ANNUAL REPORT 2019

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of Mauritius Oil Refineries Limited and its subsidiaries for the year ended June 30, 2019, the contents of which are listed below.

This report was approved by the Board of Directors on September 30, 2019.

G. Allain D. de Spéville
Chairman

M.D.P André Espitalier Noël
Managing Director

CONTENTS

AT A GLANCE

COMPANY PROFILE

Mauritius Oil Refineries Limited (MOROIL) started its commercial operations in 1968. In line with the national import substitution policy, MOROIL set out to guarantee the Mauritian population a continuous supply of locally refined and packed edible oils of international quality, at competitive prices.

MOROIL's core business is the refining and marketing of edible oil. Besides the selling of crude oil and its by-products, the marketing of a selected range of quality food products; the administrative and investment operations form part of the other business activities of the company,

The MSB certificate mark has been awarded to MOROIL since 1983 and in the year 2000, the company became HACCP certified. MOROIL also holds the SA8000:2014 (Social Accountability), previously SA8000:2008 certification since March 2011 demonstrating its commitment towards international human rights norms and national labour laws.

MOROIL's acknowledged competencies have also been conducive in the setting up of partnerships with renowned European producers, namely Lesieur from France, Sovena and Angel Camacho from Spain and Attianese from Italy for the representation and marketing of their products on the Mauritian market.

VISION

A recognised regional leader in our field of expertise.

VALUES

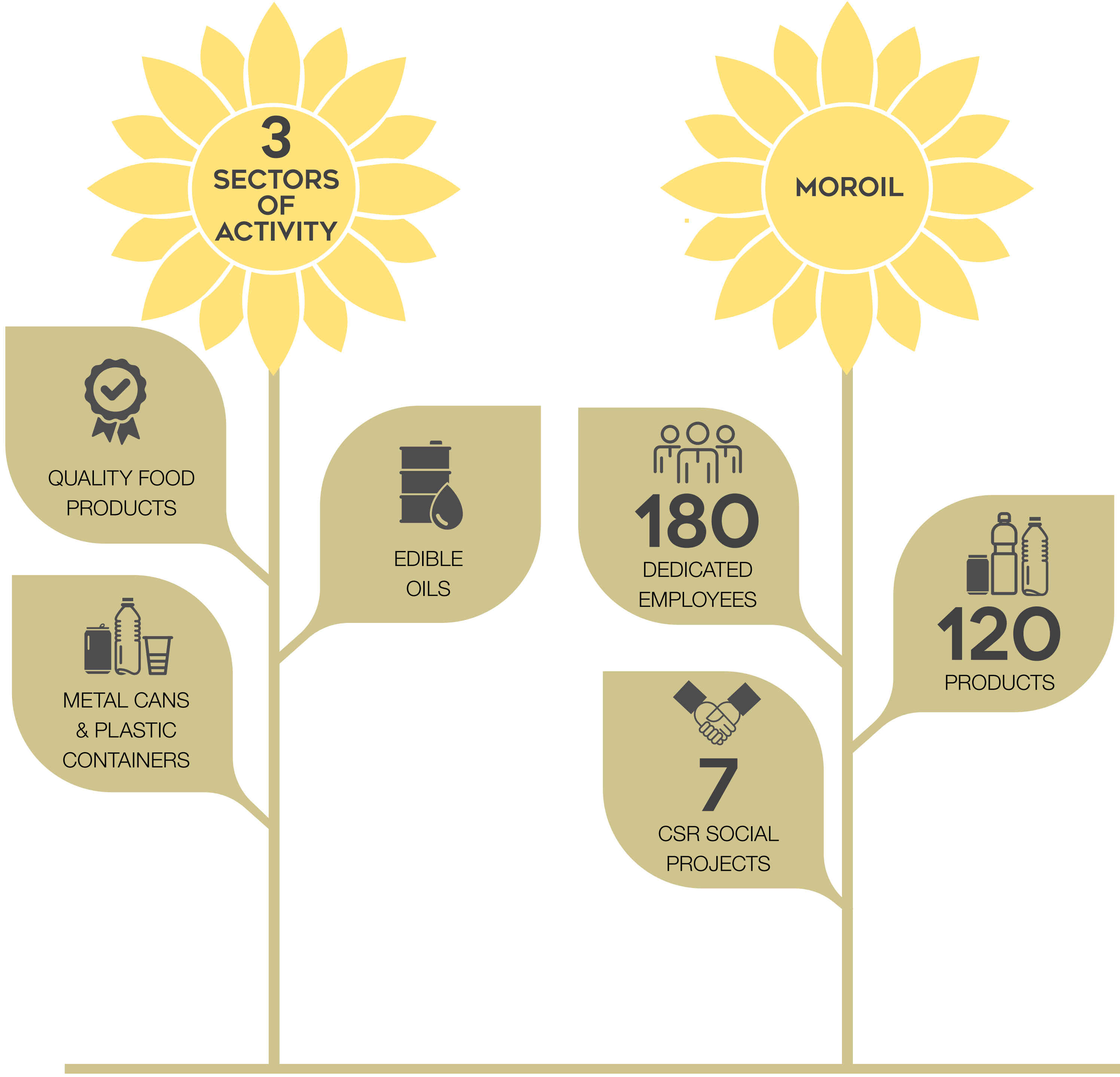
- Integrity
- Team work
- Customer driven
- Accountability
- Fairness
- Exemplarity

MISSION

We shall strive to achieve sustainable growth and to create value for our stakeholders through efficient:

- Production and commercialisation of quality vegetable oils.
- Marketing of selected food products.
- Operation of diversified activities in compliance with international standards.

KEY ASPECTS OF OUR BUSINESS AND HIGHLIGHTS FOR 2019



Rs 1.15	Rs 37.1M	3.7%	Rs 735M
DIVIDEND PER SHARE	PROFIT BEFORE TAX	PROFIT BEFORE TAX TO REVENUE	TOTAL ASSETS

OUR CERTIFICATIONS

HACCP

MAURITIUS STANDARDS BUREAU

SA 8000:2014

KOSHER CERTIFIED

HALAL CERTIFIED

SOCIAL ACCOUNTABILITY

The Company is certified SA8000:2014; the standard on Social Accountability issued by Social Accountability International (USA).

SEMSI MEMBERSHIP

Constituent of the Stock Exchange of Mauritius Sustainability Index (SEMSI) since 2015

OUR BRANDS

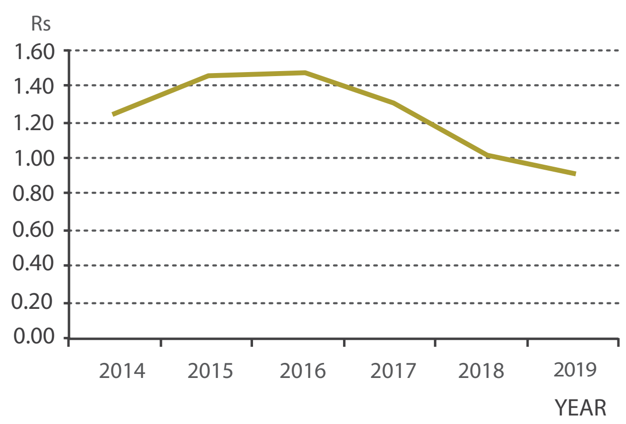

Lesieur
Huile d'Olive Vierge extra
Lesieur
Huile de Tournesol
ISIO 4
Oliver
PUGET
VINAIGRETTE
PUGET
PUGET
Lesieur
Ketchup
Barbecue
Lesieur
Mayonnaise
Fragata
Gherkins
Fragata
Fragata
Oliver
Oliver
Oliver
Fragata
Fragata
Fragata
Fragata
Amadora
Peeled Tomatoes
in tomato juice
Amadora
MOROIL
Rani
MOROIL
Tournesol
MOROIL
Soja
PEPPADEW
Sweet
PIQUANTÉ
PEPPERS
MILD
WHOLE
PEPPADEW
Sweet
PIQUANTÉ
PEPPERS
HOT
WHOLE

