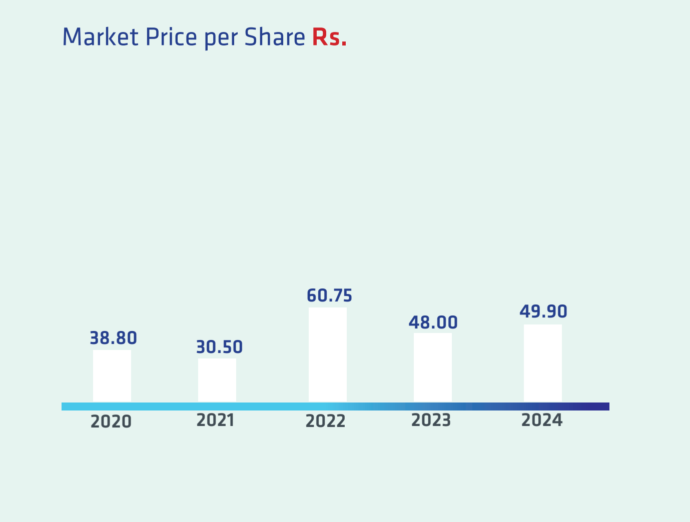
# Financial Highlights

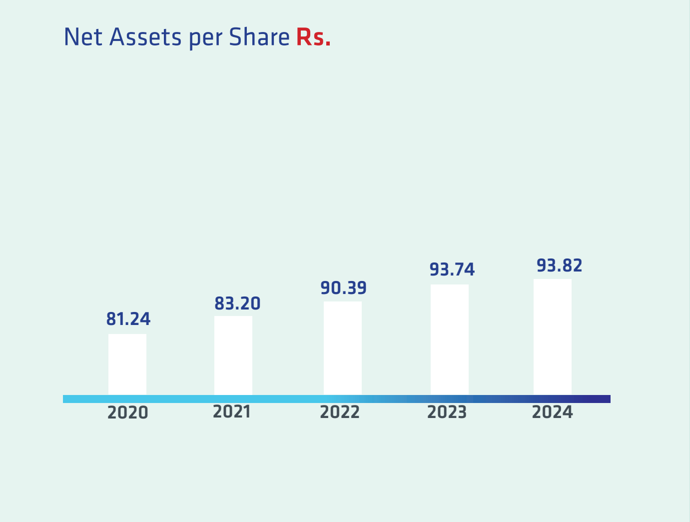


# Statutory Disclosures

**30 JUNE 2024**

## DIRECTORS

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

**Les Gaz Industriels Limited**

| | |
|---|---|
| Messrs./Ms. | Antoine L. Harel (Chairman) |
| | Laurent Bourgault du Coudray |
| | Christophe Desvaux de Marigny (Appointed on 15 January 2024) |
| | Christopher Hart de Keating (Ceased to hold office on 14 January 2024) |
| | Ajay Kumar Sah (Appointed on 29 February 2024) |
| | Joseph Pusha Ramashala (Ceased to hold office on 29 February 2024) |
| | Catherine McIlraith |
| | Sebastian Sachtleben (Appointed on 15 May 2024) |
| | Sivavalan Moodley (Ceased to hold office on 15 May 2024) |
| | Michel Guy Rivalland (Alternate to Laurent Bourgault du Coudray) |

**Africamed Ltd**

| | |
|---|---|
| Messrs. | Christophe Desvaux de Marigny (Chairman) - (Appointed on 29 February 2024) |
| | Christopher Hart de Keating (Ceased to hold office on 29 February 2024) |
| | Laval Seedoo |
| | Salim Hatteea |

## DIRECTORS' SERVICE CONTRACTS

Mr. Christophe Desvaux de Marigny 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 companies were as follows:

| | The Company | |
|---|---|---|
| | **2024** | 2023 |
| | **Rs.** | Rs. |
| **Executive Directors** | | |
| **- Christophe Desvaux de Marigny** | **1,869,886** | - |
| **- Christopher Hart de Keating** | **3,139,998** | 4,820,800 |
| **Non-Executive Directors** | | |
| **- Antoine L. Harel (Chairman)** | **489,609** | 475,752 |
| **- Laurent Bourgault du Coudray** | **353,934** | 316,092 |
| **- Ajay Kumar Sah*** | **88,484** | - |
| **- Joseph Pusha Ramashala*** | **265,450** | 343,917 |
| **- Catherine McIlraith** | **353,934** | 371,742 |
| **- Sebastian Sachtleben*** | **44,242** | - |
| **- Sivavalan Moodley*** | **132,725** | 171,958 |
| Rs. | **6,738,262** | 6,500,261 |

The directors of the subsidiary company did not receive any remuneration and benefits from the subsidiary during the year ended 30 June 2024 (2023: Nil).

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

** These are directors nominated by African Oxygen Limited and their remuneration were paid to the latter.*

# Statutory Disclosures

**30 JUNE 2024**

## DONATIONS

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Donations (Non-political) | Rs. | **120,000** | 61,555 | **120,000** | 55,000 |

## AUDITORS' FEES

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Audit fees paid to: | | | | | |
| Grant Thornton | | **367,500** | 350,000 | **367,500** | 350,000 |
| Etika | | **-** | 101,788 | **-** | - |
| | Rs. | **367,500** | 451,788 | **367,500** | 350,000 |
| Fees paid for other services to: | | | | | |
| Grant Thornton | | **175,000** | 168,000 | **175,000** | 168,000 |
| KPMG | | **1,567,500** | 450,000 | **1,567,500** | 450,000 |
| | | **1,742,500** | 618,000 | **1,742,500** | 618,000 |

**Antoine L. Harel**
Chairman

**Christophe Desvaux de Marigny**
Chief Executive Officer

# Board of Directors' Report

Dear Shareholders,

The post-pandemic economic recovery continued during the financial year 2023/2024. However, the market remains vulnerable, with supply chain challenges resulting from increased freight costs, port congestion and our Mauritian Rupee depreciation.

**Results**

The Group's profit before tax fell by 46.75% to Rs. 9.1m as a result of a sharp fall in demand in our traditional market during the second half of the year as well as increased overheads which were beyond our control - these include higher staff and electricity costs.

Africamed Ltd, the start-up company operating principally in the medical sector, which Les Gaz Industriels Limited ("LGI") acquired last year, posted more than encouraging results, with pre-tax profit improving from Rs. 394k to Rs. 4.1m during the year.

The Group's net assets decreased from Rs. 249.5m as at 30 June 2023 to Rs. 248.6m at 30 June 2024, mainly reflecting the impact of increased dividend distribution during the year to 30 June 2023 following the good performance recorded by the Group. The Group's distributable reserves stood at Rs. 165.2m. Net asset value per share stands at Rs. 93.82 for the Company.

As part of its strategy to maximise benefits for shareholders, the Company disposed 64.91% if its shareholding in Gaz Industriels Madagascar SA to an unrelated party during the year. The latter remains an associate of Les Gaz Industriels Limited.

**Strategy and Growth**

Looking ahead to 2024, LGI continues to prioritise organic growth and the expansion of its gross profit margin. By leveraging key strategic partnerships in the region, and focusing on product development, we are creating a seamless, one-stop-shop customer experience. Our commitment to excellence is underscored by our dedication to delivering platinum-level customer service as we scale operations and capture new market opportunities.

**Social & Environmental Responsibility and Commitment to the Community**

Adhering to policies on safety, health, environment, and quality ("SHEQ") is in the DNA of LGI. We also encourage our partners to adhere to best SHEQ practices and we provide our support whenever required.

During the year 2023-2024, we renewed our commitment to supporting individuals in need of medical oxygen through our home care services all over the island. We continued our support to Foundation Georges Charles, which manages a specialised school and day care centre for special needs children and young adults in Pointe-aux Sables and T.I.P.A., whose mission is to empower children from vulnerable background to become active citizens. We also decided to donate to First Act Is To Help, a charity close to our premises at GRNW, which provides tuition to children attending ZEP schools in the region.

**Commitment to Circular Economy and Sustainable Growth**

At LGI, we are steadfast in our commitment to the circular economy and sustainable growth. We are dedicated to minimising and repurposing our wastes, conserving resources, and reducing our environmental impact. We are also accelerating the implementation of green projects as part of our sustainability journey. Through resource efficiency, recycling, and responsible sourcing, we aim to leave a positive legacy for future generations while ensuring the continued success of LGI.

**Acknowledgement**

The Board of Directors wishes to express its warm appreciation and thanks to Christopher Hart de Keating, who held the post of Chief Executive Officer for more than 8 years. The Board wishes him well in his new endeavours. The Board is pleased to welcome his successor, Christophe Desvaux de Marigny. We are confident that, with his extensive experience and the support of the dedicated LGI team, we will continue the Group's quest to reach new heights.

Afrox, one of the main shareholders, decided to renew its nominated Directors. We therefore place on record our sincere gratitude to Messrs. Joseph Ramashala and Sivavalan Moodley for their contribution. We extend a warm welcome to Messrs. Sebastian Sachtleben and Ajay Kumar Sah, respectively CEO and CFO of Afrox, to the Board; they come to us with vast expertise and experience in the gas industry and we look forward to their contribution to the Board.

**Conclusion**

LGI will continue to explore opportunities both locally and regionally whilst tapping into innovation and modernisation for enhanced diversification and growth, for the benefit of all its stakeholders.

On behalf of the Board of Directors

**Antoine L. Harel**
Chairman

# Supporting An Efficient Health Care Service

# Corporate Governance Report

**YEAR ENDED 30 JUNE 2024**

## INTRODUCTION

Les Gaz Industriels Limited, the "Company" or "LGI", 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 Company and its subsidiaries are together referred to as the "Group".

The National Code of Corporate Governance for Mauritius (the "Code") adopted in 2016 employs an 'apply and explain approach'. In this report, the Board of Directors, "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 Financial Reporting Act 2004.

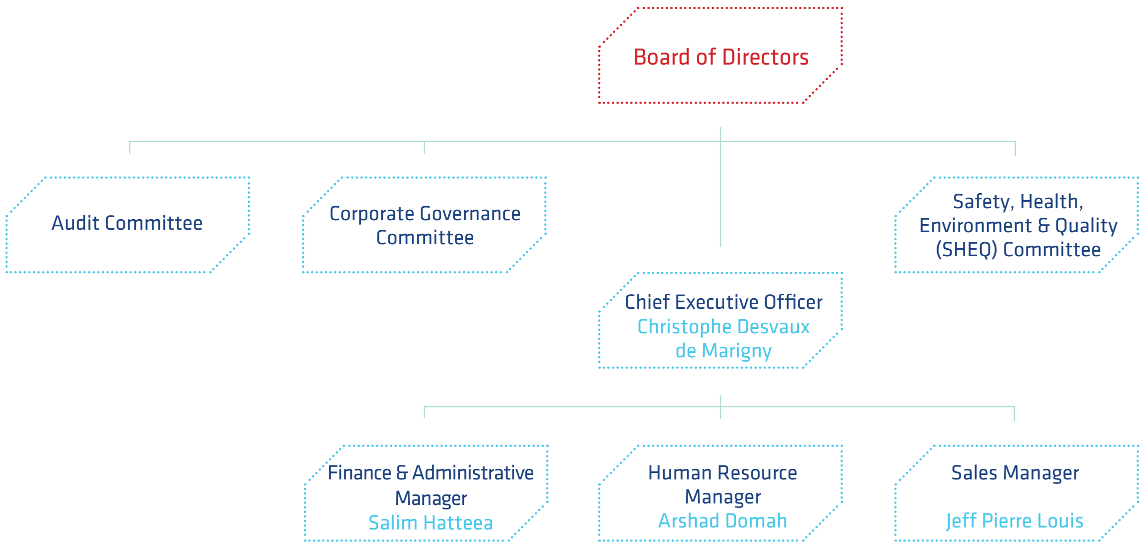
The Company is headed by an effective Board of Directors, the "Board", which meets regularly to fulfil its duties and responsibilities as defined in the Company's Memorandum and Articles of Association ("M&A") and in the Mauritius Companies Act 2001 (the "Act").

The process for the appointment and removal of directors as well as their 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's 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 the Board's 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 Safety, Health, Environment and Quality Committee ("SHEQ Committee").

The Board 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 the organisation.




### Job Description

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

## GOVERNANCE STRUCTURE (CONT'D)

### 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's 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 is reviewed regularly by the Board to ensure same is applied at all levels. The Code of Ethics is available on our website.

### Statement of Accountabilities

The Board 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, 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 efficiently, 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 the Company's expense.

### Balance

The Board of Directors at 30 June 2024 comprised of one executive member and five non-executive members, of whom one is 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.

### Board meetings and attendance

Board meetings are set 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.

## THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

During the year under review, the Board of Directors met on five occasions.

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

| Directors | Board Attendance |
|---|---|
| Antoine L. Harel | 5/5 |
| Catherine McIlraith | 5/5 |
| Laurent Bourgault du Coudray | 5/5 |
| Christophe Desvaux de Marigny (in office as from 15.01.2024) | 2/2 |
| Sebastian Sachtleben (in office as from 15.05.2024) | 1/1 |
| Ajay Kumar Sah (in office as from 29.02.2024) | 1/1 |
| Christopher Hart De Keating (in office up to 14.01.2024) | 3/3 |
| Joseph Pusha Ramashala (in office up to 29.02.2024) | 4/4 |
| Sivavalan Moodley (in office up to 15.05.2024) | 4/4 |

### Company Secretary

All 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 corporate governance matters and with regard to their responsibilities as directors and the statutory environment in which the Company operates.

### Board Committees

In order to help the Board carry out its duties and responsibilities, three committees have been set up. 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 comprises of three members, namely Mrs Catherine McIlraith, Mr Laurent Bourgault du Coudray and Mr Ajay Kumar Sah. The Committee is chaired by Mr Laurent Bourgault du Coudray and has met six times during the year under review. The Chief Executive Officer, the Finance and Administrative Manager, as well as the internal and external auditors, attend the Committee's meetings. The Company Secretary acts as secretary to the Committee.

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

In discharging its responsibilities, the Audit Committee reviews:

- the quality of financial information and other public and regulatory reporting;
- the Company's internal control systems and procedures for identifying business risks;
- the Company's control system for identifying and mitigating risks;
- the Company's policies for preventing or detecting fraud;
- the Company's risk register;
- the Company's policies for ensuring that the Company complies with the relevant regulatory and legal requirements; and
- 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 of three members, namely Mr Antoine L. Harel (Chairman), Mrs Catherine McIlraith and Mr. Ajay Kumar Sah.

## THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

### Corporate Governance Committee (cont'd)

The Committee met three times during the financial year under review. The Chief Executive Officer and the HR Manager 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.

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

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

The SHEQ Committee presently consists of two members namely Mr Ajay Kumar Sah and Mr Christophe Desvaux de Marigny. The Committee met four times during the year under review. The SHEQ Executive, the Operations Manager and the HR Manager attend the Committee's meetings.

### Committee attendance

| Directors | Corporate Governance | Audit Committee | SHEQ Committee |
|---|---|---|---|
| Antoine L. Harel | 3/3 | - | - |
| Catherine McIlraith | 3/3 | 6/6 | - |
| Laurent Bourgault du Coudray | - | 6/6 | - |
| Christophe Desvaux de Marigny | - | - | 2/2 |
| Sebastian Sachtleben | - | - | - |
| Ajay Kumar Sah | - | 1/1 | 1/1 |
| Christopher Hart De Keating | - | - | 2/2 |
| Joseph Pusha Ramashala | 1/1 | 5/5 | - |
| Sivavalan Moodley | - | - | 3/3 |

## 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 six 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 the Company.

### Succession Plan

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

## DIRECTORS' APPOINTMENT PROCEDURES (CONT'D)

**Directors' Profiles and Details of External Appointments on Listed Entities and Public Entities**

### Antoine L. Harel (67)
**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.

### Catherine McIlraith (60)
**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 Chairman 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, South Africa and UK. Catherine McIlraith was first appointed to the Board of LGI in 2012.

**External appointments - listed entities:**
CIEL Limited
Grit Real Estate Income Group Limited
Phoenix Beverage Limited

**Skills, expertise and experience:** Audit and risk, Accounting, Corporate Governance, Banking and Corporate Finance

### Christophe Desveaux de Marigny (53)
**Executive Director - Internal - Resident of Mauritius**
**Appointed on 15 January 2024**

Christophe Desvaux de Marigny is the Chief Executive Officer of LGI since January 2024. He holds an MBA from the Université of Paris Dauphine and a diploma in Electrical engineering light current from the Natal Technikon South Africa. This accomplished leader has a track record of more than 20 years in senior management positions. Before joining LGI, he had a fruitful career in the industrial sector such as the sugar industry and particularly in Africa. Christophe Desvaux de Marigny is a self-motivated person, a problem solver, creative and likes to initiate new ideas.