FINANCIAL HIGHLIGHTS

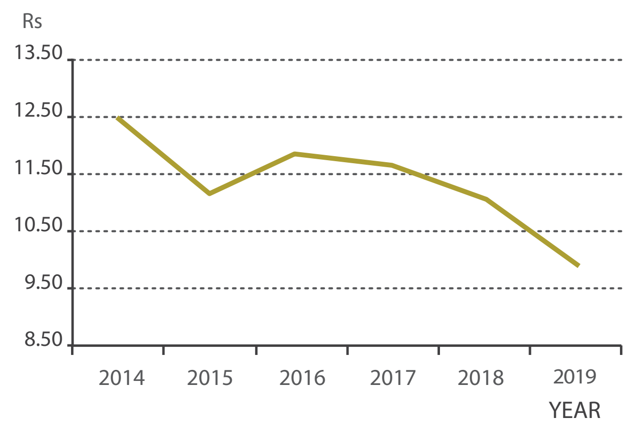
GROUP FINANCIAL HIGHLIGHTS
JUNE 30, 2019

		2019	2018
Operating results			
Revenue	Rs'000	**1,008,386**	1,157,127
Profit before taxation	Rs'000	**37,117**	45,029
Earnings per share	Rs.	**0.92**	1.03
Dividend per share	Rs.	**1.15**	1.20
Dividend cover	(times)	**0.81**	0.91
Profit after taxation	Rs'000	**31,035**	36,172
Statement of financial position and cash flow			
Total assets	Rs'000	**735,446**	757,833
Capital expenditure	Rs'000	**22,523**	18,801
Cash generated from operations	Rs'000	**76,870**	47,312
Financial ratios			
Net worth per share	Rs.	**9.90**	11.02
Profit before taxation to revenue	%	**3.68**	3.89
Profit before taxation to shareholders' interest	%	**10.12**	12.28

EARNINGS PER SHARE

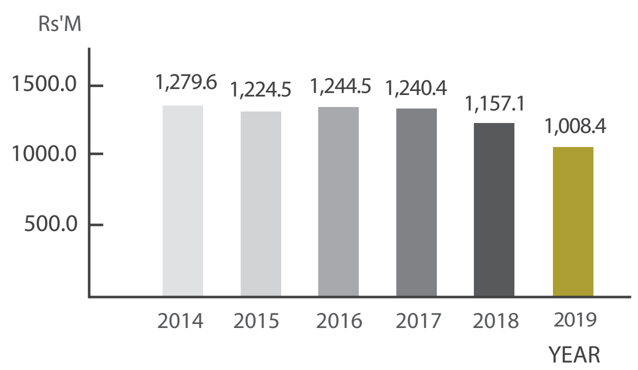


NET WORTH PER SHARE

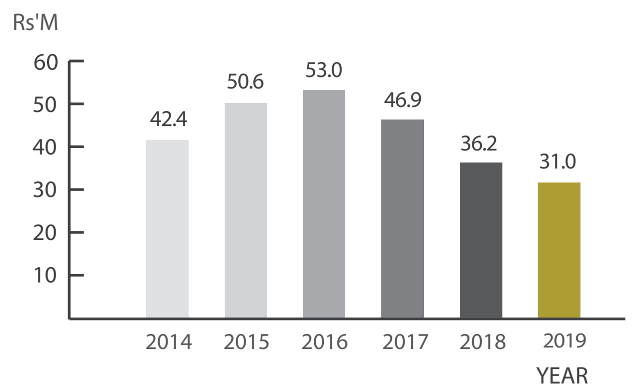


THE GROUP

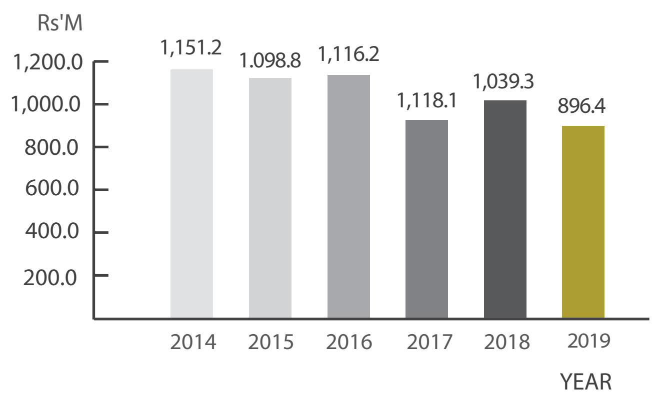
TURNOVER

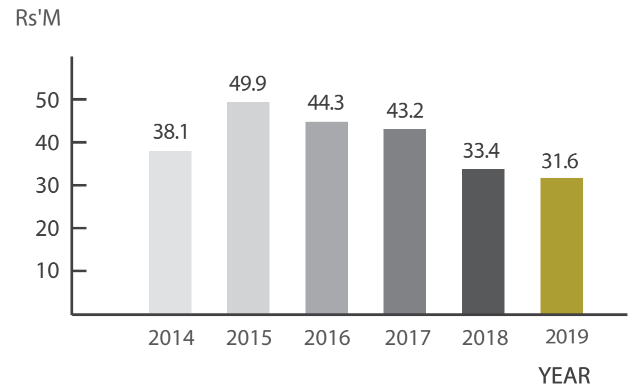


PROFIT AFTER TAXATION



THE COMPANY





CHAIRMAN'S REPORT

Dear Shareholder,

On behalf of the Board of Directors of the Company, I am submitting the Annual Report of the MAURITIUS OIL REFINERIES LTD and its Subsidiaries for the year ended June 30, 2019.

The financial year proved to be challenging. Oils operations have been negatively impacted by unfair competition from oils imported at suspected artificially low prices. The Company is sparing no effort in addressing the issue of unfair competition with the local and regional authorities so that a level playing field prevails.

The press recently reported on the recall of edible oils imported from Egypt, which were found to be unfit for consumption. MOROIL reiterates its pledge that it will under no circumstances compromise on the safety and quality standards of its products.

Despite this fiercely competitive environment, Mr. André Espitalier Noël and his Executive Team have achieved a good financial performance driven by the encouraging results from activities other than our core business.

I seize this opportunity to thank Mr. Jérôme Clarenc and his team for the excellent results achieved in the imported food products sector.

The on-going Optimisation, Productivity and Investment Plan has brought significant results in terms of restructuration and consolidation of our human, infrastructural and capital resources. MOROIL is now ready to embark on the next phase of its strategic plan. In order to achieve sustainable growth, due consideration will be given to investments in potential mergers and acquisitions within our field of expertise together with the development of our present activities.

I am pleased to share with you that the Stock Exchange of Mauritius Sustainability Index (SEMSI) Supervisory Committee has approved the continued inclusion of the Company as a constituent of the SEMSI. Indeed, MOROIL has been commended "for its excellent performance and progress with regard to sustainability". In line with our sustainability initiatives, the project of abating water pollution using constructed wetlands has been successfully launched and is expected to be running optimally by December 2019.

MOROIL HAS BEEN COMMENDED "FOR ITS EXCELLENT PERFORMANCE AND PROGRESS WITH REGARD TO SUSTAINABILITY"

It is my pleasure to welcome Mrs. Madhavi Ramdin-Clark who joined the Board as Independent Non-Executive Director from 1st July 2019. I have no doubt that Mrs. Ramdin-Clark will bring a valuable contribution to the Board.

I would like to thank the members of the Board of Directors for their continued support during the year as well as the Managing Director and his Management Team for their dedication.

My sincere gratitude goes to our shareholders and customers who continue to believe in us.

G. Allain D. DE SPEVILLE

September 30, 2019

CORPORATE INFORMATION

COMPANY SECRETARY
Speville Secretarial Services Ltd
Chancery House,
Lislet Geoffroy Street,
Port Louis

BUSINESS REGISTRATION NUMBER
C09001521

REGISTERED OFFICE
Mauritius Oil Refineries Ltd
Quay Road
Port Louis, Mauritius

REGISTRY
Harel Mallac Corporate Services
18 Edith Cavell Street,
Port Louis

BANKERS
Mauritius Commercial Bank Ltd
Barclays Bank Mauritius Ltd State
State Bank of Mauritius Ltd
HongKong & Shanghai Banking Corporation Ltd
Habib Bank Limited
Afrasia Bank Ltd

LEGAL ADVISER
Me Yves Hein

AUDITOR
Deloitte

PEOPLE

MOROIL employs some 180 active employees and considers its human capital as a vital asset. The Company ensures that its employment policy is fair and procedures adopted are transparent, merit based and in accordance with all legislations.

MOROIL spares no effort in attracting, motivating and retaining talented people who contribute to the success of the Company. Employees participate in a profit sharing scheme based on performance at work.

Training and Development are considered as top priority for all employees. MOROIL has always invested in development programmes where each employee acquires specific and adequate training to build capabilities.

We have always been committed to ensure a suitable work-life balance in a healthy and safe environment.

DIRECTORS' PROFILE

Mr. G. Allain D. DE SPEVILLE
(Non-Executive)

Mr. G.Allain D.DE SPEVILLE aged 67, joined the Board of Directors of Mauritius Oil Refineries Limited on September 29, 1995, and was appointed Chairman of the company on March 23, 2007. He is a Notary Public and is currently a director of the following listed company:
- Mauritius Chemical & Fertilizer Industry Ltd

Mr. M.D.P. André ESPITALIER NOEL
(Executive)

Mr. M.D.P. André ESPITALIER NOEL aged 58, joined the Board of Directors of Mauritius Oil Refineries Limited on March 31, 2007, and is the Managing Director since January 1, 2015. He is also a director of the following listed companies:
- Plastic Industry (Mauritius) Ltd
- ENL Ltd

Mr Jérôme P.E. CLARENC
(Executive)

Mr. Jérôme P.E. CLARENC aged 42, joined the Board of Directors of Mauritius Oil Refineries Limited on September 29, 2014. He is currently the Deputy Managing Director and Commercial Manager of the Company.

Mr. R.J. Paul CLARENC
(Non-Executive)

Mr. R.J.Paul CLARENC aged 75, joined the Board of Directors of the Mauritius Oil Refineries Limited on September 26, 1987, and is currently a director of the following listed companies:
- Plastic Industry (Mauritius) Ltd (Chairman)
- Harel Mallac & Company Limited

Mr. Ashraf M. CURRIMJEE
(Non-Executive)

Mr. Ashraf M. CURRIMJEE aged 57, joined the Board of Directors of Mauritius Oil Refineries Limited on June 22, 1994, and is the Managing Director of Soap & Allied Industries Limited.

Mr. Akhtar N.Y. DAWOOD
(Independent)

Mr. Akhtar N.Y. DAWOOD aged 61, joined the Board of Directors on March 10, 2004, and is the Managing Director of ED Electronics Limited.

Mr. J. H. Maurice de MARASSE ENOUF
(Independent)

Mr. J.H. Maurice de MARASSE ENOUF aged 74, joined the Board of Directors on February 26, 1986, and is a Director of the following listed companies:
- Innodis Ltd
- Terra Mauricia Ltd

Mr. Yakub M.K. MORIA
(Non-Executive)

Mr. Yakub M.K. MORIA aged 60, joined the Board of Directors of Mauritius Oil Refineries Limited on June 8, 1998.

Mrs. Madhavi RAMDIN - CLARK
(Independent)

Mrs. Madhavi RAMDIN-CLARK aged 41, joined the Board of Directors of Mauritius Oil Refineries Limited on July 1, 2019, and is the Head of ACCA Mauritius.

Mr. Hansraj RUHEE
(Independent)

Mr. Hansraj RUHEE aged 77, joined the Board of Directors of Mauritius Oil Refineries Limited on November 16, 2005, and is a director of Ramphul Ltd and Les Moulins de la Concorde Ltée.

Mr. S. Rehaz A. SAYED HASSEN
(Executive)

Mr. S. Rehaz A. SAYED HASSEN aged 57, joined the Board of Directors of Mauritius Oil Refineries Limited on September 28, 2011. He is currently the Finance Manager of the Company.

SENIOR MANAGEMENT TEAM

THE COMPANY

Mr. M.D.P. André ESPITALIER NOEL

Mr. André Espitalier Noël, aged 58, is a Food Engineer of ENITA, Dijon, France. He has been appointed Managing Director on January 1, 2015 and was previously the Managing Director of Plastic Industry (Mauritius) Ltd. He is currently a council member of MCCI.

Mr. Jérôme P.E. CLARENC

Mr. Jerome Clarenc, aged 42, joined the Company in September 2005 and was appointed as Deputy Managing Director and Commercial Manager in 2018. He holds a Diploma in Marketing & Management (Cape Town) and worked for a period of three years up to August 2005 at IBL Group.

Mr. S. Rehaz A. SAYED HASSEN

Mr. S. Rehaz A. Sayed Hassen, aged 57, joined the Company in January 1983. He holds an Advanced Certificate in Business Management. He was appointed Accountant in 1992 and Finance Manager in 2004. He is also responsible of the IT Department.

Mr. Lynden LAREINE

Mr. Lynden Lareine, aged 53, joined the Company in June 1991 as Internal Auditor and is the Internal Audit Manager of the Group since 2004. He is an affiliate member of the Chartered Institute of Internal Auditors and holds a Diploma in Business Management.

Mr. Ravish MUSRUCK

Mr. Ravish Musruck, aged 43, joined the company in October 2000 as Food Technologist. He holds an MSc Food Technology (Reading - UK) and an MBA (General). He was appointed Process Manager in July 2013.

Mr. J.L. Gilles PERRIER

Mr. J.L. Gilles Perrier, aged 65, joined the group in January 1974. He was appointed Service Manager in September 2002. He is involved in the infrastructure project and energy management.

Mrs Myrna AREKION

Mrs. Myrna Arekion, aged 54, joined the company as Group Human Resources Manager in July 2017. She holds an MSC in Human Resource Management and worked in the Human Resources Department for the past 27 years.

THE SUBSIDIARIES

Mr. Y. Patrick PIN HARRY

Mr. Y. Patrick Pin Harry, aged 64, joined the company in 1971 in the Sales Department. He was appointed Bottling Manager in 1981 and Manager of Pharmalab Plastic Supplies Ltd in 1998.

Mr. Patrice HERMELIN

Mr. Patrice Hermelin, aged 62, joined the company in January 1974 in the Sales Department. He was appointed Accountant of Metal Can Manufacturers Ltd in 1981 and Finance and Administrative Manager in 2011.