**External appointments - listed entities:**
None

**Skills, expertise and experience:** Leadership, Management, Strategy, Finance and In-depth knowledge of the industrial sector

## DIRECTORS' APPOINTMENT PROCEDURES (CONT'D)

**Directors' Profiles and Details of External Appointments on Listed Entities and Public Entities (Cont'd)**

**Sebastian Sachtleben (43)**
**Non-Executive Director - External - Non-Resident of Mauritius**
*Appointed on 15 May 2024*

Sebastian Sachtleben is located at African Oxygen Limited, a sister company of BOC in South Africa, where he serves as Managing Director for Region Africa within Linde plc. His responsibilities include overseeing general management, profitability, and developing new business across various countries in Sub-Saharan Africa. He brings to the board extensive experience accumulated over eighteen years in the industrial gas and car manufacturing industries across Europe, North America, and Africa.

**External appointments - listed entities:**
None

**Skills, expertise and experience:** Management, Business Development, Knowledge of gas and car manufacturing industries

**Ajay Kumar Sah (47)**
**Non-Executive Director - External - Non-Resident of Mauritius**
*Appointed on 29 February2024*

Ajay Kumar Sah is based at African Oxygen Limited, BOC's sister Company in South Africa, and is the Chief Finance Officer responsible for Region Africa (spanning over 8 countries) with responsibility to deliver in time consistent, transparent financials, create meaning full analysis, translate financials to the local management team, derive corrective actions and driving those actions together with management through the organization to improve business and its financials. He brings to the Board a wealth of international experience (India, Singapore, Indonesia, Malaysia & South Africa) gained over 24 years in the industrial gas industry and manufacturing industries. He is a qualified Chartered Financial Analyst (CFA), Company Secretary (CS) and also holds a Honours Degree in Commerce (Finance & Accounting) from St. Xavier's College, Kolkata University of India.

**External appointments - listed entities:**
None

**Skills, expertise and experience:** Spent close to 18 years in industrial and medical gases business and held various senior roles across the Linde Group (parent company of BOC and Afrox).

**Laurent Bourgault du Coudray (38)**
**Independent 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 Attitude Hospitality Management Ltd, as the Chief Business Development Officer.

**External appointments – listed entities:**
Novus Properties Ltd

**Skills, expertise and experience**: Management and Leadership

## DIRECTORS' APPOINTMENT PROCEDURES (CONT'D)

**Directors' Profiles and Details of External Appointments on Listed Entities and Public Entities**

**Christopher Hart de Keating (53)**
**Executive Director - Internal - Resident of Mauritius**
*Ceased to hold office on 14 January 2024*

Christopher Hart de Keating was 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 20 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 and resigned from office on 14 January 2024.

**External appointments - listed entities**:
None

**Skills, expertise and experience:** Leadership, Strategy, Management and Economics

**Joseph Pusha Ramashala (56)**
**Non-Executive Director - External - Non-Resident of Mauritius**
*Ceased to hold office on 29 February 2024*

Joseph Pusha Ramashala is based at African Oxygen Limited, BOC's sister company in South Africa, and is the Director responsible for Emerging Africa with regional responsibility for general management, profitability, and new business development across a number of countries in Sub-Saharan Africa. He brings to the Board a wealth of experience gained over 27 years in the industrial gas industry and food and beverage industries. He holds a Bachelor of Commerce Degree (Law) from the University of Durban-Westville and a Bachelor of Commerce Degree (Business Management) from the University of South Africa.

**External appointments - listed entities:**
None

**Skills, expertise and experience:** Close to 10 years in medical gases in various senior roles and a further 5 years in industrial gases.

**Sivavalan Moodley (61)**
**Non-Executive Director - External - Non-Resident of Mauritius**
*Ceased to hold office on 15 May 2024*

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 (45)**
**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

## DIRECTORS' APPOINTMENT PROCEDURES (CONT'D)

**Directors' Profiles and Details of External Appointments on Listed Entities and Public Entities**

### 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.

### Profiles of Key Senior Management Officers

**Christophe Desvaux de Marigny** *(Middle)*
**Chief Executive Officer**

Christophe Desvaux de Marigny is the Chief Executive Officer of LGI since January 2024. He holds an MBA from the Université of Paris Dauphine and a diploma in Electrical engineering light current from the Natal Technikon South Africa. This accomplished leader has a track record of more than 20 years in senior management positions. Before joining LGI, he had a fruitful career in the industrial sector such as the sugar industry and particularly in Africa. Christophe Desvaux de Marigny is a self-motivated person, a problem solver, creative and likes to initiate new ideas.

**Salim Hatteea** *(Left)*
**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 (FCCA). 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 25 years.

**Jeff Pierre Louis** *(Right)*
**Sales Manager**

Jeff Pierre Louis has been a member of the LGI family for more than 15 years. He knows the Company's operations inside out having held various functions, namely Operation Stock Controller and Senior Sales Executive, amongst others. He has a hands-on approach to his tasks and an eagerness to always deliver. Jeff was appointed Sales Manager in February 2021. He holds a Diploma in Information Technology and Gestion Commercial as well as Certificates in Stock Management.

## 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 30 June 2024 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 Company.

## DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

### Interest of Directors (cont'd)

The directors confirm that they have followed the principles set in the "DEM's" rules (Development and Enterprise Market) 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 Mauritius 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 confirm 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 82 and 83 of the consolidated 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 confidentiality, integrity, availability and protection of information. IT policies are in place and reviewed periodically. The Company bears all the costs relating to IT.

### 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 subsidiaries.

The directors' remuneration is given on page 6. None of the directors received remuneration from the subsidiaries 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 locally 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.

## RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

### Risk Management (cont'd)

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

- Risk management responsibilities have been defined across LGI.
- The Chief Executive Officer 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 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 facing strong competition on our local market. The Company has therefore diversified in the region. The last two years show continuous progression in our activity outside our borders. LGI is now fully embarked on its 2023-2025 strategic plan in order to strengthen its position in new markets.

### Operational Risks

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

Among the physical risks identified are unavoidable events such as riots, cyclones and other natural calamities including diseases. 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 firmness as risks to our tangible assets, the Company has opted for optimising 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 summarised 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 unutilised bank facilities.

## RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

**Management of Key Risks (cont'd)**

**Financial Risks (cont'd)**

*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 currency to match its foreign commitments.

Other information on financial risks management is given in the consolidated financial statements.

**Compliance Risks**

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 auditors 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 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 the consolidated financial statements that give a true and fair view of the state of affairs of the Company and the Group. Those consolidated financial statements are in accordance with applicable laws and regulations and comply with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 minimises its impact on the environment and on the society at large. LGI is fully dedicated to occupational health, safety and environmental management.

The Company 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.

## REPORTING WITH INTEGRITY (CONT'D)

### Safety, Health, Environment and Sustainability Reporting (cont'd)

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

- comply with all occupational health, safety and environment legislations in force in the country;
- provide and maintain a safe and healthy working environment for the employees, customers and the public at large;
- train the employees in all aspects of occupational health, safety, fire prevention and emergency procedures;
- enforce health and safety measures and discipline in the workplace;
- provide sufficient support and encouragement at all levels in the Company to ensure that continuous improvement is achieved in health, safety and environmental protection;
- ensure all line managers 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; and
- 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 behaviour, 100% of the time".

The safety of employees and contractors, suppliers and the local communities within which operations function, is a prerequisite to any business that the Company undertakes. The protection of the environment is a high priority. LGI is committed to minimise the environmental impact of products, to conserve natural resources, to prevent pollution and to comply with all the company's internal standards and external regulations.

The Company's 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 senior 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.

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 are based on total quality management principles and ensure 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. The Company's 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.

## REPORTING WITH INTEGRITY (CONT'D)

### 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 beginning 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 home delivery of medical oxygen to needy people around the island. This subsidised service is also part of LGI's contribution towards the wellbeing of the Mauritian society.

### Donations

### Charitable Donations

Charitable donations made by LGI during the year ended 30 June 2024 to three organisations amounted to Rs. 120,000 (2023: Rs. 55,000 to two organisations).

### Political Contributions

No political contributions were made by LGI or its subsidiaries during the year under review (2023: 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 KPMG and is led by an engagement partner. The internal auditors have 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 auditors performed a review of the key controls of the Company as well as a Strategy Analysis & Enterprise Risk Assessment. The key controls reviewed included Sales and Debtors Management, Procurement to Payment and Inventory Management.

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

Different significant areas are covered by yearly internal audit. 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 reviews to ensure that recommendations of previous assignments have been put in place.

### External Audit

Grant Thornton Mauritius were appointed as external auditors of the Company for the year ended 30 June 2022. The Board made the choice of moving for one of the top seven audit firms in line with the Company's geographical expansion strategy.

Selection of proposed auditors is preceded by a tender exercise following which bidders are interviewed by members of the Audit Committee and the Board. The Board subsequently makes its recommendation to the Company's 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 standards (IFRS and IAS).

## AUDIT (CONT'D)

### External Audit (cont'd)

The management letter issued by the external auditors and their work in general are 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 auditors | 2024 | 2023 |
|---|---|---|
| | Rs. | Rs. |
| Review of quarterly reporting and corporate governance report | 105,000 | 100,000 |
| Income tax compliance services* | 70,000 | 68,000 |

**Services provided by a separate legal entity headed by non-audit partners.*

The directors ascertain that the external auditors' 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 for compliance purposes and 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:

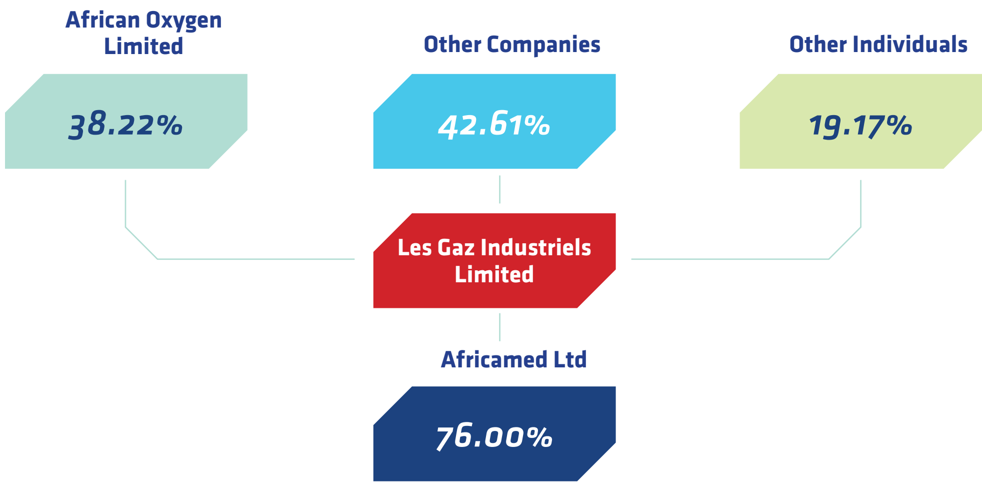
- Shareholders
- Employees
- Customers
- Suppliers
- Regulatory authorities
- Providers of finance
- Technical partner

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.

The Company's Annual Meeting of Shareholders provides an opportunity for shareholders to meet and discuss with the Board relating to the Company's and Group's performance. LGI values its employees and considers them as brand ambassadors. They are given adequate training to enable them to continuously improve their skills. The Company remains in constant communication with its customers in order to understand their needs and to continuously provide them with the best service level. Regarding suppliers, the Company has developed a cordial relationship with them, especially the critical ones, which results in win-win situations for both parties. African Oxygen Limited (Afrox) is our technical partner and as a subsidiary of world leader Linde Group, it ensures that LGI benefits from the finest advice and guidance relating technical guidance and safety techniques.

### 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 subsidiaries is illustrated below.



## RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

### Shareholding Profile

***Profile of Company's Shareholders as at 30 June 2024***

Ownership of ordinary share capital at 30 June 2024 was as follows:

| Size of Shareholding | Number of Shareholders | Number of Shares Owned | % Holding |
|---|---|---|---|
| 1 - 500 | 220 | 29,626 | 1.134 |
| 501 - 1,000 | 39 | 30,238 | 1.158 |
| 1,001 - 5,000 | 52 | 130,177 | 4.985 |
| 5,001 - 10,000 | 14 | 94,227 | 3.608 |
| 10,001 - 50,000 | 15 | 323,237 | 12.378 |
| 50,001 - 100,000 | 1 | 50,963 | 1.952 |
| 100,001 - 250,000 | 3 | 391,344 | 14.986 |
| 250,001 - 500,000 | 2 | 669,035 | 25.620 |
| Over 500,000 | 1 | 892,545 | 34.179 |
| Total | 347 | 2,611,392 | 100.000 |

| Category of Shareholders | Number of Shareholders | Number of Shares Owned | % Holding |
|---|---|---|---|
| Individuals | 303 | 500,597 | 19.170 |
| Insurance & Assurance Cos | 1 | 10 | 0.000 |
| Pension & Provident Funds | 1 | 500 | 0.019 |
| Investment & Trust Cos | 1 | 336,715 | 12.894 |
| Other Corporate Bodies | 41 | 1,773,570 | 67.917 |
| Total | 347 | 2,611,392 | 100.000 |

### Substantial Shareholders

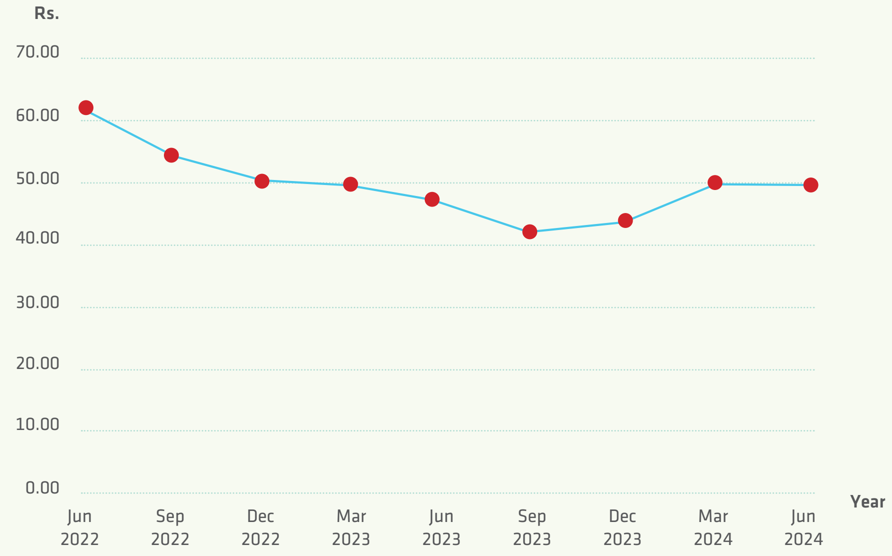
Substantial shareholders are those who exercise at least 5% of voting rights at shareholders' meetings.

The substantial shareholders of Les Gaz Industriels Limited as at 30 June 2024 are detailed as 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 |

## RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

### 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 profitability, gearing, investment needs, capital expenditure requirements, growth opportunities and the solvency test as required by the Act.

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) | (%) |
| 2019 | Final | 26 September 2019 | 1.20 | (2.46) | 2.00 |
| 2020 | - | - | 0.00 | 0.00 | 0.00 |
| 2021 | Final | 24 September 2021 | 2.00 | 1.45 | 6.56 |
| 2022 | Final | 30 September 2022 | 2.50 | 1.15 | 4.12 |
| 2023 | Interim | 03 May 2023 | 1.50 | 2.49 | 3.02 |
| 2023 | Final | 12 September 2023 | 1.50 | 4.73 | 3.13 |

### Material Clauses of the Company's M&A

The Company's M&A does not provide any ownership restriction or pre-emption right and other material clause that needs to be disclosed. A copy of the Company's M&A is available on the Company's website.

### 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.

## RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

### 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 2024 | November 2024 |
| Consider declaration of dividend – Interim | November 2024 |
| Annual Meeting of Shareholders | December 2024 |
| Publication of condensed results for half year to 31 December 2024 | February 2025 |
| Publication of condensed results for third quarter to 31 March 2025 | May 2025 |
| Consider declaration of dividend – Final | May 2025 |
| Financial year end | 30 June |
| Publication of condensed audited results for year ending 30 June 2025 | September 2025 |

### Third Party Management Agreement

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

### Website

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

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors acknowledge their responsibilities for:

(i) adequate accounting records and maintenance of effective internal control systems;

(ii) the preparation of the consolidated financial statements which fairly present the state of affairs of the Company and the Group as at the end of the financial year and the results of their operations and cash flows for the year then ended and which comply with IFRS Accounting Standards as issued by the International Accounting Standards Board and relevant legislations; and

(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) IFRS Accounting Standards as issued by the International Accounting Standards Board have been adhered to;

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

(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

**Christophe Desvaux de Marigny**
Chief Executive Officer

## STATEMENT OF COMPLIANCE

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

**Name of PIE:** Les Gaz Industriels Limited

**Reporting Period:** Year ended 30 June 2024

We, the directors of Les Gaz Industriels Limited, confirm that to the best of our knowledge, the Company has complied with all of its obligations and requirements under the Code of Corporate Governance except for the presence of independent directors on the Board. The Board is of the view that given its size, having one independent director is in line with the Code's spirit.

In order to comply with the provisions of the Code, LGI continuously revamps its website to communicate with its shareholders and stakeholders.