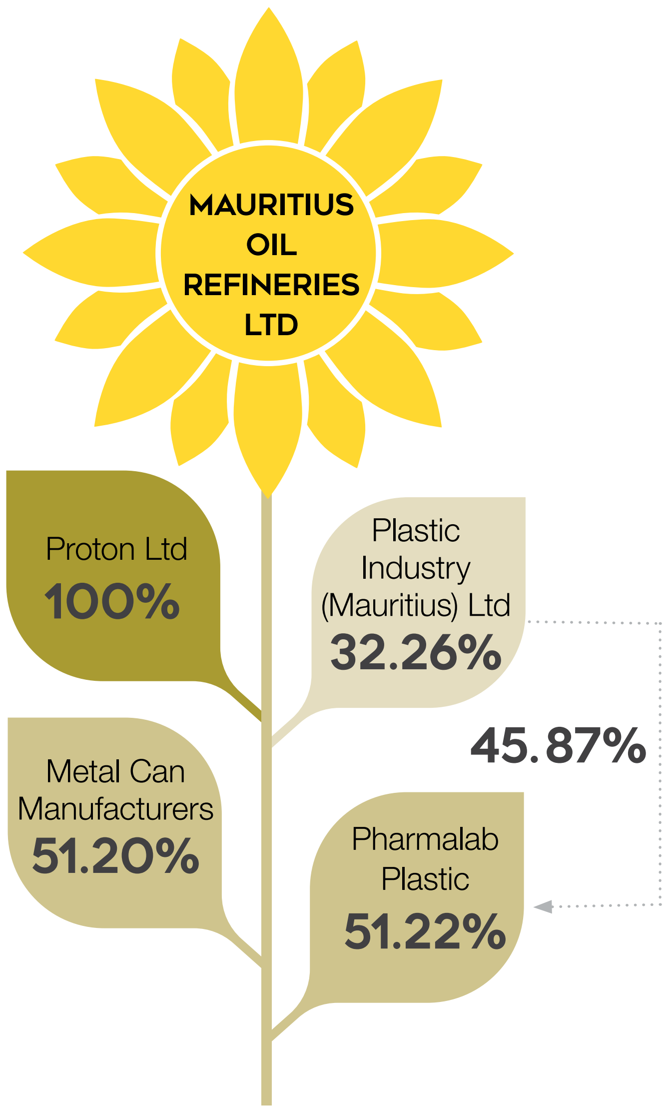
CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

Mauritius Oil Refineries Limited is a public interest entity as defined by law. The Company is committed to the highest standards of business integrity, transparency and professionalism in all its activities to ensure that the Company's operations and affairs are managed ethically and responsibly to enhance business value for stakeholders. As an essential part of this commitment, the board subscribes to and is fully committed to complying with the National Code of Corporate Governance (2016) for Mauritius (the "Code").

The Board of Directors recognises that the Code is regarded as best practice and therefore uses its best endeavours to ensure compliance with the principles set out in the code. Relevant areas in connection with the principles and implementation guidance have been applied and adhered to.

HOLDING STRUCTURE AS AT JUNE 30, 2019

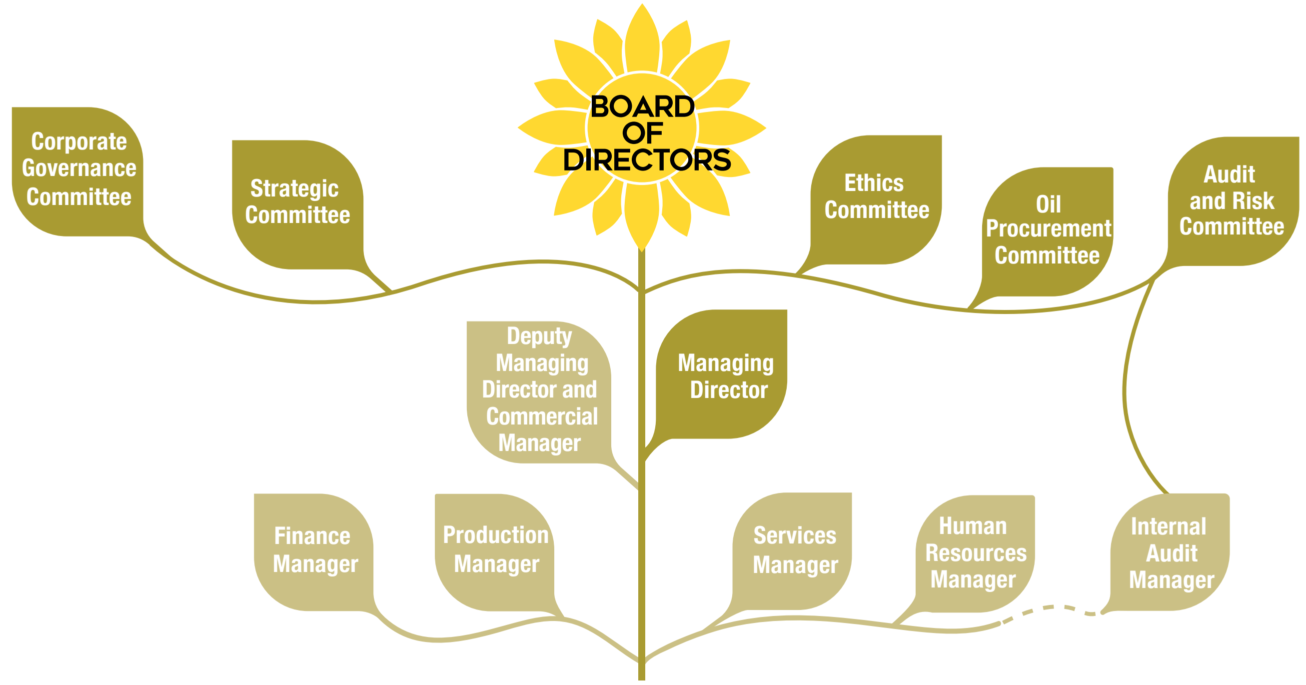


At June 30, 2019, the following shareholder held more than 5% of the stated capital of the Company:

Mohamed Cassam Moreea Waqf

Number of shares	% holding
2,946,666	8.85

ORGANISATIONAL STRUCTURE AS AT JUNE 30, 2019



COMMON DIRECTORS AS AT JUNE 30, 2019

List of directors	Mauritius Oil Refineries Limited	Proton Limited	Metal Can Manufacturers Limited	Pharmalab Plastic Supplies Limited
Mr. G. Allain D. DE SPEVILLE	●	●	●	
Mr. M.D.P. André ESPITALIER NOEL	●		●	●
Mr. R.J. Paul CLARENC	●	●	●	●
Mr. Akhtar N.Y. DAWOOD	●			
Mr. Ashraf M. CURRIMJEE	●			
Mr. Hansraj RUHEE	●			
Mr. J.H. Maurice de MARASSE ENOUF	●			
Mr. Yakub M.K. MORIA	●			
Mr. Jérôme P.E. CLARENC	●			
Mr. S. Rehaz A. SAYED HASSEN	●			

PROFILE OF COMPANY'S SHAREHOLDERS AS AT JUNE 30, 2019

Size of shareholding	Number of shareholders	Number of shares owned	% holding
1-500	543	95,283	0.286
501-1,000	198	153,804	0.462
1,001-5,000	509	1,281,018	3.849
5,001-10,000	189	1,334,342	4.010
10,001-50,000	288	6,846,863	20.573
50,001-100,000	55	3,877,187	11.650
100,001-250,000	34	5,083,601	15.275
250,001-500,000	11	3.877,620	11.652
Over 500,000	11	10,730,538	32.243
Total	**1,838**	**33,280,256**	**100.000**

CORPORATE GOVERNANCE REPORT

SUMMARY BY SHAREHOLDING CATEGORY AS AT JUNE 30, 2019

Category of shareholders	Number of shareholders	Number of shares owned	% holding
Individuals	1,586	15,757,438	47.348
Insurance & Assurance companies	3	28,575	0.086
Pension & Provident funds	11	994,536	2.988
Investment & Trust companies	10	59,674	0.179
Other Corporate Bodies	228	16,440,033	49.399
Total	**1,838**	**33,280,256**	**100.000**

MAJOR SHAREHOLDERS

The list of major shareholders holding more than 5% of the stated capital of the Company is disclosed on page 20.

DIVIDEND POLICY

The Company's policy is to distribute a reasonable amount of the after-tax profit for the relevant period subject to the solvency test under the S6(1) of the Mauritius Companies Act 2001 being satisfied. The Board gives due consideration to capital investment requirements and also ensures that there is no major fluctuation in dividend payments from one year to another.

During the year under review, the Board declared a dividend of Rs.1.15 (2018: Rs.1.20) per ordinary share.

THE BOARD OF DIRECTORS

The Role of the Board

The Board is responsible for the stewardship of the Company, overseeing its conduct and affairs to create sustainable value for the benefit of its stakeholders. It acknowledges its responsibility for leading and controlling the Company, ensuring that strategic directions and management structures are in place to meet legal and regulatory requirements.

The Board approved a Board Charter on November 12, 2018. The document is available on the website of the company (www.moroil.mu).

Composition

Directors' profile appears on pages 16 and 17.

The Company's constitution provides that the board of the Company shall consist of a minimum of 8 and a maximum of 15 directors. The directors ordinarily reside in Mauritius.

The roles of the Chairman and the Managing Director are separated from Mr. G. Allain D. de Spéville and Mr. M.D.P.André Espitalier Noël appointed to these positions respectively.

Of the ten members serving at year-end, three were executive directors, four were non-executive and the remaining three were independent. The non-executives and independent directors come from diverse business backgrounds and possess the necessary knowledge, skills, objectivity, integrity, experience, and commitment to make sound judgments on various key issues relevant to the business of the Company independent of management. The independent non-executive directors who have served the Board for more than nine years since their appointment still bring to the Company a valuable contribution in terms of experience, expertise, professionalism, integrity, and objectivity. They are free from any business or other relationships which would materially affect their ability to exercise independent judgment, constructively challenge and scrutinize the performance of management in achieving objectives and monitor the reporting of performance.

All directors receive timely information so that they are equipped to play as fully their part as possible in board meetings. All board members have access to the Company Secretary for any further information they require. The performance of the directors both individually and collectively as a board is assessed annually in July. The company secretary ensures that the board members receive appropriate training as necessary. Independent professional advice would be available to directors in appropriate circumstances, at the Company's expense.

Three directors are required to submit themselves for re-election every year retiring by rotation according to section 100 of the constitution of the Company. New directors are appointed to the board on the recommendation of the Nomination Committee. The Board also assumes the responsibilities regarding succession planning for both executive and non-executive directors as well as for senior executives.

The board has five standing board committees (as described on pages 24, 25, 26, 27 & 28), which meet regularly under terms of reference set by the board. All chairpersons of the different board committees are chosen according to their expertise and background to effectively carry out the specific tasks of these committees

NEW DIRECTOR

Upon the recommendation of the Corporate Governance Committee, the Board has approved the appointment of Mrs. Madhavi Ramdin-Clark as an Independent Non-Executive Director on July 1, 2019. Her appointment will be ratified at the next Annual Meeting of the Company

INDUCTION OF THE DIRECTORS

Newly appointed directors go through an induction program to familiarise them with the Company's operations, the business environment and senior management. They are also made aware of their roles, responsibilities and legal duties.

DIRECTORS' INTERESTS IN SHARES

Directors' interest in shares is disclosed on pages 37 and 38.

The Company Secretary maintains a Register of Interests which is updated with every transaction entered into by directors and their closely related parties. The register is available for consultation to shareholders upon written request to the Company Secretary.

RELATED PARTY TRANSACTIONS

Related Party Transactions are discussed in note 32 of the financial statements.

CORPORATE GOVERNANCE REPORT

DIRECTORS' DEALINGS IN SHARES OF THE COMPANY

The directors follow the principles of the model code on securities transaction as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules whenever they deal with the shares of the Company. During the year under review, none of the Company's Directors traded in the Company's shares.

SENIOR MANAGEMENT TEAM

The senior management team of the Company and its subsidiaries are found on page 18.

MATERIAL CLAUSES OF THE COMPANY'S CONSTITUTION

- the Company has wide objects and powers;
- there are no ownership restrictions or pre-emptive rights attached to the shares;
- the Board shall not be fewer than 8 directors nor more than 15 directors;
- the chairperson has a casting vote;
- there shall be a quorum for holding a General Meeting where 4 shareholders holding at least ten percent 10% of the total number of issued shares of the Company are present or represented.

SHAREHOLDERS' AGREEMENT

There is currently no shareholders' agreement that affects the governance of the Company.

THIRD PARTY AGREEMENT

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

REMUNERATION POLICY

The Corporate Governance Committee, in its role as Remuneration Committee is responsible for the remuneration policy and ensures that the Company recruits, retains and rewards talents who are committed to value creation. The Committee determines and recommends to the Board the remuneration package of the Executive, Non-Executive and Independent Non-Executive directors as well as that of senior management in such a way that they are fairly and responsibly rewarded for their individual contribution and performance. All directors are paid directors' fees based on their responsibilities on the Board. Directors sitting on Board Committees and on the Boards of subsidiary companies also receive additional fees. No share option or bonus is granted to non-executive directors.

DIRECTORS' REMUNERATION

Directors' remuneration is given on page 37. It has not been disclosed on an individual basis due to the commercial sensitivity of that information.

BOARD COMMITTEES

Corporate Governance Committee

The Corporate Governance Committee, which includes the Nomination and Remuneration Committees, consists of four members namely: Mr. G. Allain D. DE SPEVILLE (Chairman), Mr. R.J. Paul CLARENC, Mr. Yakub M.K. MORIA, and Mr. Hansraj RUHEE.

The main objects of the Committee are:-

- To determine, agree and develop the Company's general policy on corporate governance in accordance with the applicable Code of Corporate Governance.
- To advise and make recommendations to the Board on all aspects of corporate governance, remuneration, and appointments.
- To prepare the Corporate Governance Report.

During the year the Committee met twice and is satisfied that it has discharged its responsibilities in compliance with its terms of reference.

The Committee recommended a new organisational structure that was approved by the Board on July 16, 2018. It also approved the grouping of the Governance, Risk and Compliance framework under one umbrella with the Internal Audit Manager as the facilitator.

For the benefits of having diversity across the board in line with the requirement of the Code, the Committee recommended the appointment of Mrs. Madhavi Ramdin-Clark as director of the Company.

The Board shall review the Corporate Governance Committee charter every two years.

Audit & Risk Committee

The Audit & Risk Committee is appointed by the Board of Directors and is governed by a charter updated and adopted by the board and which shall be reviewed every five years. The Committee consists of three independent members namely:

- Mr. Akhtar Nawaz Yacoob Dawood (Chairman),
- Mr. J.H.Maurice de Marasse Enouf,
- Mr. Hansraj Ruhee.

The Board considers that each member brings broad experience and professional knowledge of financial reporting to the Committee's deliberations. The main objective of the Audit & Risk Committee is to assist and recommend to the Board of Directors on accounting aspects and financial reporting and ensure that risks are properly identified and managed. The Committee also assists the Board in fulfilling its obligation with respect to the safeguarding of assets, the operation of an adequate system and control process for the company and its subsidiaries.