**Antoine L. Harel**
Chairman

**Christophe Desvaux de Marigny**
Chief Executive Officer

24 September 2024

# Secretary's Certificate
## YEAR ENDED 30 JUNE 2024

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 Mauritius Companies Act 2001 during the year ended 30 June 2024.

**For HM Secretaries Ltd**
Company Secretary

24 September 2024

# Value Added Statement

**30 JUNE 2024**

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| | **Rs.** | Rs. | Rs. | Rs. | Rs. |
| Revenue | **147,678,566** | 176,275,897 | 179,958,301 | 168,553,759 | 121,708,291 |
| Paid to suppliers for materials and services | **(93,395,649)** | (107,642,289) | (122,563,264) | (121,611,295) | (82,212,627) |
| Value added | **54,282,917** | 68,633,608 | 57,395,037 | 46,942,464 | 39,495,664 |
| Distributed as follows: | | | | | |
| **Salaries, wages and other benefit to employees** | **36,359,704** | 35,654,215 | 35,178,644 | 27,733,870 | 30,558,770 |
| **Government taxes on earnings** | | | | | |
| Taxation | **1,328,734** | 1,860,671 | 4,006,112 | 1,543,089 | 607,407 |
| **Providers of capital** | | | | | |
| Dividend to shareholders | 3,917,088 | 10,445,568 | 5,222,784 | - | 3,133,670 |
| **Retained to ensure future growth** | | | | | |
| Depreciation | **12,929,906** | 12,578,465 | 10,678,853 | 10,097,365 | 10,163,460 |
| Profit retained for the year | **(252,515)** | 8,094,689 | 2,308,644 | 7,568,140 | (4,967,643) |
| | **12,677,391** | 20,673,154 | 12,987,497 | 17,665,505 | 5,195,817 |
| **Total wealth distributed and retained** | **54,282,917** | 68,633,608 | 57,395,037 | 46,942,464 | 39,495,664 |

| **Distributed as follows:** | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| | **Rs.** | Rs. | Rs. | Rs. | Rs. |
| Salaries, wages and other benefit to employees | **36,359,704** | 35,654,215 | 35,178,644 | 27,733,870 | 30,558,770 |
| Government taxes on earnings | **1,328,734** | 1,860,671 | 4,006,112 | 1,543,089 | 607,407 |
| Providers of capital | **3,917,088** | 10,445,568 | 5,222,784 | - | 3,133,670 |
| Retained to ensure future growth | **12,677,391** | 20,673,154 | 12,987,497 | 17,665,505 | 5,195,817 |
| | **54,282,917** | 68,633,608 | 57,395,037 | 46,942,464 | 39,495,664 |
| **Paid to suppliers for materials and services** | | | | | |
| Cost of sales | **91,356,900** | 112,242,932 | 123,247,833 | 121,740,288 | 79,248,283 |
| Selling and distribution expenses | **23,322,143** | 22,550,212 | 22,258,797 | 19,364,260 | 20,517,227 |
| Administrative expenses | **34,870,786** | 25,480,014 | 27,725,110 | 21,906,145 | 27,443,751 |
| Less staff cost | **(36,359,704)** | (35,654,215) | (35,178,644) | (27,733,870) | (30,558,770) |
| Less depreciation | **(12,929,906)** | (12,578,465) | (10,678,853) | (10,097,365) | (10,163,460) |
| Other operating income | **(3,007,501)** | (2,511,681) | (2,826,370) | (1,590,958) | (2,362,592) |
| Share of (profit)/loss from associates | **541,092** | 702,978 | 2,115,204 | - | - |
| Share of (profit)/loss from Joint Venture | **-** | (22,408) | (54,507) | (55,383) | (43,861) |
| Finance costs | **(7,427)** | (2,567,078) | 462,090 | (1,322,037) | (673,545) |
| Other financial items | **(1,453,983)** | - | - | - | - |
| Profit on remeasurement | **(3,386,406)** | - | - | - | - |
| Gain on acquisition of an associate | **(1,823,449)** | - | - | - | - |
| Gain on disposal of a subsidiary | **(719,924)** | - | - | - | - |
| Exceptional item | **2,993,028** | - | (4,507,396) | (599,785) | (1,194,406) |
| | **93,395,649** | 107,642,289 | 122,563,264 | 121,611,295 | 82,212,627 |

# Independent auditors' report

## To the members of Les Gaz Industriels Limited

### Report on the Audit of the Consolidated Financial Statements

**Opinion**

We have audited the consolidated financial statements of Les Gaz Industriels Limited, the "Company" and its subsidiaries, together referred to as the "Group", which comprise the consolidated statements of financial position as at 30 June 2024, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements on pages 34 to 84 give a true and fair view of the financial position of the Group and the Company as at 30 June 2024 and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

**Basis for Opinion**

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

**Key Audit Matter**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended 30 June 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on such matter.

The only key audit matter identified in relation to the audit of the consolidated financial statements is as described overleaf:

| Provision for expected credit losses and recoverability of amount due | How our audit addressed the key audit matter |
|---|---|
| The Group has trade and other receivables of Rs 40,408,214 as at the reporting date and the estimation of expected credit losses ("ECL") on the related financial assets, involves significant management judgement and estimates. The key areas where we identified greater levels of management judgement and estimates and therefore increased levels of audit focus in the Group's estimation of ECLs are:<br><br>• Assumptions applied to estimate the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD") within the ECL measurement;<br>• Incorporation of macro-economic inputs and forward-looking information into the ECL measurement;<br>• Determination of the Group's definition of default;<br>• The criteria for assessing significant increase in credit risk; and<br>• The rate of recovery on trade and other receivables that are past due and in default.<br><br>The effect of the above matter is that, as part of our risk assessment, we determined that the impairment of trade and other receivables has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the consolidated financial statements as a whole. The credit risk sections of the consolidated financial statements disclose the sensitivities estimated by the Group. | Our procedures included the following, amongst others:<br><br>• We assessed and tested the design and operating effectiveness of the controls established by management over the approval, recording and monitoring of trade and other receivables, including impairment assessment.<br>• We have tested the appropriateness of the IFRS 9 impairment methodologies and independently assessed the probability of default, loss given default and exposure at default assumptions. We have also considered the appropriateness of the forward-looking factors used to determine the expected credit losses.<br>• We have tested the completeness and accuracy of the underlying data used in the impairment calculation by agreeing details to source documents, on a sample basis.<br>• We have assessed collections post the financial reporting date of amount receivable in order to determine the risk of default and whether a significant increase in credit risk has occurred.<br>• We have verified the computation of the ECL for accuracy.<br>• We assessed whether the disclosures are in accordance with the requirements of IFRS 9.<br><br>Overall, the results of our evaluation of the Group's expected credit losses on trade and other receivables are consistent with management's assessment.<br>. |

# Independent auditors' report

## To the members of Les Gaz Industriels Limited

### Report on the Audit of the Consolidated Financial Statements (Cont'd)

**Information Other than the Consolidated Financial Statements and Auditors' Report Thereon ("Other Information")**

Management is responsible for the Other Information. The Other Information comprises mainly of information included under the Statutory Disclosures and the Corporate Governance Report sections, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the Other Information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

# Independent auditors’ report

**To the members of Les Gaz Industriels Limited**

**Report on the Audit of the Consolidated Financial Statements (Cont’d)**

**Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements (Cont’d)**

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

**Report on Other Legal and Regulatory Requirements**

*(a) Mauritius Companies Act 2001*

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company and its subsidiaries other than in our capacity as auditors;

- we have obtained all the information and explanations we have required; and

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

*(b) Financial Reporting Act 2004*

*Corporate Governance Report*

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance (the “Code”) disclosed in the Corporate Governance 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 Corporate Governance Report, the Company has, pursuant to Section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

**Other matter**

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

Grant Thornton

**Grant Thornton**
**Chartered Accountants**

**Y NUBEE, FCCA**
**Licensed by FRC**

Date: 28 October 2024
Ebene 72201, Republic of Mauritius

# Consolidated Statements of Financial Position

## 30 JUNE 2024

| | Notes | The Group | | The Company | |
|---|---|---|---|---|---|
| **ASSETS** | | **2024** | 2023 | **2024** | 2023 |
| **Non-current assets** | | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Goodwill | 5 | **353,878** | 353,878 | **-** | - |
| Property, plant and equipment | 6 | **230,137,812** | 238,538,830 | **230,113,732** | 236,186,515 |
| Intangible assets | 7 | **1,649,169** | 409,420 | **1,649,169** | 409,420 |
| Investment in subsidiaries | 8 | **-** | - | **1,098,196** | 5,514,303 |
| Investments in associates | 9 | **7,307,954** | 5,308,068 | **7,307,954** | 5,308,068 |
| | | **239,448,813** | 244,610,196 | **240,169,051** | 247,418,306 |
| **Current assets** | | | | | |
| Inventories | 10 | **16,723,474** | 19,688,458 | **16,723,474** | 17,852,761 |
| Trade and other receivables | 11 | **40,408,214** | 34,186,270 | **35,002,788** | 29,422,631 |
| Financial assets at amortised cost | 12 | **2,586,691** | 2,835,004 | **2,586,691** | 2,835,004 |
| Prepayments | | **2,091,905** | 1,393,098 | **2,091,905** | 810,707 |
| Current tax assets | 18(a) | **298,474** | - | **826,117** | - |
| Cash and cash equivalents | 29(b) | **29,711,284** | 29,294,759 | **29,686,045** | 25,782,050 |
| | | **91,820,042** | 87,397,589 | **86,917,020** | 76,703,153 |
| **Total assets** | Rs. | **331,268,855** | 332,007,785 | **327,086,071** | 324,121,459 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Capital and reserves** | | | | | |
| Stated capital | 13 | **26,114,079** | 26,114,079 | **26,114,079** | 26,114,079 |
| Revaluation and other reserves | 14 | **56,181,998** | 54,553,096 | **56,181,998** | 55,713,850 |
| Retained earnings | | **165,281,245** | 168,689,892 | **162,716,776** | 162,969,291 |
| Equity attributable to owners of the parent | | **247,577,322** | 249,357,067 | **245,012,853** | 244,797,220 |
| Non-controlling interests | | **1,044,843** | 196,633 | **-** | - |
| Total equity | | **248,622,165** | 249,553,700 | **245,012,853** | 244,797,220 |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Deferred tax liabilities | 15 | **24,768,847** | 24,665,554 | **24,768,847** | 25,038,183 |
| Retirement benefit obligations | 16 | **2,254,719** | 2,025,379 | **2,254,719** | 2,025,379 |
| Borrowings | 19 | **3,276,032** | 4,540,240 | **3,276,032** | 4,540,240 |
| | | **30,299,598** | 31,231,173 | **30,299,598** | 31,603,802 |
| **Current liabilities** | | | | | |
| Trade and other payables | 17 | **50,247,817** | 46,951,674 | **50,068,979** | 44,943,310 |
| Current tax liabilities | 18(a) | **-** | 1,722,794 | **-** | 1,578,749 |
| Borrowings | 19 | **2,099,275** | 2,548,444 | **1,704,641** | 1,198,378 |
| | | **52,347,092** | 51,222,912 | **51,773,620** | 47,720,437 |
| **Total liabilities** | | **82,646,690** | 82,454,085 | **82,073,218** | 79,324,239 |
| **Total equity and liabilities** | Rs. | **331,268,855** | 332,007,785 | **327,086,071** | 324,121,459 |

These consolidated financial statements have been approved for issue by the Board of Directors on 24 September 2024.

**Antoine L. Harel**
Chairman

**Christophe Desvaux de Marigny**
Chief Executive Officer

The notes on pages 39 to 84 form an integral part of these financial statements.
Auditors' Report on pages 31 to 33

# Consolidated Statements of Profit or Loss and Other Comprehensive Income

## YEAR ENDED 30 JUNE 2024

| | Notes | | The Group | | The Company | |
|---|---|---|---|---|---|---|
| | | | **2024** | 2023 | **2024** | 2023 |
| | | | **Rs.** | Rs. | **Rs.** | Rs. |
| Revenue | 20 | | **166,300,023** | 192,816,588 | **147,678,566** | 176,275,897 |
| Cost of sales | 21 | | **(102,928,235)** | (123,290,835) | **(91,356,900)** | (112,242,932) |
| Gross profit | | | **63,371,788** | 69,525,753 | **56,321,666** | 64,032,965 |
| Other income | 22 | | **2,721,976** | 2,403,755 | **3,007,501** | 2,511,681 |
| Selling and distribution expenses | 21 | | **(23,322,141)** | (26,084,052) | **(23,322,143)** | (22,550,212) |
| Administrative expenses | 21 | | **(37,249,710)** | (30,540,632) | **(34,870,786)** | (25,480,014) |
| | | | **5,521,913** | 15,304,824 | **1,136,238** | 18,514,420 |
| Net finance (costs)/income | 23 | | **(268,593)** | 2,473,022 | **7,427** | 2,567,078 |
| Profit from ordinary activities | | | **5,253,320** | 17,777,846 | **1,143,665** | 21,081,498 |
| Share of loss from associates | 9 | | **(541,092)** | (702,978) | **(541,092)** | (702,978) |
| Other financial items | 9 | | **1,453,983** | - | **1,453,983** | - |
| Profit on remeasurement | 8 | | **-** | - | **3,386,406** | - |
| Gain on acquisition of an associate | 9 | | **1,823,449** | - | **1,823,449** | - |
| Gain on disposal of a subsidiary | 8 | | **-** | - | **719,924** | - |
| Share of profit from joint venture | 24 | | **-** | 22,408 | **-** | 22,408 |
| Profit before exceptional items | | | **7,989,660** | 17,097,276 | **7,986,335** | 20,400,928 |
| Exceptional items | 25 | | **(2,993,028)** | - | **(2,993,028)** | - |
| Profit before taxation | 26 | | **4,996,632** | 17,097,276 | **4,993,307** | 20,400,928 |
| Taxation | 18(b) | | **(1,904,180)** | (1,570,904) | **(1,328,734)** | (1,860,671) |
| Profit from continuing operations | | | **3,092,452** | 15,526,372 | **3,664,573** | 18,540,257 |
| Profit from discontinued operations | 32 | | **3,691,735** | - | **-** | - |
| Profit for the year | | Rs. | **6,784,187** | 15,526,372 | **3,664,573** | 18,540,257 |
| **Other comprehensive income:** | | | | | | |
| Items that will not be reclassified to profit or loss: | | | | | | |
| Remeasurement of post employment benefit obligations | 14 | | **550,762** | 787,855 | **550,762** | 787,855 |
| Deferred tax relating to components of other comprehensive income | 14 | | **(82,614)** | (118,177) | **(82,614)** | (118,177) |
| Items that may be reclassified subsequently to profit or loss: | | | | | | |
| Exchange differences on translating foreign operations | 14 | | **(1,658,622)** | (1,736,726) | **-** | - |
| Recycle of foreign exchange reserve | | | **2,819,376** | - | **-** | - |
| **Other comprehensive income for the year** | | | **1,628,902** | (1,067,048) | **468,148** | 669,678 |
| **Total comprehensive income for the year** | | Rs. | **8,413,089** | 14,459,324 | **4,132,721** | 19,209,935 |
| **Profit for the year attributable to:** | | | | | | |
| Owners of the parent | | | **5,935,977** | 15,564,755 | **3,664,573** | 18,540,257 |
| Non- controlling interests | | | **848,210** | (38,383) | **-** | - |
| | | | **6,784,187** | 15,526,372 | **3,664,573** | 18,540,257 |
| **Total comprehensive income attributable to:** | | | | | | |
| Owners of the parent | | | **7,564,879** | 14,497,707 | **4,132,721** | 19,209,935 |
| Non- controlling interests | | | **848,210** | (38,383) | **-** | - |
| | | | **8,413,089** | 14,459,324 | **4,132,721** | 19,209,935 |
| **Earnings per share from:** | | | | | | |
| Continuing operations | 27 | | **1.18** | 5.95 | **-** | - |
| Discontinued operations | 27 | | **1.41** | - | **-** | - |
| Total | | Rs. | **2.59** | 5.95 | **-** | - |

The notes on pages 39 to 84 form an integral part of these financial statements.
Auditors' Report on pages 31 to 33

# Consolidated Statements of Changes in Equity

## YEAR ENDED 30 JUNE 2024

| | Notes | | Stated Capital | Share Premium | Translation Reserves | Revaluation Surplus | Acturial Losses Reserve | Retained Earnings | Non-Controlling Interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **THE GROUP** | | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Balance at 01 July 2023 | | | 26,113,920 | 159 | (1,160,754) | 66,898,685 | (11,184,835) | 168,689,892 | 196,633 | 249,553,700 |
| Derecognition of a subsidiary * | | | - | - | - | - | - | (5,427,536) | - | (5,427,536) |
| Profit for the year from continuing operations | | | - | - | - | - | - | 2,244,242 | 848,210 | 3,092,452 |
| Profit for the period from discontinued operations | | | - | - | - | - | - | 3,691,735 | - | 3,691,735 |
| Other comprehensive loss for the year | | | - | - | (1,658,622) | - | 468,148 | - | - | (1,190,474) |
| Recycling of translation reserve | | | - | - | 2,819,376 | - | - | - | - | 2,819,376 |
| Total comprehensive income for the year | | | - | - | 1,160,754 | - | 468,148 | 5,935,977 | 848,210 | 8,413,089 |
| Dividends | 28 | | - | - | - | - | - | (3,917,088) | - | (3,917,088) |
| Transaction with shareholders | | | - | - | - | - | - | (3,917,088) | - | (3,917,088) |
| **Balance at 30 June 2024** | | Rs. | **26,113,920** | **159** | **-** | **66,898,685** | **(10,716,687)** | **165,281,245** | **1,044,843** | **248,622,165** |
| Balance at 01 July 2022 | | | 26,113,920 | 159 | 575,972 | 66,898,685 | (11,854,513) | 163,570,705 | - | 245,304,928 |
| Acquisition | | | - | - | - | - | - | - | 235,016 | 235,016 |
| Profit for the year | | | - | - | - | - | - | 15,564,755 | (38,383) | 15,526,372 |
| Other comprehensive income for the year | | | - | - | (1,736,726) | - | 669,678 | - | - | (1,067,048) |
| Total comprehensive income for the year | | | - | - | (1,736,726) | - | 669,678 | 15,564,755 | (38,383) | 14,459,324 |
| Dividends | 28 | | - | - | - | - | - | (10,445,568) | - | (10,445,568) |
| Transaction with shareholders | | | - | - | - | - | - | (10,445,568) | - | (10,445,568) |
| Balance at 30 June 2023 | | Rs. | 26,113,920 | 159 | (1,160,754) | 66,898,685 | (11,184,835) | 168,689,892 | 196,633 | 249,553,700 |

* This represents the share of retained earnings of Gaz Industriels Madagascar SA which have been derecognised as the investment in subsidiary was partly disposed during the year.