The Audit & Risk committee focuses on:

- The functioning and effectiveness of internal control systems and the internal audit.
- The constant identification of actual and potential risks both operational and non operational.
- The proper implementation of the Company's risk management policies.
- The reliability, accuracy, integrity, and transparency of financial reporting.
- The Company's compliance with applicable laws, regulatory requirements, accounting standards, and best corporate governance practices.
- The evaluation of the independence, effectiveness, objectivity of both the internal and external auditors.
- The constant reviews of the Audit & Risk Committee charter to remain in compliance with and achieve high standards of reporting.

CORPORATE GOVERNANCE REPORT

In attendance:
- Mr M.D.P André Espitalier Noel, Managing Director.
- Mr. S. Rehaz A. Sayed Hassen, Finance Manager.
- Mr Jérôme Clarenc P.E. Clarenc, Deputy Managing Director and Commercial Manager
- Mr Lynden Lareine, Internal Audit Manager.

The Committee also invites the External Auditors to attend meetings and any member of management and that of subsidiaries when so required.

During the year, the committee examined and made recommendations to the Board on:
- The group's audited financial statements for the year ended June 30, 2018, prior to filing and publication.
- The quarterly unaudited financial statements for the quarters ended September 2018, December 2018, and March 2019.

The Committee also:
- Examined and took action on the management letter issued by the external auditors in respect of the audited accounts for the financial year ended June 30, 2018.
- Re assessed the risk register of the group and made recommendations to the board for appropriate action.
- Reviewed and followed up on previous internal audit reports, and examined new reports issued by the internal audit manager in respect of the Company and its subsidiaries.
- Invited External Auditors to present their Audit plan for Financial Year 2019 and assessed the impact of new applicable International Financial Reporting Standards (IFRS).

The Committee met five times during the year ended June 30, 2019, and fulfilled its responsibilities for the year under review, in compliance with its formal terms of reference.

Ethics Committee

The Ethics Committee was set up on May 14, 2010, with the following objectives:
a) assist the Board in overseeing that the Company is committed to the highest ethical standards;
b) promote an organisational culture that encourages law-abiding and ethical conduct;
c) review the effectiveness of the compliance and enforcement framework as provided in the code.

The Ethics Committee Charter is updated and is in line with the recommendation of the Code of Corporate Governance.

Appointed members of the Ethics Committee are as follows:
Messrs Hansraj RUHEE (Independent Director) Chairman, M.D.P. André ESPITALIER NOEL (Managing Director), R.J. Paul CLARENC (Non-Executive Director), S. Rehaz A. SAYED HASSEN (Secretary).
The Committee is assisted by Mrs. Myrna Arekion (Group Human Resource Manager) as Compliance Officer and Mr. Lynden Lareine (Internal Audit Manager).
During the year,
1. Procedures for the Induction of new Directors were completed and a checklist of relevant updated information as per the requirement of the Code of Corporate Governance was drawn up.
2. Policy and procedures for the introduction of a whistleblowing framework were put in place and adopted.
3. In line with the new strategic plan schemes for Early and Voluntary Retirement have been discussed.

The committee was informed that the compliance officer organised regular working sessions, refresher courses and meetings to instill the Ethical values and to promote the organisational culture as per the objectives of the Company and to abide by the rules and regulations set up.

In spite of the laudable effort put in by the Human Resources department, to create a strong sense of responsibility and commitment in the workplace, some cases of misbehaviour at the level of the workforce were reported to management. Appropriate severe disciplinary actions were taken to curb down the tendency.

The Committee is pleased to express its appreciation to the management and to the compliance officer for maintaining a strong and efficient follow up for compliance with the Company's Code of Ethics and values.

Strategic Committee

The Strategic Committee Charter was approved by the Board of Directors on September 30, 2016, and shall be reviewed as and when required. The purpose of the committee is to assist the Board in fulfilling its responsibilities to monitor the development of and ultimately approve the Company's strategies and strategic plan.

The committee consists of three non-executive directors namely Messrs. R.J. Paul CLARENC who is also the Chairman of the committee, Akhtar N.Y. DAWOOD, J.H. Maurice DE MARASSE ENOUF and three executive directors Messrs. M.D.P. André ESPITALIER NOEL, S. Rehaz A. SAYED HASSEN, and Jérôme P.E. CLARENC.

The Committee met three times during the period under review and the objectives set under the Optimisation, Productivity and Investment (OPI) Plan, launched last year, are well on target. The Board of Directors has been constantly appraised of the proceedings of the Committee.

Working in close collaboration with the Executive Team, the role of the Committee has been instrumental in reviewing and shaping a new organisational structure, in backing the recruitment of talented staff at management level and in enhancing the company's logistics.

With the ongoing optimisation and consolidation of the human, infrastructural and capital resources, Mauritius Oil Refineries Limited (MOROIL) will now embark on the next phase of its strategic plan. Due consideration will thus be given to investments in prospective mergers and acquisitions within our field of expertise together with the development of our present activities.

Oil Procurement Committee

The Board established the Oil Procurement Committee as a Board Committee on July 16, 2018, with executive responsibilities. The Committee is composed of Mr. R.J. Paul CLARENC (Chairman), acting as consultant, and three executive directors, namely the Managing Director, the Deputy Managing Director and Commercial Manager as well as the Finance Manager.

The main objective of the Committee is to purchase oils of international standards at the most favourable price and ensure continuity of supply.

MOROIL affirms its commitment to ethical and efficient purchasing practices. To this end, the Company endorses an Oil Procurement Policy, a framework of sound operational practices that establishes the guidelines by which the oil purchase transactions are to be conducted whilst sustaining the Company's credibility and reputation with recognised suppliers and renowned financial institutions.

CORPORATE GOVERNANCE REPORT

To fulfill its responsibilities, the Committee meets on a regular basis to continuously monitor market information, diligently identify and assess the oil procurement risks and take appropriate actions to mitigate them and approve the issuance and payment of internationally recognised and accepted oil procurement contracts. Particular emphasis has been laid on a coaching program during the last financial year.

BOARD AND COMMITTEE ATTENDANCE

Directors	Category	Board of Directors	Corporate Governance Committee	Audit and Risk Committee	Ethics Committee	Strategic Committee
Mr. G. Allain D. DE SPEVILLE	NED	5/5	2/2	-	-	-
Mr. M.D.P. André ESPITALIER NOEL	ED	5/5	-	-	1/1	3/3
Mr. R.J. Paul CLARENC	NED	3/5	2/2	-	-	3/3
Mr. Akhtar N.Y. DAWOOD	ID	5/5	-	5/5	-	3/3
Mr. Yakub M.K. MORIA	NED	5/5	2/2	-	-	-
Mr. Hansraj RUHEE	ID	5/5	2/2	5/5	1/1	-
Mr.J.H. Maurice de MARASSE ENOUF	ID	5/5	-	5/5	-	3/3
Mr. Ashraf M. CURRIMJEE	NED	3/5	-	-	-	
Mr Jérôme P.E. CLARENC	ED	5/5	-	-	-	3/3
Mr.S. Rehaz.A. SAYED HASSEN	ED	5/5	-	-	1/1	3/3

Category of directors:
ED - Executive Director NED - Non-Executive Director ID - Independent Director

The charters of the four Board Committees are now available on the Corporate Governance webpage of the company (**www.moroil.mu**).

RISK MANAGEMENT

The risk management system is an integral part of management's approach to delivering business objectives and is a systematic process designed to identify, assess and manage risks.

The Board is ultimately responsible for the process of risk management and in line with its business development orientations; the Board identifies the main risks and determines the principal strategies in respect of the risk management of the Company whilst management is accountable to the Board for the design, implementation and detailed monitoring of the risk management process. The Board has delegated to the Audit and Risk Committee the responsibility to supervise the monitoring and mitigation of risk exposure.

The Internal Audit function performs a periodic risk assessment at all levels of the organization. A comprehensive risk review has been conducted this year and the corporate risks register updated with the key risks and the mitigating actions.

Risk Factors

Set forth below are some of the risks and uncertainties that, if they were to occur, could materially and adversely affect our business or that could cause our actual results to differ materially.

Market Risks

The price of crude oils may be volatile as a result of a number of factors, including general economic and climatic conditions, growing demand from emerging countries and the increasingly important requirements of the same raw materials by the energy sector.

Refined oil operators are still facing severe competition from the COMESA countries. The injuries inflicted on the local edible oil manufacturers show how challenging the absence of level playing field may be and how damaging competition from artificially low prices of imported oils could be. The Company with the full support of private sector institutions has addressed the issue of unfair competition with the local and COMESA authorities.

Strategic measures are being taken to optimise resources, to enhance productivity and to invest in identified projects that will sustain growth.

Operational Risks

It is one of the Company's main objectives to ensure a continuous supply of quality oil to all customers. In that respect, there is an efficient procurement policy in place.

However, shipments may be delayed for reasons beyond the Company's control including, but not limited to, natural disasters, vessel attacks, geopolitical tensions and other unexpected problems resulting in a shortage in the supply of crude oil. Nevertheless, management has a contingency plan to respond to this risk.

There is also the risk of a major machinery breakdown that could delay operations and disrupt market supply. This risk is mitigated with the stock on hand of critical parts and the ongoing maintenance programs coupled with technical audits.

Food Safety Risk

Since December 2000, with the ever-changing food business environment, MOROIL as a recognised regional leader has implemented a Food Safety Management System based on HACCP (Hazard Analysis and Critical Control Point) principles, an internationally recognised and recommended approach to food safety. In line with this continuous food safety approach, the Company has since successfully and consecutively passed the surveillance audits in order to ensure compliance with prevailing food regulations and towards its responsibilities to customers.

Besides, the employees are regularly trained on these best practices with the support of Management in the running of HACCP and are looking forward to building upon its already established framework to go a step further.

Financial risks

Information on financial risk management is given in note 3 to the financial statements.

Information Technology Risks

The Company relies considerably on the information technology environment to achieve its business objectives.

CORPORATE GOVERNANCE REPORT

In order to mitigate the risk of an information technology crash or a major breakdown, the IT operating environment has been upgraded and secured to strategically ensure continuity in business information.

Information Security Management Procedures and Policy have been implemented since May 2015. A survey of the Company's server IT Infrastructure (Hardware, Software, Security, Backup and disaster recovery related to the server) was conducted by an external consultant in July 2018. Appropriate measures have been implemented to improve the effectiveness and adequacy of key IT processes, controls, configuration, management, security and monitoring of the virtual server environment. The ERP system has been upgraded and is live since July 2, 2019.

Human Resources Risk

The loss of key personnel has been identified as a major risk. During the year, the Company consolidated its management team in line with its succession and manpower planning as a response to any adverse or untimely event that could affect any of our key personnel.

In view of further mitigating this risk, retention and reward policies have been implemented.

Internal control

The Board has overall responsibility for ensuring that management maintains an adequate system of internal control and for reviewing its effectiveness. The Audit and Risk Committee on behalf of the Board undertakes the detailed monitoring of the controls within an appropriate established framework. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Systems and processes have been implemented and are reviewed on an ongoing basis by the Internal Audit function. The Audit and Risk Committee considers significant control matters raised by the internal and external auditors and reports its findings to the Board. Where weaknesses are identified, the Committee ensures that management takes appropriate action.

Information Governance

The Board oversees information governance within the Company and ensures that the performance of information and information technology systems leads to business benefits and creates value. The Board ensures that information assets are efficiently managed, and that appropriate policies, procedures, management accountability, and the right structures provide a robust governance framework for information management.

The oversight and monitoring of the security and performance of information and information technology systems are undertaken by the Audit and Risk Committee. For its part, Management is responsible for implementing the policies, procedures, and practices to protect the Company's information, in line with regulatory and company norms. User access controls are in place to protect the integrity, confidentiality, and availability of all information resources.

The Board keeps its IT expertise under review as the company's IT strategy develops and ensures that IT investments support business objectives. Management is defining the way ahead for the coming years, considering the future IT requirements of the company.

INTERNAL AUDIT

The Internal Audit Department carries out the audit of the Group's operations by providing independent, objective assurance and consulting activity on risk management, internal control, and governance processes. The objectives, authority, and responsibilities of the Internal Audit function are elaborated in the updated Internal Audit Charter approved on February 15, 2019.

The Internal Audit Department has unrestricted access to all records, physical properties, and personnel to discharge its responsibilities. The Internal Audit Manager reports functionally to the Audit and Risk Committee and administratively to the Managing Director.

The Internal Audit adopts a risk-based approach in formulating its yearly audit plan which is submitted for approval to the Audit and Risk Committee. It assesses the adequacy of controls for key processes to mitigate the risks identified. During the year, the internal audit:

- updated the company's Key Risks Register
- reviewed the controls related to Sales of Food Products
- provided a Progress Report on the subsidiary company, Metal Can Manufacturers Ltd and
- submitted a report on the subsidiary company, Pharmalab Plastic Supplies Ltd.

Meetings were held regularly between the Internal Audit Manager, the Finance Manager together with senior management, to ensure any significant issues identified were addressed and to review progress on implementing audit recommendations. Updates on reviews and follow-ups were reported to the Audit and Risk Committee.

EXTERNAL AUDIT

With a view to ensuring the overall adequacy of the company's internal control system, the Audit and Risk Committee evaluates the independence and effectiveness of the external auditors on an ongoing basis.

In line with the requirements of the Code for the rotation of the audit firm, the shareholders have approved the nomination of Deloitte as external auditors as from this financial year.

The Audit and Risk Committee ensures that there is no threat to the independence and objectivity of the external auditor in the conduct of the audit, resulting from the provision of non-audit services by them.

IMPORTANT EVENTS

Some of the key milestones were as follows:

Publication of condensed audited results for the previous year	September 2018
Publication of condensed unaudited results for 1st quarter	November 2018
Dividend declaration - interim	November 2018
Annual Meeting of shareholders	December 2018
Publication of condensed unaudited results for 2nd quarter	February 2019
Publication of condensed unaudited results for 3rd quarter	May 2019
Dividend declaration – final	May 2019

CORPORATE GOVERNANCE REPORT

EMPLOYEE SHARE OPTION PLAN

No employee share option plan currently exists.

CHARITABLE DONATIONS

Charitable donation made by the Company during the year to one association amounted to Rs.5,000 over and above CSR donation.

POLITICAL DONATIONS

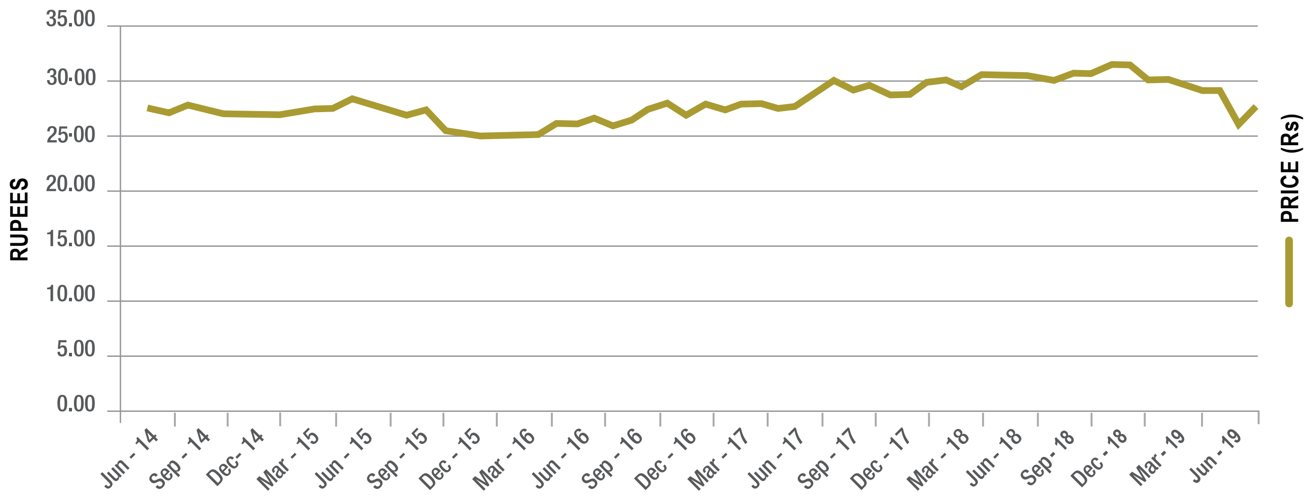
The Company did not make any political donations during the year under review (2018: Rs.nil).