The notes on pages 39 to 84 form an integral part of these financial statements.
Auditors' Report on pages 31 to 33

# Consolidated Statements of Changes in Equity

## YEAR ENDED 30 JUNE 2024

| | Notes | | Stated Capital | Share Premium | Revaluation Surplus | Acturial Losses Reserve | Retained Earnings | Total |
|---|---|---|---|---|---|---|---|---|
| **THE COMPANY** | | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Balance at 01 July 2023 | | | 26,113,920 | 159 | 66,898,685 | (11,184,835) | 162,969,291 | 244,797,220 |
| Profit for the year | | | - | - | - | - | 3,664,573 | 3,664,573 |
| Other comprehensive income for the year | | | - | - | - | 468,148 | - | 468,148 |
| Total comprehensive income for the year | | | - | - | - | 468,148 | 3,664,573 | 4,132,721 |
| Dividends | 28 | | - | - | - | - | (3,917,088) | (3,917,088) |
| Transaction with shareholders | | | - | - | - | - | (3,917,088) | (3,917,088) |
| **Balance at 30 June 2024** | | Rs. | **26,113,920** | **159** | **66,898,685** | **(10,716,687)** | **162,716,776** | **245,012,853** |
| Balance at 01 July 2022 | | | 26,113,920 | 159 | 66,898,685 | (11,854,513) | 154,874,602 | 236,032,853 |
| Profit for the year | | | - | - | - | - | 18,540,257 | 18,540,257 |
| Other comprehensive income for the year | | | - | - | - | 669,678 | - | 669,678 |
| Total comprehensive income for the year | | | - | - | - | 669,678 | 18,540,257 | 19,209,935 |
| Dividends | 28 | | - | - | - | - | (10,445,568) | (10,445,568) |
| Transaction with shareholders | | | - | - | - | - | (10,445,568) | (10,445,568) |
| Balance at 30 June 2023 | | Rs. | 26,113,920 | 159 | 66,898,685 | (11,184,835) | 162,969,291 | 244,797,220 |

The notes on pages 39 to 84 form an integral part of these financial statements.
Auditors' Report on pages 31 to 33

# Consolidated Statements of Cash Flows

## YEAR ENDED 30 JUNE 2024

| | Notes | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rs. | Rs. | Rs. | Rs. |
| **Cash flows from operating activities** | | | | | |
| Cash generated from operations | 29(a) | **12,710,459** | 23,092,882 | **11,538,416** | 22,952,527 |
| Income tax paid | | **(3,879,269)** | (3,668,211) | **(3,774,834)** | (1,021,238) |
| Interest paid | | **(571,664)** | (338,374) | **(274,947)** | (338,355) |
| Interest income | | **191,960** | 119,232 | **191,960** | 119,232 |
| **Net cash generated from operating activities** | | **8,451,486** | 19,205,529 | **7,680,595** | 21,712,166 |
| **Investing activities** | | | | | |
| Purchase of property, plant and equipment | 6 | **(6,714,729)** | (12,245,934) | **(6,714,729)** | (11,841,753) |
| Purchase of intangible assets | 7 | **(1,560,000)** | (413,206) | **(1,560,000)** | (413,206) |
| Proceeds from sale of property, plant and equipment | | **2,196,362** | 2,085,523 | **2,196,362** | 2,085,523 |
| Proceeds from termination of joint venture | | **-** | 182,735 | **-** | 182,735 |
| Investment in subsidiary | | **-** | - | **-** | (1,098,196) |
| Proceeds from part disposal of subsidiary | 8 | **6,976,800** | - | **6,976,800** | - |
| **Net cash from investing activities** | | **898,433** | (10,390,882) | **898,433** | (11,084,897) |
| **Financing activities** | | | | | |
| Dividends paid | 28 | **(3,917,088)** | (10,445,568) | **(3,917,088)** | (10,445,568) |
| Proceeds from borrowings | | **-** | 3,508,579 | **-** | 2,250,000 |
| Repayment of borrowings | | **(2,248,910)** | (4,089,407) | **(1,198,378)** | (4,089,407) |
| **Net cash used in financing activities*** | | **(6,165,998)** | (11,026,396) | **(5,115,466)** | (12,284,975) |
| **Net (decrease)/increase used in cash and cash equivalents** | | **3,183,921** | (2,211,749) | **3,463,562** | (1,657,706) |
| **Movement in cash and cash equivalents** | | | | | |
| At 01 July | | **29,203,272** | 32,281,964 | **25,782,050** | 27,439,756 |
| Net change for the year | | **3,183,921** | (2,211,749) | **3,463,562** | (1,657,706) |
| Cash balance transferred | | **(3,302,929)** | - | **-** | - |
| Effect of foreign exchange rate changes | | **-** | (866,943) | **-** | - |
| **At 30 June** | | **29,084,264** | 29,203,272 | **29,245,612** | 25,782,050 |
| **Cash and cash equivalent made up of:** | | | | | |
| Cash at bank | 29(b) | **29,711,284** | 29,294,759 | **29,686,045** | 25,782,050 |
| Bank overdraft | 19 | **(627,020)** | (91,487) | **(440,433)** | - |
| | | **29,084,264** | 29,203,272 | **29,245,612** | 25,782,050 |
| **Non-cash transactions:** | | | | | |
| Investment in associate | 9 | **-** | - | **1,545,637** | - |
| Investment in subsidiary | 8 | **-** | - | **(1,545,637)** | - |

* For reconciliation of liabilities arising from financing activities, refer to Note 29(c).

The notes on pages 39 to 84 form an integral part of these financial statements.
Auditors' Report on pages 31 to 33

# Notes To The Consolidated Financial Statements
**YEAR ENDED 30 JUNE 2024**

## 1. GENERAL INFORMATION

Les Gaz Industriels Limited, the "Company", is a public company incorporated and domiciled in the Republic of Mauritius. The principal activity of the Company and its subsidiaries 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, Republic of Mauritius.

The Company is listed on the Stock Exchange of Mauritius ("SEM").

The Company and its subsidiaries are together referred to as the "Group".

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

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

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

### 2.1 Statement of compliance

The consolidated financial statements of Les Gaz Industriels Limited comply with the Mauritius Companies Act 2001 and Financial Reporting Act 2004 and have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements include the financial statements of the parent company and its subsidiary companies and also the separate financial statements of the parent company (the "Company").

### 2.2 Functional and presentation currency

The consolidated financial statements are presented in Mauritian Rupees ("Rs.") and all values are rounded to the nearest unit, except when otherwise indicated.

### 2.3 Basis of measurement

Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The consolidated financial statements are prepared under the historical cost convention, except where otherwise stated.

### 2.4 Use of estimates and judgement

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in Note 4.

### 2.5 Application of new and revised standards

**New and revised standards that are effective for the year beginning on 01 July 2023**

In the current year, the following revised standards issued by the IASB became mandatory for the first time for the financial year beginning on 01 July 2023:

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.5 Application of new and revised standards (cont'd)

**New and revised standards that are effective for the year beginning on 01 July 2023 (cont'd)**

**Amendment to IFRS 17 Insurance Contracts including the Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach);
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

***IFRS 17 - Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17)***

In December 2021, the International Accounting Standards Board (IASB) issued Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendment to IFRS 17). The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

IFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after 01 January 2023.

***Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)***

The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 01 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the Company applies the amendments.

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standard Board (the Board).

The Board of the IASB has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to the Group's financial statements;

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.5 Application of new and revised standards (cont'd)

**New and revised standards that are effective for the year beginning on 01 July 2023 (cont'd)**

***Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (cont'd)***

- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the consolidated financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The Board of the IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

***IFRS 4, Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)***

In 2020, the IASB also issued further amendments to the existing insurance standard IFRS 4, 'Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)' so that entities can still apply IFRS 9 alongside IFRS 17 until 01 January 2023.

***Definition of Accounting Estimates (Amendments to IAS 8)***

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

The definition of a change in accounting estimates is replaced with a definition of accounting estimates.

Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Board of the IASB clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is separated as income or expense in the current period. The effect, if any, on future periods is separated as income or expense in those future periods.

***Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)***

The main change in Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) is an exemption from the initial recognition exemption provided in IAS 12.15 (b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

***International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)***

The proposed amendments would introduce a temporary exception from accounting for deferred taxes arising from the implementation of the OECD's Pillar Two model rules, as well as targeted disclosures for affected entities.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.5 Application of new and revised standards (cont'd)

**New and revised standards that are effective for the year beginning on 01 July 2023 (cont'd)**

***International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12) (cont'd)***

The amendments will provide temporary relief for companies from having to account for deferred taxes arising from the implementation of the Pillar Two model rules.

The amendments will introduce:

- a temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the global tax rules; and
- targeted disclosure requirements for affected companies to help users of the financial statements better understand a company's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The amendments will ensure that affected companies apply IAS 12 consistently and that investors are given better information before and after any jurisdictional Pillar Two legislation comes into effect.

Management has assessed the impact of the above revised standards and concluded that none of these have a significant impact on the Group's consolidated financial statements.

**New standards and amendments to existing standards that are not yet effective and have not been adopted early by the Group**

At the date of authorisation of these consolidated financial statements, certain new standards and amendments to existing standards have been published but are not yet effective and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements, as applicable to the Group's activities, will be adopted in the Group's accounting policies for the first year beginning after the effective date of the pronouncements. Information on new standards and amendments to existing standards is provided below:

***Classification of Liabilities as Current or Non-current (Amendments to IAS 1)***

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classication is unchanged.

The amendment is effective for annual reporting periods beginning on or after 01 January 2023 with earlier application permitted.

***Lease Liability in a Sale and Leaseback (Amendments to IAS I6)***

The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of gain or loss that relate to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The amendments are effective from 01 January 2024 but may be applied earlier.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.5 Application of new and revised standards (cont'd)

**New standards and amendments to existing standards that are not yet effective and have not been adopted early by the Group (cont'd)**

***Non-current Liabilities with Covenants (Amendments to IAS 1)***

The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current. The combined impact of the 2020 amendments and the 2022 amendments will impact practice. Entities will, therefore, need to carefully consider the impact of the amendments on existing and planned loan agreements.

The amendments are effective from 01 January 2024 but may be applied earlier.

***Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)***

The amendments address the disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are often referred to as supply chain finance, trade payables finance or reverse factoring arrangements.

The amendments supplement requirements already in the IFRS Accounting Standards and require a company to disclose:

- the terms and conditions;
- the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet;
- ranges of payment due dates; and
- liquidity risk information.

***IAS 21 - Lack of Exchangeability (Amendments to IAS 21)***

The amendments in Lack of Exchangeability (Amendments to IAS 21) amend IAS 21 to:

- Specify when a currency is exchangeable into another currency and when it is not – a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable – when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- Require the disclosure of additional information when a currency is not exchangeable – when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

***Presentation and Disclosure in Financial Statements (IFRS 18)***

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss - the goal of the defined structure is to reduce diversity in the reporting of the statement of profit and loss, helping users of financial statements to understand the information and to make better comparisons between companies.
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures).

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.5 Application of new and revised standards (cont'd)

**New standards and amendments to existing standards that are not yet effective and have not been adopted early by the Group (cont'd)**

***Presentation and Disclosure in Financial Statements (IFRS 18) (Cont'd)***

- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. It focuses on grouping items based on their shared characteristics. These principles are applied across the financial statements, and they are used in defining which line items are presented in the primary financial statements and what information is disclosed in the notes.

***IFRS 19, Subsidiaries without Public Accountability: Disclosures***

This new standard specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.The objective of the new the standard is to alleviate the reporting burden for subsidiaries without public accountability.

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

This new standards sets out overall requirements for substainbility-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

*IFRS S2, Climate-related Disclosures*

This new standards set out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. It requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.

Management has yet to assess the impact of the above new standards and amendments on the Group' consolidated financial statements.

### 2.6 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or for administrative purposes are stated at their fair value, based on periodic valuations unless circumstances dictate otherwise, by external independent valuers, less subsequent depreciation for buildings. Plant and machinery are 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.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.6 Property, plant and equipment (cont'd)

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

| | Per annum |
|---|---|
| Buildings | 2% - 25% |
| Plant and machinery | 2% - 5% |
| Motor vehicles | 20% |
| Furniture and fittings | 10% |
| Office equipment | 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.

Repairs and maintenance are expensed as incurred.

### 2.7 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.

### 2.8 Investment in subsidiaries

Investment in subsidiaries are stated at cost less impairment charges at the Company's level.

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.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.8 Investment in subsidiaries (cont'd)

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. Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interests even if this results in a debit balance being recognised for non-controlling interests.

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

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

### 2.9 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. See Note 2.8 for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses.

Negative goodwill is recognised in the consolidated statements of profit or loss and other comprehensive income.

### 2.10 Investment in associates

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

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in associates is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associates since the acquisition date.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of its associates. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates or joint venture and its carrying value, and then recognises the loss within 'share of profit/(loss) of an associate' in the consolidated statement of profit or loss.

Upon loss of significant influence over the associates, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associates upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.11 Interest in 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.

### 2.12 Financial instruments

*Recognition and initial measurement*

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

*Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost and at fair value through other comprehensive income.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

*Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

*Business model assessment*

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.12 Financial instruments (cont'd)

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

*Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI")*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

- Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

*Financial liabilities - Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. These include trade and other payables and borrowings. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.12 Financial instruments (cont'd)

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated and separate statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**Impairment of financial assets**

The Group recognises loss allowances for ECLs on following categories of financial assets:

- financial assets measured at amortised cost; and
- debt investments measured at FVOCI.

The Group measure loss allowances at an amount equal to lifetime ECLs, except for the following which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.12 Financial instruments (cont'd)

**Impairment of financial assets (cont'd)**

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

*Measurement of ECL*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial assets.

*Credit-impaired financial assets*

At each reporting date, the Group assesses whether the financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

*Presentation of allowance of ECL in the consolidated statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

### 2.13 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.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.13 Current and deferred income tax (cont'd)

*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 in the relevant jurisdiction where each entity operates.

*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 consolidated 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.

*Corporate Social Responsibility (CSR)*

The Company is subject to CSR and the contribution is at the rate of 2% on the chargeable income of the preceding financial year. The CSR contribution to the Mauritius Revenue Authority must be at least 75% or reduced up to 50% if prior written approval of the National CSR Foundation is obtained.

*Corporate Climate Responsibility (CCR)*

The Company is subject to CCR and the contribution is at the rate of 2% on the chargeable income as from the year of assessement commencing on 01 July 2024.

### 2.14 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.

### 2.15 Retirement benefit obligations

*(i) Defined contribution plans*

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all 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 plans*

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 consolidated 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.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.15 Retirement benefit obligations (cont'd)

*(ii) Defined benefit plans (cont'd)*

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 period.

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 defined 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 actuary and provided for. The obligations arising under this item are not funded.

### 2.16 Foreign currencies

*(i) Functional and presentation currency*

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

*(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 subsidiaries that have 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.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.16 Foreign currencies (cont'd)

*(iii) Group company (cont'd)*

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.

### 2.17 Share capital

Ordinary shares are classified as equity.

### 2.18 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.

### 2.19 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are classified as current liabilities if payment is due within one year.

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

### 2.20 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and are classified as current assets if settlement is expected within one year.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### 2.21 Impairment of non-financial 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 flows (cash-generating units).

### 2.22 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 is transferred to the customer. This is generally when the goods are delivered to the customer.

*Determining the transaction price*

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

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

***(a) Revenue from contracts with customers (cont'd)***

*Allocating amounts to performance obligations*

For most contracts, there is a fixed 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).

- Dividend income is recognised when the right to receive such dividend is established.

**2.23 Operating leases**

Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred. The Company has maintained the recognition of its lease as operating lease since it has elected to apply the exemption of low-value lease as permitted under IFRS 16.

**2.24 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and cash in hand. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**2.25 Expenses**

All expenses are accounted for on the accrual basis.

**2.26 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses. Timing or amount of the outflow may still be uncertain. All known risks at reporting date are reviewed in detail and provision is made where necessary.

**2.27 Related parties**

A related party is a person or company where that person or company has control or joint control of the reporting company, has significant influence over the reporting company, or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.28 Segment reporting

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

### 2.29 Exceptional item

Exceptional items are disclosed separately in the consolidated 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 or gain that have been shown separately due to the significance of their nature or amount.

### 2.30 Dividend distribution

Dividend distribution to the Company's shareholders is recognised when same has been approved prior to the reporting date by the Board.

### 2.31 Non-current assets and liabilities classified as held for sale and discontinued operations

Non-currrent assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations.

### 2.32 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

## 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.

## 3. FINANCIAL RISK MANAGEMENT (CONT'D)

### 3.1 Financial risk factors (cont'd)

### a) Currency risk (cont'd)

The carrying amounts of the Group's financial assets and financial liabilities are denominated in the following currencies:

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rs. | Rs. | Rs. | Rs. |
| ***Financial assets*** | | | | | |
| Euro | | **33,017** | 179,821 | **33,017** | 179,821 |
| Mauritian Rupees | | **30,268,333** | 37,074,738 | **24,837,668** | 37,103,026 |
| US Dollar | | **42,296,748** | 18,387,351 | **42,296,748** | 18,387,351 |
| South African Rand | | **47,204** | 1,654,213 | **47,204** | 1,654,213 |
| Malagasy Ariary | | **-** | 8,304,636 | **-** | - |
| Singapore Dollar | | **60,887** | - | **60,887** | - |
| Seychelles Rupees | | **-** | 715,274 | **-** | 715,274 |
| | Rs. | **72,706,189** | 66,316,033 | **67,275,524** | 58,039,685 |
| ***Financial liabilities*** | | | | | |
| Mauritian Rupees | | **22,089,873** | 25,790,549 | **21,516,383** | 25,790,549 |
| Singaporean dollar | | **1,463,286** | 2,151,334 | **1,463,286** | 2,151,334 |
| US Dollar | | **7,851,265** | 3,116,823 | **7,851,265** | 3,116,823 |
| Euro | | **177,497** | 11,237 | **177,497** | 11,237 |
| South African Rand | | **24,035** | 423,373 | **24,035** | 423,373 |
| Malagasy Ariary | | **-** | 1,818,190 | **-** | - |
| | Rs. | **31,605,956** | 33,311,506 | **31,032,466** | 31,493,316 |

Prepayments and deposits amounting to **Rs. 2,091,905** and **Rs. 24,457,719** (2023: Rs. 1,393,098 and Rs. 23,728,852) for Group and **Rs. 2,091,905** and **Rs. 24,457,719** (2023: Rs. 810,707 and Rs. 23,728,852) for Company have been not been included in financial assets and financial liabilities, respectively.

Sensitivity analysis

A strengthening of the above foreign exchanges against the Mauritian rupees at 30 June 2023 would affect the results of the Group and the Company by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant, and is applied against the gross statement of financial position exposure at the reporting date.

| | Increase or Decrease | | The Group | | The Company | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | % | % | Rs. | Rs. | Rs. | Rs. |
| Appreciation of Euro | **2%** | 5% | **2,981** | 8,414 | **2,981** | 8,414 |
| Depreciation of Euro | **-2%** | -5% | **(2,981)** | (8,414) | **(2,981)** | (8,414) |
| Appreciation of USD | **4%** | 2% | **1,277,920** | 308,381 | **1,277,920** | 308,381 |
| Depreciation of USD | **-4%** | -2% | **(1,277,920)** | (308,381) | **(1,277,920)** | (308,381) |
| Appreciation of South African Rand | **7%** | 13% | **1,686** | 156,116 | **1,686** | 156,116 |
| Depreciation of South African Rand | **-7%** | -13% | **(1,686)** | (156,116) | **(1,686)** | (156,116) |
| Appreciation of Malagasy Ariary | **-** | 14% | **-** | 925,819 | **-** | - |
| Depreciation of Malagasy Ariary | **-** | 14% | **-** | (925,819) | **-** | - |
| Appreciation of Singapore Dollar | **4%** | - | **50,287** | - | **50,287** | - |
| Depreciation of Singapore Dollar | **-4%** | - | **(50,287)** | - | **(50,287)** | - |
| Appreciation of Seychelles Rupees | **-** | 3% | **-** | 49,161 | **-** | 49,161 |
| Depreciation of Seychelles Rupees | **-** | -3% | **-** | (49,161) | **-** | (49,161) |

## 3. FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors (cont'd)

### (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.

*Exposure to credit risk*

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | | **Rs.** | Rs. | **Rs.** | Rs. |
| Trade and other receivables | | **40,408,214** | 34,186,270 | **35,002,788** | 29,422,631 |
| Financial assets at amortised cost | | **2,586,691** | 2,835,004 | **2,586,691** | 2,835,004 |
| Cash and cash equivalents | | **29,711,284** | 29,294,759 | **29,686,045** | 25,782,050 |
| | Rs. | **72,706,189** | 66,316,033 | **67,275,524** | 58,039,685 |

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 delivery 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 flexibility in funding by keeping committed credit lines available.

The table below analyses the Group's and 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.

| **THE GROUP** | | **Less than 1 year** | **Between 1 and 2 years** | **Between 2 and 5 years** | **Over 5 years** |
|---|---|---|---|---|---|
| **At 30 June 2024** | | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| **Borrowings** | | **2,099,275** | **3,276,032** | **-** | **-** |
| **Trade and other payables** | | **50,247,817** | **-** | **-** | **-** |
| | | **52,347,092** | **3,276,032** | **-** | **-** |
| At 30 June 2023 | | | | | |
| Borrowings | | 2,548,444 | 4,540,240 | - | - |
| Trade and other payables | | 46,951,674 | - | - | - |
| | Rs. | 49,500,118 | 4,540,240 | - | - |

## 3. FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors (cont'd)

### (c) Liquidity risk (cont'd)

| THE COMPANY | | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|---|---|---|---|---|---|
| **At 30 June 2024** | | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| **Borrowings** | | **1,704,641** | **3,276,032** | **-** | **-** |
| **Trade and other payables** | | **50,068,979** | **-** | **-** | **-** |
| | | **51,773,620** | **3,276,032** | **-** | **-** |
| At 30 June 2023 | | | | | |
| Borrowings | | 1,198,378 | 4,540,240 | - | - |
| Trade and other payables | | 44,943,310 | - | - | - |
| | Rs. | 46,141,688 | 4,540,240 | - | - |

### 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.

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 instruments.

#### Fair value hierarchy of non-financial assets measured at fair value

The following table shows the levels within the hierarchy of non-financial assets measured at fair value.

| THE GROUP AND THE COMPANY | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **At 30 June 2024** | | | | **Rs.** |
| **Property, plant and equipment** | | | | |
| Land and buildings | **-** | **-** | **69,699,076** | **69,699,076** |
| **30 June 2023** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Property, plant and equipment** | | | | **Rs.** |
| Land and buildings | | | | |
| Trade and other payables | **-** | **-** | **72,104,561** | **72,104,561** |

The land and buildings are revalued periodically unless circumstances dictate otherwise. The Group engages an external independent and qualified valuer to determine the fair value of the land and buildings. The fair value of the land and buildings was determined by professional valuers, Ramiah-Isabel Consultancy Ltd in 2022.

The significant unobservable input is the adjustment for factors specific to the building in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

## 3. FINANCIAL RISK MANAGEMENT (CONT'D)

### 3.2 Fair value estimation (cont'd)

**Fair value hierarchy of non-financial assets measured at fair value (cont'd)**

The reconciliation of the carrying amount of non-financial assets classified within Level 3 is as follows:

| | The Group And The Company | |
|---|---|---|
| | **2024** | 2023 |
| | **Rs.** | Rs. |
| At 01 July | **72,104,561** | 74,510,046 |
| Depreciation charge for the year | **(2,405,485)** | (2,405,485) |
| At 30 June | **69,699,076** | 72,104,561 |

### 3.3 Capital risk management

The Group's and the Company's objectives when managing capital are:

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

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

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

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | | **Rs.** | Rs. | **Rs.** | Rs. |
| Total debt | | **5,375,307** | 7,088,684 | **4,980,673** | 5,738,618 |
| Less: Cash and cash equivalents | | **(29,711,284)** | (29,294,759) | **(29,686,045)** | (25,782,050) |
| Net debt | Rs. | **(24,335,977)** | (22,206,075) | **(24,705,372)** | (20,043,432) |
| Total equity | Rs. | **248,622,165** | 249,553,700 | **245,012,853** | 244,797,220 |
| Debt-to-capital ratio | | **0%** | 0% | **0%** | 0% |

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

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

### 4.1 Critical accounting estimates and assumptions (cont'd)

***(a) Pension benefits***

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 16.

***(b) Revaluation of property, plant and equipment***

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in equity. The Group engaged valuation specialists to determine fair value during the year. The land and buildings are revalued at a reasonable frequency as determined by the Board of Directors unless circumstances dictate otherwise.

***(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.

***(g) Recognition of deferred tax assets***

The extent to which the deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised.

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

### 4.1 Critical accounting estimates and assumptions (cont'd)

***(h) Inventories***

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by market-driven changes that may reduce future selling prices.

***(i) Impairment of trade receivables***

The Group uses the guidance of IFRS 9 to determine the degree of impairment of its trade receivables. Management considers a broader range of information when assessing credit risk and estimating the credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the receivables. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

## 5. GOODWILL

| | 2024 | 2023 |
|---|---|---|
| | Rs. | Rs. |
| At 01 July | 353,878 | - |
| Acquired through business combination | - | 353,878 |
| At 30 June | 353,878 | 353,878 |

The goodwill is in respect of the acquisition of a subsidiary, Africamed Ltd in 2023. The directors have assessed the goodwill for impairment and no indication of impairment has been identified at the reporting date.

## 6. PROPERTY, PLANT AND EQUIPMENT

| (a) THE GROUP | | Land | Buildings | Plant and machinery | Motor vehicles | Furniture, fittings and Office equipment | Total |
|---|---|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| (i) COST/VALUATION | | | | | | | |
| At 01 July 2023 | | 33,890,000 | 57,297,819 | 216,078,330 | 14,475,616 | 54,920,985 | 376,662,750 |
| Additions | | - | - | 775,770 | - | 5,938,959 | 6,714,729 |
| Disposals | | - | - | (120,347) | (160,000) | (449,981) | (730,328) |
| Derecognition of a subsidiary | | - | - | (4,834,297) | - | - | (4,834,297) |
| **At 30 June 2024** | | **33,890,000** | **57,297,819** | **211,899,456** | **14,315,616** | **60,409,963** | **377,812,854** |
| DEPRECIATION | | | | | | | |
| At 01 July 2023 | | - | 19,083,258 | 71,593,701 | 8,356,604 | 39,090,357 | 138,123,920 |
| Charge for the year | | - | 2,405,485 | 4,805,402 | 1,864,375 | 3,548,583 | 12,623,845 |
| Disposals adjustments | | - | - | (88,818) | (160,000) | (303,653) | (552,471) |
| Derecognition of a subsidiary | | - | - | (2,520,252) | - | - | (2,520,252) |
| **At 30 June 2024** | | **-** | **21,488,743** | **73,790,033** | **10,060,979** | **42,335,287** | **147,675,042** |
| NET BOOK VALUES | | | | | | | |
| **At 30 June 2024** | Rs. | **33,890,000** | **35,809,076** | **138,109,423** | **4,254,637** | **18,074,676** | **230,137,812** |
| **Cost** | | **6,540,218** | **19,098,030** | **211,899,456** | **14,315,616** | **60,409,963** | **312,263,283** |
| **Valuation** | | **27,349,782** | **38,199,789** | **-** | **-** | **-** | **65,549,571** |
| **At 30 June 2024** | | **33,890,000** | **57,297,819** | **211,899,456** | **14,315,616** | **60,409,963** | **377,812,854** |

## 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### (a) THE GROUP

| | | Land | Buildings | Plant and machinery | Motor vehicles | Furniture, fittings and Office equipment | Total |
|---|---|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| (ii) **COST/VALUATION** | | | | | | | |
| At 01 July 2022 | | 33,890,000 | 57,297,819 | 215,175,360 | 15,277,073 | 46,686,623 | 368,326,875 |
| Additions | | - | - | 1,391,792 | 2,600,000 | 8,254,142 | 12,245,934 |
| Disposals | | - | - | (111,525) | (3,401,457) | (19,780) | (3,532,762) |
| Exchange differences | | - | - | (377,297) | - | - | (377,297) |
| **At 30 June 2023** | | 33,890,000 | 57,297,819 | 216,078,330 | 14,475,616 | 54,920,985 | 376,662,750 |
| **DEPRECIATION** | | | | | | | |
| At 01 July 2022 | | - | 16,677,773 | 66,586,323 | 9,720,557 | 35,770,163 | 128,754,816 |
| Charge for the year | | - | 2,405,485 | 5,261,793 | 2,013,059 | 3,339,974 | 13,020,311 |
| Disposals adjustments | | - | - | (69,451) | (3,377,012) | (19,780) | (3,466,243) |
| Exchange differences | | - | - | (184,964) | - | - | (184,964) |
| **At 30 June 2023** | | - | 19,083,258 | 71,593,701 | 8,356,604 | 39,090,357 | 138,123,920 |
| **NET BOOK VALUES** | | | | | | | |
| **At 30 June 2023** | Rs. | 33,890,000 | 38,214,561 | 144,484,629 | 6,119,012 | 15,830,628 | 238,538,830 |
| Cost | | 6,540,218 | 19,098,030 | 216,078,330 | 14,475,616 | 54,920,985 | 311,113,179 |
| Valuation | | 27,349,782 | 38,199,789 | - | - | - | 65,549,571 |
| **At 30 June 2023** | | 33,890,000 | 57,297,819 | 216,078,330 | 14,475,616 | 54,920,985 | 376,662,750 |

### (b) THE COMPANY

| | | Land | Buildings | Plant and machinery | Motor vehicles | Furniture, fittings and Office equipment | Total |
|---|---|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| (i) **COST/VALUATION** | | | | | | | |
| At 01 July 2023 | | 33,890,000 | 57,297,819 | 211,244,031 | 14,475,616 | 54,877,985 | 371,785,451 |
| Additions | | - | - | 775,770 | - | 5,938,959 | 6,714,729 |
| Disposals | | - | - | (120,347) | (160,000) | (449,981) | (730,328) |
| **At 30 June 2024** | | **33,890,000** | **57,297,819** | **211,899,454** | **14,315,616** | **60,366,963** | **377,769,852** |
| **DEPRECIATION** | | | | | | | |
| At 01 July 2023 | | - | 19,083,258 | 69,073,448 | 8,356,604 | 39,085,626 | 135,598,936 |
| Charge for the year | | - | 2,405,485 | 4,805,402 | 1,864,375 | 3,534,393 | 12,609,655 |
| Disposals adjustments | | - | - | (88,818) | (160,000) | (303,653) | (552,471) |
| **At 30 June 2024** | | **-** | **21,488,743** | **73,790,032** | **10,060,979** | **42,316,366** | **147,656,120** |
| **NET BOOK VALUES** | | | | | | | |
| **At 30 June 2024** | Rs. | **33,890,000** | **35,809,076** | **138,109,422** | **4,254,637** | **18,050,597** | **230,113,732** |
| **Cost** | | **6,540,218** | **19,098,030** | **211,899,454** | **14,315,616** | **60,366,963** | **312,220,281** |
| **Valuation** | | **27,349,782** | **38,199,789** | **-** | **-** | **-** | **65,549,571** |
| **At 30 June 2024** | | **33,890,000** | **57,297,819** | **211,899,454** | **14,315,616** | **60,366,963** | **377,769,852** |

## 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| (b) THE COMPANY | | Land | Buildings | Plant and machinery | Motor vehicles | Furniture, fittings and Office equipment | Total |
|---|---|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| (i) **COST/VALUATION** | | | | | | | |
| At 01 July 2022 | | 33,890,000 | 57,297,819 | 210,324,945 | 15,277,073 | 46,686,623 | 363,476,460 |
| Additions | | - | - | 1,030,611 | 2,600,000 | 8,211,142 | 11,841,753 |
| Disposals | | - | - | (111,525) | (3,401,457) | (19,780) | (3,532,762) |
| **At 30 June 2023** | | 33,890,000 | 57,297,819 | 211,244,031 | 14,475,616 | 54,877,985 | 371,785,451 |
| **DEPRECIATION** | | | | | | | |
| At 01 July 2022 | | - | 16,677,773 | 64,370,934 | 9,720,557 | 35,770,162 | 126,539,426 |
| Charge for the year | | - | 2,405,485 | 4,771,965 | 2,013,059 | 3,335,244 | 12,525,753 |
| Disposals adjustments | | - | - | (69,451) | (3,377,012) | (19,780) | (3,466,243) |
| **At 30 June 2023** | | - | 19,083,258 | 69,073,448 | 8,356,604 | 39,085,626 | 135,598,936 |
| **NET BOOK VALUES** | | | | | | | |
| **At 30 June 2023** | Rs. | 33,890,000 | 38,214,561 | 142,170,583 | 6,119,012 | 15,792,359 | 236,186,515 |
| Cost | | 6,540,218 | 19,098,030 | 211,244,031 | 14,475,616 | 54,877,985 | 306,235,880 |
| Valuation | | 27,349,782 | 38,199,789 | - | - | - | 65,549,571 |
| **At 30 June 2023** | | 33,890,000 | 57,297,819 | 211,244,031 | 14,475,616 | 54,877,985 | 371,785,451 |

(c) Details of the Group's land and buildings and plant and machinery measured at fair value and information about the fair value hierarchy as at 30 June 2024 are as follows:

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | | **Level 2** | Level 2 | **Level 2** | Level 2 |
| | | **Rs.** | Rs. | **Rs.** | Rs. |
| Land | Rs. | **33,890,000** | 33,890,000 | **33,890,000** | 33,890,000 |
| Buildings | Rs. | **35,809,076** | 38,214,561 | **35,809,076** | 38,214,561 |
| Plant and machinery | Rs. | **138,109,423** | 144,484,629 | **138,109,422** | 142,170,583 |

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

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| Freehold land and buildings | | **Rs.** | Rs. | **Rs.** | Rs. |
| Cost | | **53,454,167** | 53,454,167 | **53,454,167** | 53,454,167 |
| Accumulated depreciation | | **(21,648,710)** | (19,243,225) | **(21,648,710)** | (19,243,225) |
| Net book values | Rs. | **31,805,457** | 34,210,942 | **31,805,457** | 34,210,942 |

## 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| Plant and machinery | | **Rs.** | Rs. | **Rs.** | Rs. |
| Cost | | **223,403,634** | 222,627,864 | **223,014,209** | 222,238,439 |
| Accumulated depreciation | | **(118,189,138)** | (113,383,736) | **(117,172,542)** | (112,367,140) |
| Net book values | Rs. | **105,214,496** | 109,244,128 | **105,841,667** | 109,871,299 |

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

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | | **Rs.** | Rs. | **Rs.** | Rs. |
| Cost of sales | | **8,809,697** | 8,632,889 | **8,809,697** | 8,632,889 |
| Selling and distribution expenses | | **2,105,299** | 2,198,329 | **2,105,299** | 2,198,329 |
| Administrative expenses | | **1,708,849** | 2,189,093 | **1,694,659** | 1,694,535 |
| | Rs. | **12,623,845** | 13,020,311 | **12,609,655** | 12,525,753 |

(g) Bank borrowings are secured by fixed charge on the assets of the Group including property, plant and equipment.

## 7. INTANGIBLE ASSETS

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | Computer software | **Rs.** | Rs. | **Rs.** | Rs. |
| **(a)** | **COST** | | | | |
| | At 01 July | **10,775,417** | 10,362,211 | **10,775,417** | 10,362,211 |
| | Additions | **1,560,000** | 413,206 | **1,560,000** | 413,206 |
| | **At 30 June** | **12,335,417** | 10,775,417 | **12,335,417** | 10,775,417 |
| | **AMORTISATION** | | | | |
| | At 01 July | **10,365,997** | 10,313,285 | **10,365,997** | 10,313,285 |
| | Charge for the year | **320,251** | 52,712 | **320,251** | 52,712 |
| | **At 30 June** | **10,686,248** | 10,365,997 | **10,686,248** | 10,365,997 |
| | **NET BOOK VALUES** | **1,649,169** | 409,420 | **1,649,169** | 409,420 |

## 8. INVESTMENTS IN SUBSIDIARIES - COST

| | **2024** | 2023 |
|---|---|---|
| | **Rs.** | Rs. |
| At 01 July | | |
| Additions during the year | **5,514,303** | 4,416,107 |
| Disposals during the year | **-** | 1,098,196 |
| Gain on disposal (Note c) | **(6,976,800)** | - |
| Profit on remeasurement (Note d) | **719,924** | - |
| Transfer to associate (Note 9) | **3,386,406** | - |
| **At 30 June** | **(1,545,637)** | - |
| | **1,098,196** | 5,514,303 |

## 8. INVESTMENTS IN SUBSIDIARIES - COST (CONT'D)

(a) Details of the subsidiaries companies are as follows:

| Name of Company | Class of shares held | Year end | Proportion of direct ownership interest 2024 | Proportion of direct ownership interest 2023 | Country of incorporation and operation | Cost | Main business |
|---|---|---|---|---|---|---|---|
| Gaz Industriels Madagascar SA | Ordinary | 30 June | **35.05% (Note c below)** | 99.84% | Madagascar | - | Production and sale of gases |
| Africamed Ltd | Ordinary | 30 June | **76.00%** | 76.00% | Republic of Mauritius | 1,098,196 | Supply medical and industrial equipment and consumables |

(b) Summarised financial information in respect of the subsidiaries is set below:

| | Gaz Industriels Madagascar SA | | Africamed Ltd | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Assets | **-** | 12,349,533 | **4,927,102** | 2,502,321 |
| Liabilities | **-** | 2,308,976 | **573,491** | 1,682,917 |
| Revenues | **8,484,554** | 17,959,749 | **18,621,457** | 9,521,126 |
| (Loss)/profit for the year | **(414,595)** | (3,149,264) | **3,534,207** | 318,197 |

(c) The Company disposed 64.95% of its equity interest in Gaz Industriels Madagascar SA on 20 February 2024 for a consideration of USD 152,000 (equivalent to Rs. 6,976,800) thus resulting in a realised gain of Rs 719,924. The remaining stake of 35.05% of Rs. 1,545,637 is considered to be an investment in associate (Note 9).

(d) In accordance with IFRS 3, the disposal of the 64.95% has required the remeasurement of the Company's stake at the disposal date and the resulting gain of Rs 3,386,406 has been recognised in profit or loss.

## 9. INVESTMENTS IN ASSOCIATES

The carrying amount of the investments using the equity method is as follows:

| | **2024** | 2023 |
|---|---|---|
| | **Rs.** | Rs. |
| At 01 July | **5,308,068** | 6,011,046 |
| Transferred from subsidiary (Note 8) | **1,545,637** | - |
| Share of loss for the year | **(541,092)** | (702,978) |
| Other financial item | **1,453,983** | - |
| Gain on acquisition of an associate | **1,823,449** | - |
| Written off (Note 25) | **(2,282,091)** | - |
| **At 30 June** | **7,307,954** | 5,308,068 |

## 9. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) Details of the investment in associates' carrying amounts are as follows:

| Name of Company | Class of shares held | Proportion of direct ownership interest | | Country of incorporation and operation | Main business |
|---|---|---|---|---|---|
| | | **2024** | 2023 | | |
| Industrial & Medical Gases (Seychelles) Limited | Ordinary | **22.50%** | 22.50% | Seychelles | Production & sale of gases |
| The Care Collective Ltd Collective Ltd | Ordinary | **40.625%** | 40.625% | Republic of Mauritius | Services |
| Gaz Industriels Madagascar SA | Ordinary | **35.05%** | 0.00% | Madagascar | Production & sale of gases |

| | Carrying amount | |
|---|---|---|
| | **2024** | 2023 |
| | **Rs.** | Rs. |
| Industrial & Medical Gases (Seychelles) Limited | **4,573,776** | 2,772,785 |
| The Care Collective Ltd | **1** | 2,535,283 |
| Gaz Industriels Madagascar SA | **2,734,177** | - |
| | **7,307,954** | 5,308,068 |

(b) Summarised financial information in respect of the associates is set below:

| | Industrial & Medical Gases (Seychelles) Limited | | The Care Collective Ltd | | Gaz Industriels Madagascar SA | |
|---|---|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 | **2024** | 2023 |
| | **Rs.** | Rs. | **Rs.** | Rs. | **Rs.** | Rs. |
| Assets | **31,895,067** | 8,602,460 | **5,526,599** | 5,879,231 | **12,359,309** | - |
| Liabilities | **11,143,539** | 2,690,519 | **2,498,375** | 2,139,480 | **4,076,014** | - |
| Profit/(loss) for the year | **1,236,853** | 2,833,072 | **(623,241)** | (3,270,357) | **(1,617,694)** | - |
| Other comprehensive income for the year | **-** | - | **-** | - | **-** | - |
| Total comprehensive income for the year | **1,236,853** | 2,833,072 | **(623,241)** | (3,270,357) | **(1,617,694)** | - |
| Share of profit/(loss) | **278,291** | 625,605 | **(253,190)** | (1,328,583) | **(566,193)** | - |

## 9. INVESTMENTS IN ASSOCIATES (CONT'D)

(c) A reconciliation of the above summarised financial information to the carrying amount of the investment in associates:

| | Industrial & Medical Gases (Seychelles) Limited | | The Care Collective Ltd | | Gaz Industriels Madagascar SA | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Total net assets of associates | **20,751,528** | 19,598,086 | **3,028,224** | 3,746,782 | **7,823,112** | - |
| Proportion of ownership interests held by the Group | **22.50%** | 22.50% | **40.625%** | 40.625% | **35.05%** | 0.00% |
| Share of net assets in the associate | **4,669,094** | 4,409,569 | **1,230,216** | 1,522,130 | **2,742,001** | - |

Other financial items arising out on the reconciliation of the net assets of the associates of Rs. 103,142 (2023: Rs. 623,631) has not been recognised due to the insignificant value.

(d) The investment held in The Care Collective Ltd has been impaired to Rs. 1 as the Company is in the process of winding up.

## 10. INVENTORIES

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rs. | Rs. | Rs. | Rs. |
| Finished goods | | **3,513,391** | 5,030,879 | **3,513,391** | 4,628,199 |
| Consumables for resale | | **9,556,805** | 10,963,827 | **9,556,805** | 9,530,810 |
| Raw materials | | **1,190,747** | 1,591,168 | **1,190,747** | 1,591,168 |
| Spare parts | | **2,462,531** | 2,102,584 | **2,462,531** | 2,102,584 |
| | Rs. | **16,723,474** | 19,688,458 | **16,723,474** | 17,852,761 |

(a) The cost of inventories recognised as expense and included in cost of sales amounted to **Rs. 61,288,983** (2023: Rs. 92,824,507) and **Rs. 61,288,783** (2023: Rs. 82,770,677) for the Group and for the Company respectively.

## 11. TRADE AND OTHER RECEIVABLES

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rs. | Rs. | Rs. | Rs. |
| Trade receivables | | **41,718,857** | 35,589,628 | **36,313,431** | 30,825,989 |
| Expected credit losses | | **(1,310,643)** | (1,403,358) | **(1,310,643)** | (1,403,358) |
| Trade receivables, net of provision | Rs. | **40,408,214** | 34,186,270 | **35,002,788** | 29,422,631 |

Trade receivables may be analysed as follows:

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rs. | Rs. | Rs. | Rs. |
| - To third parties | | **36,906,281** | 34,239,628 | **32,029,918** | 29,475,989 |
| - To related parties (note 31) | | **3,501,933** | 1,350,000 | **2,972,870** | 1,350,000 |
| | Rs. | **40,408,214** | 35,589,628 | **35,002,788** | 30,825,989 |

## 11. TRADE AND OTHER RECEIVABLES (CONT'D)

*(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 30 June 2024 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 identified 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 30 June 2024 in compliance with IFRS 9 was determined as follows for trade receivables:

| **THE GROUP**<br>**At 30 June 2024** | | 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 | | **0.00%** | **0.00%** | **0.00%** | **50.00%** | **100.00%** | |
| Gross carrying amount - trade receivables | | **23,387,587** | **7,217,324** | **2,130,306** | **2,540,517** | **6,443,122** | **41,718,857** |
| Carrying amount | | **23,387,587** | **7,217,324** | **2,130,306** | **2,540,517** | **6,443,122** | **41,718,857** |
| Loss allowance | | **-** | **-** | **-** | **(304,638)** | **(1,006,005)** | **(1,310,643)** |
| Net carrying amount | Rs. | **23,387,587** | **7,217,324** | **2,130,306** | **2,235,879** | **5,437,117** | **40,408,214** |
| **At 30 June 2023** | | | | | | | |
| Expected loss rate | | 0.00% | 0.00% | 0.00% | 50.00% | 100.00% | |
| Gross carrying amount - trade receivables | | 19,140,261 | 9,213,244 | 4,536,699 | 830,626 | 1,868,798 | 35,589,628 |
| Carrying amount | | 19,140,261 | 9,213,244 | 4,536,699 | 830,626 | 1,868,798 | 35,589,628 |
| Loss allowance | | - | - | - | (286,658) | (1,116,700) | (1,403,358) |
| Net carrying amount | Rs. | 19,140,261 | 9,213,244 | 4,536,699 | 543,968 | 752,098 | 34,186,270 |

| **THE COMPANY**<br>**At 30 June 2024** | | 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 | | **0.00%** | **0.00%** | **0.00%** | **50.00%** | **100.00%** | |
| Gross carrying amount - trade receivables | | **17,982,161** | **7,217,324** | **2,130,306** | **2,540,517** | **6,443,122** | **36,313,431** |
| Carrying amount | | **17,982,161** | **7,217,324** | **2,130,306** | **2,540,517** | **6,443,122** | **36,313,431** |
| Loss allowance | | **-** | **-** | **-** | **(304,638)** | **(1,006,005)** | **(1,310,643)** |
| Net carrying amount | Rs. | **17,982,161** | **7,217,324** | **2,130,306** | **2,235,879** | **5,437,117** | **35,002,788** |
| **At 30 June 2023** | | | | | | | |
| Expected loss rate | | 0.00% | 0.00% | 0.00% | 50.00% | 100.00% | |
| Gross carrying amount - trade receivables | | 14,376,622 | 9,213,244 | 4,536,699 | 830,626 | 1,868,798 | 30,825,989 |
| Carrying amount | | 14,376,622 | 9,213,244 | 4,536,699 | 830,626 | 1,868,798 | 30,825,989 |
| Loss allowance | | - | - | - | (286,657) | (1,116,701) | (1,403,358) |
| Net carrying amount | Rs. | 14,376,622 | 9,213,244 | 4,536,699 | 543,969 | 752,097 | 29,422,631 |

## 11. TRADE AND OTHER RECEIVABLES (CONT'D)

*(i) Impairment of trade receivables (cont'd)*

The closing loss allowances for trade receivables as at 30 June 2024 reconcile to the opening loss allowances as follows:

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | Trade receivables | | Trade receivables | |
| | | **2024** | 2023 | **2024** | 2023 |
| | | **Rs.** | Rs. | **Rs.** | Rs. |
| Loss allowance as at 01 July (IFRS 9) | | **1,403,358** | 7,953,190 | **1,403,358** | 7,209,101 |
| Unused amounts reversed | | **(92,715)** | (6,549,832) | **(92,715)** | (5,805,743) |
| **At 30 June** | Rs. | **1,310,643** | 1,403,358 | **1,310,643** | 1,403,358 |

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

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | | **Rs.** | Rs. | **Rs.** | Rs. |
| Mauritian rupee | | **23,250,350** | 24,855,113 | **17,844,924** | 24,243,933 |
| US Dollar | | **18,468,507** | 5,178,698 | **18,468,507** | 5,178,698 |
| Malagasy Ariary | | **-** | 4,152,459 | **-** | - |
| | Rs. | **41,718,857** | 34,186,270 | **36,313,431** | 29,422,631 |

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. Additionally, the Group has subcribed to a credit insurance cover in order to reduce its exposure to any credit risk from its debtors.

## 12. FINANCIAL ASSETS AT AMORTISED COST

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | | **Rs.** | Rs. | **Rs.** | Rs. |
| Work-in-progress (see note (a) below) | | **446,815** | 601,600 | **446,815** | 601,600 |
| Other receivables (see note (b) below) | | **2,139,876** | 2,233,404 | **2,139,876** | 2,233,404 |
| | Rs. | **2,586,691** | 2,835,004 | **2,586,691** | 2,835,004 |

*(a) Work-in-progress*

Work-in-progress relates to property, plant and equipment which are not yet ready for use.

*(b) Other receivables*

These amounts generally arise from transactions outside the usual operating activities of the Group and are receivable within one year. Collateral is not normally obtained.

(c) *Fair values of financial 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.

## 13. STATED CAPITAL

| | The Group and The Company | | | |
|---|---|---|---|---|
| | Number of shares | Ordinary shares | Share premium | Total |
| | 2024 & 2023 | 2024 & 2023 | 2024 & 2023 | 2024 & 2023 |
| | | Rs. | Rs. | **Rs.** |
| | 2,611,392 | 26,113,920 | 159 | **26,114,079** |

The total authorised number of ordinary share is 6,000,000 (2023: 6,000,000 shares) with a par value of Rs. 10 per share (2023: 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.

## 14. REVALUATION AND OTHER RESERVES

**(a) THE GROUP**

| | | Translation reserve | Revaluation surplus | Actuarial gains/(losses) reserve | Total |
|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. |
| At 01 July 2023 | | (1,160,754) | 66,898,685 | (11,184,835) | 54,553,096 |
| Movement for the year | | - | - | 468,148 | 468,148 |
| Currency translation differences | | (1,658,622) | - | - | (1,658,622) |
| Recycling of translation reserve | | 2,819,376 | - | - | 2,819,376 |
| **At 30 June 2024** | Rs. | **-** | **66,898,685** | **(10,716,687)** | **56,181,998** |

| | | Translation reserve | Revaluation surplus | Actuarial gains/(losses) reserve | Total |
|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. |
| At 01 July 2022 | | 575,972 | 66,898,685 | (11,854,513) | 55,620,144 |
| Movement for the year | | - | - | 669,678 | 669,678 |
| Currency translation differences | | (1,736,726) | - | - | (1,736,726) |
| **At 30 June 2023** | Rs. | **(1,160,754)** | **66,898,685** | **(11,184,835)** | **54,553,096** |

**(b) THE COMPANY**

| | | Revaluation surplus | Actuarial gains/(losses) reserve | Total |
|---|---|---|---|---|
| | | Rs. | Rs. | Rs. |
| At 01 July 2023 | | 66,898,685 | (11,184,835) | 55,713,850 |
| Movement for the year | | - | 468,148 | 468,148 |
| **At 30 June 2024** | Rs. | **66,898,685** | **(10,716,687)** | **56,181,998** |

| | | Revaluation surplus | Actuarial gains/(losses) reserve | Total |
|---|---|---|---|---|
| | | Rs. | Rs. | Rs. |
| At 01 July 2022 | | 66,898,685 | (11,854,513) | 55,044,172 |
| Movement for the year | | - | 669,678 | 669,678 |
| **At 30 June 2023** | Rs. | **66,898,685** | **(11,184,835)** | **55,713,850** |

Translation reserve
The translation reserve comprises of the foreign currency differences arising from the translation of the operations of foreign subsidiaries.

Revaluation surplus
The revaluation surplus relates to the revaluation of land and buildings.

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

## 15. DEFERRED INCOME TAXES

(a) Deferred income taxes are calculated on all temporary differences under the liability method at 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 entity.

The following amounts are shown in the consolidated statements of financial position:

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rs. | Rs. | Rs. | Rs. |
| Deferred tax liabilities | | **25,107,056** | 25,341,990 | **25,107,056** | 25,341,990 |
| Deferred tax assets | | **(338,209)** | (303,807) | **(338,209)** | (303,807) |
| **Net deferred tax liabilities** | Rs. | **24,768,847** | 25,038,183 | **24,768,847** | 25,038,183 |

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

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rs. | Rs. | Rs. | Rs. |
| At 01 July | | **24,925,933** | 25,222,894 | **25,038,183** | 25,222,894 |
| Credited to profit or loss (note 18(b)) | | **(351,950)** | (415,139) | **(351,950)** | (302,889) |
| Charged to other comprehensive income | | **82,614** | 118,178 | **82,614** | 118,178 |
| **At 30 June** | Rs. | **24,656,598** | 24,925,933 | **24,768,848** | 25,038,183 |

(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 30 June 2022 | 20,242,805 | 5,514,324 | 25,757,129 |
| Credited to profit or loss | (415,139) | - | (415,139) |
| At 30 June 2023 | 19,827,666 | 5,514,324 | 25,341,990 |
| Charged to profit or loss | (234,934) | - | (234,934) |
| **At 30 June 2024** | **19,592,732** | **5,514,324** | **25,107,056** |

(ii) **Deferred tax assets**

| | The Group | | | The Company | | |
|---|---|---|---|---|---|---|
| | Retirement benefit obligations | Tax losses | Total | Retirement benefit obligations | Tax losses | Total |
| | Rs | Rs. | Rs. | Rs | Rs. | Rs. |
| At 30 June 2022 | (534,235) | - | (534,235) | (534,235) | - | (534,235) |
| Credited to profit or loss | 112,250 | - | - | 112,250 | - | 112,250 |
| Credited to other comprehensive income | 118,178 | - | 118,178 | 118,178 | - | 118,178 |
| **At 30 June 2023** | (303,807) | - | (303,807) | (303,807) | - | (303,807) |
| Credited to profit or loss | (117,016) | - | (117,016) | (117,016) | - | (117,016) |
| Charged to other comprehensive income | 82,614 | - | 82,614 | 82,614 | - | 82,614 |
| **At 30 June 2024** | **(338,209)** | **-** | **(338,209)** | **(338,209)** | **-** | **(338,209)** |

## 16. RETIREMENT BENEFIT OBLIGATIONS

| | | The Group and The Company | |
|---|---|---|---|
| | | **2024** | 2023 |
| | | **Rs.** | Rs. |
| Amounts recognised in the consolidated statements of financial position: | | | |
| - Pension benefits | Rs. | **2,254,719** | 2,025,379 |
| Amounts charged to profit or loss: | | | |
| - Pension benefits | Rs. | **780,102** | 100,335 |
| Amounts charged to other comprehensive income: | | | |
| - Pension benefits | Rs. | **550,762** | 787,855 |

**Pension benefits**

(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 plan are invested in the Deposit Administration Policy underwritten by Swan Life. The Deposit Administration Policy is a pooled insurance product for Group Pension Schemes. It is a long-term investment Policy which aims to provide a smooth progression of returns from one year to the next without regular fluctuations associated with asset-linked investments such as Equity Funds. Moreover, the Deposit Administration Policy offers a minimum guaranteed return of 4% p.a.

Based on the above, given it is an insured product, the split has not been provided."

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations was carried out at 30 June 2024 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 and The Company | |
|---|---|---|---|
| | | **2024** | 2023 |
| | | **Rs.** | Rs. |
| Present value of funded obligations | | **4,945,548** | 5,560,897 |
| Fair value of plan assets | | **(2,690,829)** | (3,535,518) |
| **Liability in the statements of financial position** | Rs. | **2,254,719** | 2,025,379 |

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

| | | The Group and The Company | |
|---|---|---|---|
| | | **2024** | 2023 |
| | | **Rs.** | Rs. |
| At 01 July | | **(2,025,379)** | (3,561,567) |
| Charged to profit or loss | | **(780,102)** | (100,335) |
| Charged to other comprehensive income | | **550,762** | 787,855 |
| Employer Contributions and Unfunded benefits | | **-** | 848,668 |
| **At 30 June** | Rs. | **(2,254,719)** | (2,025,379) |

## 16. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

### Pension benefits (cont'd)

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

| | | The Group and The Company | |
|---|---|---|---|
| | | 2024 | 2023 |
| | | Rs. | Rs. |
| At 01 July | | 5,560,897 | 31,670,823 |
| Current service cost | | 319,786 | 211,580 |
| Interest cost | | 319,035 | 556,311 |
| Past service cost | | 280,549 | - |
| Actuarial (gains)/losses | | (486,401) | (754,979) |
| Benefits paid | | (1,048,318) | (26,122,838) |
| **At 30 June** | Rs. | 4,945,548 | 5,560,897 |

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

| | | The Group and The Company | |
|---|---|---|---|
| | | 2024 | 2023 |
| | | Rs. | Rs. |
| At 01 July | | 3,535,518 | 28,109,256 |
| Expected return on plan assets | | 139,268 | 411,916 |
| Employer's Contribution | | - | 848,668 |
| Scheme Expenses | | - | (67,894) |
| Actuarial gains | | 64,361 | 32,876 |
| Benefits paid | | (1,048,318) | (25,799,304) |
| **At 30 June** | Rs. | 2,690,829 | 3,535,518 |

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

| | | The Group and The Company | |
|---|---|---|---|
| | | 2024 | 2023 |
| | | Rs. | Rs. |
| Current service cost | | 600,335 | 279,474 |
| Net interest cost | | 179,767 | 144,395 |
| Benefits paid | | - | (323,534) |
| **Total included in employee benefit expense (Note 26(a))** | Rs. | 780,102 | 100,335 |
| **Actual return on plan assets** | Rs. | (844,689) | (24,573,738) |

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

| | | The Group and The Company | |
|---|---|---|---|
| | | 2024 | 2023 |
| | | Rs. | Rs. |
| Experience losses on the liabilities | | 1,264,828 | 589,822 |
| Gains on pension scheme assets | | 64,361 | 32,876 |
| Changes in assumptions | | (778,427) | 165,157 |
| **Total in other comprehensive income** | Rs. | 550,762 | 787,855 |

## 16. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

**Pension benefits (cont'd)**

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

| | The Group and The Company | |
|---|---|---|
| | **2024** | 2023 |
| Discount rate | **5.30%** | 5.35% |
| Future long-term salary increase | **4.00%** | 4.00% |

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

| | The Group and The Company | | | |
|---|---|---|---|---|
| | **2024** | | 2023 | |
| | **Increase** | **Decrease** | Decrease | Decrease |
| | **Rs.** | **Rs.** | Rs. | Rs. |
| Discount rate (1% movement) | **685,149** | **573,348** | 854,378 | 721,004 |
| Future long-term salary increase (1% movement) | **611,452** | **519,128** | 857,470 | 736,092 |

The sensitivity above has been determined based on a method that extrapolates the impact on net defined benefit obligation 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 method.

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 the year ending 30 June 2025.

(xii) The weighted average durations of the defined benefit obligation is 11 years for the group and the company.

## 17. TRADE AND OTHER PAYABLES

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Trade payables | **15,054,707** | 11,280,289 | **14,875,869** | 9,296,926 |
| Deposits from customers | **24,457,619** | 23,728,852 | **24,457,619** | 23,728,852 |
| Accrued expenses | **10,707,836** | 11,515,540 | **10,707,836** | 11,490,539 |
| Amount due to related parties (note 31) | **27,655** | 426,993 | **27,655** | 426,993 |
| Rs. | **50,247,817** | 46,951,674 | **50,068,979** | 44,943,310 |

The carrying amounts of trade and other payables approximate their fair values. The Group has a policy to ensure that all payables are settled within a credit time framework.

## 18. INCOME TAX EXPENSE

(a) Amounts shown in consolidated statement of financial position are as follows:

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rs. | Rs. | Rs. | Rs. |
| At 01 July | | 1,722,794 | 2,699,872 | 1,578,749 | 788,028 |
| Tax paid | | (1,624,679) | (2,680,584) | (1,520,244) | (33,610) |
| Withholding tax deducted | | (310,716) | (351,601) | (310,716) | (351,601) |
| Under/(over) provision in prior year | | 164,798 | 332,312 | 252,211 | (402,817) |
| APS and CSR paid | | (2,254,590) | (987,627) | (2,254,590) | (987,627) |
| Current tax on the adjusted profit for the year | | 1,656,637 | 2,603,017 | 1,081,191 | 2,406,627 |
| Effect of translation difference | | - | (52,344) | - | - |
| CSR | | 347,282 | 159,749 | 347,282 | 159,749 |
| **At 30 June** | Rs. | **(298,474)** | 1,722,794 | **(826,117)** | 1,578,749 |

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rs. | Rs. | Rs. | Rs. |
| (b) Current tax on the adjusted profit for the year at 15% (2023: 15%) | | 2,256,129 | 2,246,422 | 1,680,683 | 2,163,560 |
| Deferred tax (note 15(b)) | | (351,949) | (675,518) | (351,949) | (302,889) |
| **Tax expense** | Rs. | **1,904,180** | 1,570,904 | **1,328,734** | 1,860,671 |

(c) Tax reconciliation

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

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rs. | Rs. | Rs. | Rs. |
| Profit before taxation | | 4,996,632 | 17,097,276 | 4,993,307 | 20,400,928 |
| Tax calculated at effective tax rate of 12% (2023: 12%) | | 599,596 | 1,970,286 | 599,197 | 2,350,998 |
| Income not subject to tax | | (2,695,656) | (2,164,330) | (2,695,656) | (2,164,330) |
| Expenses not deductible for tax purposes | | 3,006,699 | 2,219,960 | 3,006,699 | 2,219,960 |
| Tax differential | | 654,323 | (271,555) | - | - |
| Underprovision in prior year | | 164,798 | 332,312 | 252,211 | (402,817) |
| CCR | | 170,950 | - | 170,950 | - |
| CSR | | 355,419 | 159,749 | 347,282 | 159,749 |
| Deferred tax | | (351,949) | (675,518) | (351,949) | (302,889) |
| **At 30 June** | Rs. | **1,904,180** | 1,570,904 | **1,328,734** | 1,860,671 |

## 19. BORROWINGS

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| **Non-current** | | Rs. | Rs. | Rs. | Rs. |
| Lease liabilities (note d) | | **3,276,032** | 4,540,240 | **3,276,032** | 4,540,240 |
| **Total non-current borrowings** | Rs. | **3,276,032** | 4,540,240 | **3,276,032** | 4,540,240 |
| **Current** | | | | | |
| Bank overdraft | | **627,020** | 91,487 | **440,433** | - |
| Bank borrowings (note b) | | **208,047** | 1,258,579 | **-** | - |
| Lease liabilities (note d) | | **1,264,208** | 1,198,378 | **1,264,208** | 1,198,378 |
| **Total current borrowings** | Rs. | **2,099,275** | 2,548,444 | **1,704,641** | 1,198,378 |

(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 are 7.25% for bank borrowings.

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

| | | 6 months or less | 6-12 months | 1-5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. | Rs. |
| THE GROUP | | | | | | |
| **At 30 June 2024** | Rs. | **208,047** | **-** | **-** | **-** | **208,047** |
| At 30 June 2023 | Rs. | 1,258,579 | - | - | - | 1,258,579 |

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

(d) Lease liabilities

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| Finance leases | | | Rs. | Rs. | Rs. |
| Within one year | | **1,472,309** | 1,472,308 | **1,472,309** | 1,472,308 |
| More than 1 year but before 5 years | | **3,472,841** | 5,015,783 | **3,472,841** | 5,015,783 |
| | | **4,945,150** | 6,488,091 | **4,945,150** | 6,488,091 |
| Less future finance charges | | **(404,910)** | (749,473) | **(404,910)** | (749,473) |
| Present value of finance lease obligations | Rs. | **4,540,240** | 5,738,618 | **4,540,240** | 5,738,618 |
| Apportioned as follows: | | | | | |
| Repayable within one year | | **1,264,208** | 1,198,378 | **1,264,208** | 1,198,378 |
| Repayable after 1 year and before 5 years | | **3,276,032** | 4,540,240 | **3,276,032** | 4,540,240 |
| Total current borrowings | Rs. | **4,540,240** | 5,738,618 | **4,540,240** | 5,738,618 |

## 20. REVENUE

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rs. | Rs. | Rs. | Rs. |
| Sales of goods | | **161,665,885** | 189,220,512 | **143,044,428** | 172,679,821 |
| Sales of services | | **440,689** | 402,965 | **440,689** | 402,965 |
| Sales of rental income | | **4,193,449** | 3,193,111 | **4,193,449** | 3,193,111 |
| | Rs. | **166,300,023** | 192,816,588 | **147,678,566** | 176,275,897 |

## 20. REVENUE (CONT'D)

The Group is engaged in the manufacture and distribution of medical and industrial gases (in bulk and in cylinders), distribution of welding electrodes and medical and industrial equipment and consumables. It also provides welding and cutting equipment and accessories as well as installation of gas reticulation and earns revenue.

*Disaggregation of revenue from contracts with customers*

In the following table, revenue from contracts with customers is disaggregated by lines and timing of revenue recognition and type of contract and sales channels.

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | | **Rs.** | Rs. | **Rs.** | Rs. |
| **Timing of revenue recognition:** | | | | | |
| At a point in time | Rs. | **166,300,023** | 192,816,588 | **147,678,566** | 176,275,897 |
| **Contract duration** | | | | | |
| Short term contract | Rs. | **166,300,023** | 192,816,588 | **147,678,566** | 176,275,897 |
| **Sales Channels** | | | | | |
| Directly to customers | Rs. | **166,300,023** | 192,816,588 | **147,678,566** | 176,275,897 |

There were no contract balances as at 30 June 2024 and 30 June 2023.

## 21. COST OF SALES/EXPENSES

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | | **Rs.** | Rs. | **Rs.** | Rs. |
| Employee benefit expense (note 26(a)) | | **38,239,519** | 37,106,492 | **36,359,704** | 35,654,215 |
| Raw materials and consumables used | | **72,860,118** | 92,824,507 | **61,288,783** | 82,770,677 |
| Depreciation of property, plant and equipment | | **12,623,845** | 13,020,311 | **12,609,655** | 12,525,753 |
| Amortisation of intangible assets | | **320,251** | 52,712 | **320,251** | 52,712 |
| Professional fees | | **6,165,759** | 10,786,173 | **6,165,759** | 7,737,328 |
| Directors fees | | **1,728,378** | 1,679,461 | **1,728,378** | 1,679,461 |
| Repairs & maintenance | | **4,848,270** | 3,974,697 | **4,848,270** | 3,957,885 |
| Motor vehicles running expenses | | **4,714,312** | 4,129,488 | **4,714,312** | 4,129,488 |
| Electricity charges | | **12,618,009** | 9,832,441 | **12,618,009** | 9,690,200 |
| Advertising costs | | **545,374** | 672,735 | **545,374** | 666,180 |
| Provision for bad debts | | **(92,715)** | (6,549,832) | **(92,715)** | (5,805,743) |
| Bad debts written off | | **-** | 1,546,495 | **-** | 1,546,495 |
| Provision for stock obsolescence | | **-** | 787,402 | **-** | 787,402 |
| Other expenses | | **8,928,966** | 10,052,437 | **8,444,050** | 4,881,105 |
| | Rs. | **163,500,086** | 179,915,519 | **149,549,830** | 160,273,158 |

## 21. COST OF SALES/EXPENSES (CONT'D)

The above expenses are classified as follows:

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rs. | Rs. | Rs. | Rs. |
| Cost of sales | | **102,928,235** | 123,290,835 | **91,356,900** | 112,242,932 |
| Selling and distribution expenses | | **23,322,141** | 26,084,052 | **23,322,143** | 22,550,212 |
| Administrative expenses | | **37,249,710** | 30,540,632 | **34,870,786** | 25,480,014 |
| | Rs. | **163,500,086** | 179,915,519 | **149,549,829** | 160,273,158 |

## 22. OTHER INCOME

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rs. | Rs. | Rs. | Rs. |
| Profit on disposal of property, plant and equipment | | **2,018,505** | 2,019,003 | **2,018,505** | 2,019,003 |
| Gain on termination of joint venture | | **-** | 86,165 | **-** | 86,165 |
| Sundry income | | **168,772** | 179,355 | **165,297** | 167,281 |
| Payroll refund | | **302,239** | - | **302,239** | - |
| Insurance refund | | **48,000** | - | **48,000** | - |
| Interest income | | **191,960** | 119,232 | **191,960** | 119,232 |
| Services & consumables fees | | **(7,500)** | - | **281,500** | 120,000 |
| | Rs. | **2,721,976** | 2,403,755 | **3,007,501** | 2,511,681 |

## 23. FINANCE INCOME/(COST)

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rs. | Rs. | Rs. | Rs. |
| Net foreign exchange gains | | **303,071** | 2,811,396 | **282,374** | 2,905,433 |
| Interest expense | | **(571,664)** | (338,374) | **(274,947)** | (338,355) |
| Net | Rs. | **(268,593)** | 2,473,022 | **7,427** | 2,567,078 |

## 24. INVESTMENT IN A JOINT VENTURE

The carrying amount of the investment using the equity method is as follows:

| | | The Group and The Company | |
|---|---|---|---|
| | | 2024 | 2023 |
| | | Rs. | Rs. |
| At 01 July | | **-** | 74,162 |
| Share of profit for the year | | **-** | 22,408 |
| Proceeds | | **-** | (182,735) |
| Gain on termination of joint venture | | **-** | 86,165 |
| **At 30 June** | Rs. | **-** | - |

The joint venture was terminated on 16 June 2023 by both parties as per the termination of Joint Venture Agreement.

### 25. EXCEPTIONAL ITEMS

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Investment in associate written off (Note 9) | | **2,282,091** | - | **2,282,091** | - |
| Loans to associate written off (Note (i) below) | | **710,937** | - | **710,937** | - |
| | Rs. | **2,993,028** | - | **2,993,028** | - |

Both the investment and the loan to the associate were impaired as the latter is in process of winding up.

### 26. PROFIT BEFORE TAXATION

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Profit before taxation is arrived at after: | | | | |
| **crediting:** | | | | |
| Profit on disposal of property, plant and equipment (note 22) | **2,018,505** | 2,019,003 | **2,018,505** | 2,019,003 |
| **and charging:** | | | | |
| Depreciation on property, plant and equipment | **12,623,845** | 13,020,311 | **12,609,655** | 12,525,753 |
| Amortisation of intangible assets | **320,251** | 52,712 | **320,251** | 52,712 |
| Cost of inventories recognised as expense | **61,288,783** | 93,499,832 | **61,288,783** | 82,770,677 |
| Employee benefit expense (note (a) below) | **38,645,295** | 37,106,492 | **36,359,704** | 35,654,215 |

(a) Employee benefit expense

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | | **Rs.** | Rs. | **Rs.** | Rs. |
| Wages and salaries | | **35,059,163** | 35,264,146 | **32,946,169** | 33,884,741 |
| Social security costs | | **937,686** | 72,872 | **869,914** | - |
| Pension costs - defined contributions plans | | **1,868,344** | 1,669,139 | **1,763,519** | 1,669,139 |
| Pension costs - defined benefit plans (note 16(v)) | | **780,102** | 100,335 | **780,102** | 100,335 |
| | Rs. | **38,645,295** | 37,106,492 | **36,359,704** | 35,654,215 |

### 27. EARNINGS PER SHARE

| | | **2024** | 2023 |
|---|---|---|---|
| Profit from continuing operations | Rs. | **3,092,452** | 15,526,372 |
| Profit from discontinued operations | Rs. | **3,691,735** | - |
| Number of ordinary shares in issue | | **2,611,392** | 2,611,392 |
| Earnings per share from: | | | |
| Continuing operations | Rs. | **1.18** | 5.95 |
| Discontinued operations | Rs. | **1.41** | - |

## 28. DIVIDENDS

| | | 2024 | 2023 |
|---|---|---|---|
| Recommended and paid | Rs. | **3,917,088** | 10,445,568 |
| Dividend per share | Rs. | **1.50** | 4.00 |

## 29. NOTES TO THE STATEMENTS OF CASH FLOWS

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | | **Rs.** | Rs. | **Rs.** | Rs. |
| **(a) Cash generated from operations** | | | | | |
| Profit before taxation | | **4,996,632** | 17,097,276 | **4,993,307** | 20,400,928 |
| *Adjustments for:* | | | | | |
| Depreciation of property, plant and equipment | | **12,623,845** | 13,020,311 | **12,609,655** | 12,525,753 |
| Amortisation of intangible assets | | **320,251** | 52,712 | **320,251** | 52,712 |
| Share of profit in joint venture | | **-** | (22,408) | **-** | (22,408) |
| Share of loss in associates | | **541,092** | 702,978 | **541,092** | 702,978 |
| Other financial item | | **(1,453,983)** | - | **(1,453,983)** | - |
| Profit on remeasurement | | **-** | - | **(3,386,406)** | - |
| Investment in associate written off | | **2,282,091** | - | **2,282,091** | - |
| Gain on acquisition of an associate | | **(1,823,449)** | - | **(1,823,449)** | - |
| Gain on disposal of a subsidiary | | **-** | - | **(719,924)** | - |
| Gain on termination of joint venture | | **-** | (86,165) | **-** | (86,165) |
| Interest expense | | **571,664** | 338,374 | **274,947** | 338,355 |
| Interest income | | **(191,960)** | (119,232) | **(191,960)** | (119,232) |
| Profit on disposal of property, plant and equipment | | **(2,018,505)** | (2,019,003) | **(2,018,505)** | (2,019,003) |
| Contribution to the defined benefit plan | | **-** | (848,668) | **-** | (848,668) |
| Retirement benefit obligations | | **780,102** | 100,335 | **780,102** | 100,335 |
| | | **16,627,780** | 28,216,510 | **12,207,218** | 31,025,585 |
| Changes in working capital: | | | | | |
| Inventories | | **1,129,287** | (2,112,876) | **1,129,287** | (3,072,066) |
| Trade and other receivables | | **(9,042,028)** | (5,756,922) | **(5,890,873)** | (10,889,498) |
| Financial assets at amortised cost | | **248,313** | 4,853,436 | **248,313** | 5,050,480 |
| Prepayments | | **(1,281,198)** | 3,227,728 | **(1,281,198)** | 3,810,119 |
| Trade and other payables | | **5,028,305** | (5,334,994) | **5,125,669** | (2,972,093) |
| **Cash generated from operations** | Rs. | **12,710,459** | 23,092,882 | **11,538,416** | 22,952,527 |

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

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | | **Rs.** | Rs. | **Rs.** | Rs. |
| Cash in hand and at bank | | **29,711,284** | 29,294,759 | **29,686,045** | 25,782,050 |
| Bank overdraft | | **(627,020)** | (91,487) | **(440,433)** | - |
| **Cash and cash equivalents** | Rs. | **29,084,264** | 29,203,272 | **29,245,612** | 25,782,050 |

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

(c) Reconciliation of liabilities arising from financing activities

| | | 2023 | Cash Flows | Non-Cash Flows | 2024 |
|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. |
| **THE GROUP** | | | | | |
| Borrowings | | **7,578,025** | (2,248,910) | 46,192 | 5,375,307 |
| **Total liabilities from financing activities** | Rs. | **7,578,025** | (2,248,910) | 46,192 | **5,375,307** |

| | | 2022 | Cash Flows | Non-Cash Flows | 2023 |
|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. |
| **THE GROUP** | | | | | |
| Borrowings | | 7,578,025 | (2,248,910) | 46,192 | 5,375,307 |
| **Total liabilities from financing activities** | Rs. | 7,578,025 | (2,248,910) | 46,192 | 5,375,307 |

| | | 2023 | Cash Flows | Non-Cash Flows | 2024 |
|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. |
| **THE GROUP** | | | | | |
| Borrowings | | **5,738,618** | (1,198,378) | - | 4,540,239 |
| **Total liabilities from financing activities** | Rs. | **5,738,618** | (1,198,378) | - | **4,540,239** |

| | | 2023 | Cash Flows | Non-Cash Flows | 2024 |
|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. |
| **THE GROUP** | | | | | |
| Borrowings | | 7,578,025 | (1,839,407) | - | 5,738,618 |
| **Total liabilities from financing activities** | Rs. | 7,578,025 | (1,839,407) | - | 5,738,618 |

## 30. SEGMENT INFORMATION

(a) The Group is engaged in the manufacture and distribution of medical and industrial gases (in bulk and in cylinders). It 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 Group's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles under IFRS.

Revenue has been analysed in Note 20.

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

(b) Geographical information

| **THE GROUP** | | Revenues from external customers | | Non-current assets | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | Rs. | Rs. | Rs. | Rs. |
| Local | | **111,506,381** | 125,479,463 | **239,448,813** | 244,610,196 |
| Foreign | | **54,793,642** | 67,337,125 | **-** | - |
| | Rs. | **166,300,023** | 192,816,588 | **239,448,813** | 244,610,196 |

## 30. SEGMENT INFORMATION (CONT'D)

(b) Geographical information (cont'd)

| THE COMPANY | Revenues from external customers | | Non-current assets | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Local | **93,835,996** | 123,989,344 | **240,169,051** | 247,418,306 |
| Foreign | **53,842,570** | 52,286,553 | **-** | - |
| Rs. | **147,678,566** | 176,275,897 | **240,169,051** | 247,418,306 |

## 31. RELATED PARTY TRANSACTIONS

### (a) THE GROUP

| | Technical fees | Sales of goods and services | Other income | Purchase of goods | Dividends paid | Amount owed by related parties | Amount owed to related parties |
|---|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Trading transactions | | | | | | | |
| **At 30 June 2024** | | | | | | | |
| Major shareholder (Note 17) | **471,502** | **-** | **-** | **1,961,229** | **1,497,027** | **-** | **27,655** |
| Associates (Note 11) | **-** | **14,594,691** | **-** | **-** | **-** | **2,567,943** | **-** |
| Common beneficial owner (Note 11) | **-** | **1,482,828** | **-** | **-** | **-** | **933,990** | **-** |
| Rs. | **471,502** | **16,077,519** | **-** | **1,961,229** | **1,497,027** | **3,501,933** | **27,655** |
| Trading transactions | | | | | | | |
| At 30 June 2023 | | | | | | | |
| Major shareholder (Note 17) | 583,582 | - | - | 2,001,572 | 3,992,072 | - | 426,993 |
| Associate (Note 11) | - | 7,139,260 | - | - | - | 1,350,000 | - |
| Common beneficial owner (Note 11) | - | 10,612,221 | - | - | - | - | - |
| Rs. | 583,582 | 17,751,481 | - | 2,001,572 | 3,992,072 | 1,350,000 | 426,993 |

### (b) THE COMPANY

| | Technical fees | Sales of goods and services | Other income | Purchase of goods | Dividends paid | Amount owed by related parties | Amount owed to related parties |
|---|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Trading transactions | | | | | | | |
| **At 30 June 2024** | | | | | | | |
| Major shareholder (Note 17) | **471,502** | **-** | **-** | **1,961,229** | **1,497,027** | **-** | **27,655** |
| Subsidiary (Note 12) | **-** | **4,394,942** | **289,000** | **-** | **-** | **-** | **-** |
| Associates (Note 11) | **-** | **14,594,691** | **-** | **-** | **-** | **2,567,943** | **-** |
| Common beneficial owner (Note 11) | **-** | **1,482,828** | **-** | **-** | **-** | **933,990** | **-** |
| Rs. | **471,502** | **20,472,461** | **289,000** | **1,961,229** | **1,497,027** | **3,501,933** | **27,655** |
| Trading transactions | | | | | | | |
| At 30 June 2023 | | | | | | | |
| Major shareholder (Note 17) | 583,582 | - | - | 2,001,572 | 3,992,072 | - | 426,993 |
| Subsidiary (Note 12) | - | 5,570,735 | - | - | - | - | - |
| Associate (Note 11) | - | 7,139,260 | - | - | - | 1,350,000 | - |
| Common beneficial owner (Note 11) | - | 10,612,221 | - | - | - | - | - |
| Rs. | 583,582 | 23,322,216 | - | 2,001,572 | 3,992,072 | 1,350,000 | 426,993 |

## 31. RELATED PARTY TRANSACTIONS (CONT'D)

(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. 450,808** (2023: Rs. 170,209).

### (d) Key management personnel compensation

| | | The Group and The Company | |
|---|---|---|---|
| | | **2024** | 2023 |
| | | **Rs.** | Rs. |
| Short-term employee benefits | | **10,203,591** | 11,246,247 |
| Termination benefits | | **-** | 570,000 |
| Post-employment benefits | | **674,824** | 724,521 |
| **At 30 June** | Rs. | **10,878,415** | 12,540,768 |

## 32. DISCONTINUED OPERATIONS

### (a) Losing control over a subsidiary during the reporting period

On 20 February 2024, equity Group disposed 64.95% of its equity interest in its subsidiary, Gaz Industriels Madagascar SA, for Rs. 6,976,800 and the consideration was fully received. At the date of disposal, the carrying amounts of the subsidiary's net assets were as follows:

| | Book value at date of disposal |
|---|---|
| | Rs. |
| Property, plant and equipment | 1,299,053 |
| Deferred tax assets | 242,208 |
| Inventories | 2,050,778 |
| Trade and other receivables | 2,964,835 |
| Cash at bank | 2,241,973 |
| Trade and other payables | (2,485,152) |
| Current tax liabilities | (56,819) |
| **Net assets** | 6,256,876 |
| | |
| **Consideration received** | 6,976,800 |
| **Gain on disposal** | 719,924 |

The gain on disposal is included in the profit for the year from discontinued operations in the consolidated statement of the profit or loss and other comprehensive income.

## 32. DISCONTINUED OPERATIONS (CONT'D)

### (b) Profit for the year from discontinued operations

| The loss until the date of disposal and the profit from remeasurement are as follows: | Rs. |
|---|---|
| Revenue | 8,484,554 |
| Cost of sales | (5,491,272) |
| Gross profit | 2,993,282 |
| | |
| Selling and distribution expenses | (808,303) |
| Adminnistrative expenses | (2,523,057) |
| Finance costs | (76,517) |
| Loss from discontinued operations before tax | (414,595) |
| | |
| Tax expense | - |
| Loss for the year | (414,595) |
| | |
| Gain on remeasurement (Note 8) | 3,386,406 |
| Gain on disposal (Note 32 (a)) | 719,924 |
| Profit for the year of discontinued operations | 3,691,735 |

## 33. CONTINGENT LIABILITIES

### Bank guarantees

There are contingent liabilities for which no provision has been made in the consolidated financial statements in respect of bank guarantees given to third party amounting to **Rs. 6,012,298** (2023: Rs. 5,055,562) for the Group and **Rs. 5,804,251** (2023: Rs. 4,811,835) for the Company. The directors consider that no liability will arise as the probability of default in respect of these guarantees is remote.

## 34. EVENT AFTER THE REPORTING DATE

No adjusting or significant non-adjusting events have occurred between the 30 June reporting date and the date of authorisation of these consolidated financial statements.

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