STAKEHOLDERS' RELATIONS AND COMMUNICATION

The board aims to properly understand the information needs of all shareholders and places great importance on an open and meaningful dialogue with all those involved with the Company. It ensures that shareholders are kept informed on matters affecting the Company. Open lines of communication are maintained to ensure transparency and optimal disclosure. All board members are requested to attend the annual meeting, to which all shareholders are invited.

SHARE PRICE INDEX INFORMATION

The evolution of the Company's share price over the last five years is as follows:



SUSTAINABILITY REPORTING

We are committed to creating long-term value to our customers, other stakeholders and the community at large by continuously seeking to better integrate our sustainability efforts into our daily operations and actions.

CORPORATE GOVERNANCE

The Board of Directors is elected by the shareholders to oversee their interests in the long-term health and the overall success of the Company's business and its financial strength. As we keep moving towards our sustainability commitment, the Board has reviewed its composition and is now balanced; consisting of 4 Independent Directors, 3 Executive Directors, and 4 Non-Executive Directors.

The three Board committees, namely the Corporate Governance Committee, the Audit and Risk Committee, and the Ethics Committee are governed by their respective charters which address the identification and management of governance, economic, social and environmental issues.

The Board selects and oversees the members of senior management, who are charged with conducting the business of the company. The overall accountability for sustainability lies with the Managing Director and the Executive Committee. We strive to lead by example, guided by our high standards of corporate governance and ethics.

ENVIRONMENT

MOROIL is more than ever aware of issues related to the environment and pledges to keep it safe for a better future and to be transparent over its environmental performance.

The Company's commitment towards achieving sustainable growth and creating values for all its stakeholders has earned an appreciable score on the SEMSI (Stock Exchange of Mauritius Sustainability Index) since 2015. MOROIL will always strive to pave towards pollution prevention, efficient energy utilisation, and environmental best practices. We believe that this holistic commitment is a national endeavour and can best be delivered through compliance to legal, statutory and moral obligations, promotion of sustainability initiatives among the personnel and to the setting up of measurable targets along a defined timeline.

The setting up phase of our constructed wetland project aiming at abating pollution from our effluents has been completed thanks to our partnership with the University of Mauritius as a competent research body and the financial support from the Mauritius Research Council. The optimisation milestone has already started.

Recommendations from the PNEE (*Programme National pour l'Efficience Energétique*) are being implemented and a charter on MOROIL's Energy Utilisation is being strictly monitored. Stack gas monitoring on our coal combustion efficiency and on gaseous emissions are carried out and the results are more than satisfactory. An annual reporting from the Mauritius Cane Industry Authority is mandated. The duty exemption on gas oil utilised for our stationary engine boiler is strictly controlled by the Mauritius Revenue Authority.

MOROIL will continue to strive for pollution abatement and efficient energy resource management.

SOCIAL

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In order not to derogate from its involvement in social welfare activities, MOROIL has throughout the year ended June 30, 2019, reiterated its commitment to support local registered NGOs. A total amount of Rs 267,000 has been dedicated towards 4 priority areas of the national program that Moroil holds to heart: namely Education, Family Protection, Health, and Disability.

MOROIL has continued to support Emmanuel Anquetil Government School in the "catch up session" for students participating in the PSAC exams and give them the opportunity to succeed.

The rehabilitation and reintegration of ex-detainees through "Association Kinouete" and the "Fondation pour l'enfance - Terre de Paix" dedicated to early childhood in women's prison have been another priority this year.

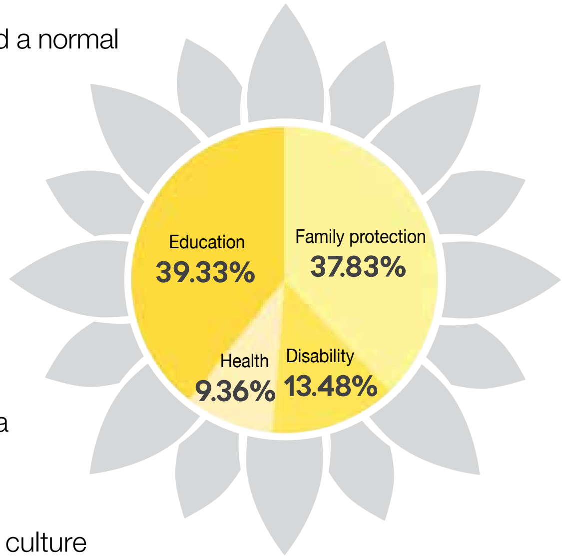
MOROIL has always contributed to the wellbeing of people suffering from disabilities and has supported

CORPORATE GOVERNANCE REPORT

"Amour sans Frontière", "Muscular Dystrophy Association" and "Association des Parents des Deficients Auditifs (APDA)".

This year, the Company has also contributed to enabling a sick child to lead a normal life through the Society for Aid to Children Inoperable in Mauritius (SACIM).

MOROIL looks forward to continuing meeting its social and community obligations.



HUMAN RESOURCES PRACTICES & POLICIES

Since Human Resources policies and procedures are the real backbone and foundation of a Company, MOROIL has always adopted a transparent, merit-based approach in accordance with legislation.

The Company ensures that its employment policy is fair and promotes a culture of continuous improvement. The learning and development of the employees and encouraging them to make the best of their abilities and capabilities have always been our priority.

Each post is being reviewed to ensure the right people are at the right place and can meet the goals of the company while flourishing.

The Company is regularly audited by an external consultant on its commitment to comply with International Human Rights Norms and Mauritian Labour Laws. The company's certification SA 8000:2014 has been renewed for the period starting June 26, 2018, up to June 26, 2021. The Social Performance Team made up of both staff and workers ensure that all requirements are maintained at all times.

SAFETY, HEALTH, AND WORKING ENVIRONMENT

The Company ensures that the working environment is safe at all times. Regular risk assessment is performed by a full-time Health & Safety Officer who ensures that MOROIL is always complying with the Occupational Safety and Health Act 2005.

To go a step further, the Health & Safety committee ensures the enhancement and the realisation of sustainable Health and Safety practices through mini-projects.

MOROIL has an Occupational Health Physician who is responsible for the Medical Surveillance of all employees and provides assistance for any health issue.

NON-AUDIT SERVICES RENDERED BY EXTERNAL AUDITORS

There were no other services rendered by External Auditors during the year (2018: Rs 111,000).

Speville Secretarial Services Ltd
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors acknowledge their responsibilities for:

(i) adequate accounting records and maintenance of effective internal control systems,
(ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards (IFRS),
(iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

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

The directors report that:

(i) adequate accounting records and an effective system of internal controls and risk management have been maintained,
(ii) appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently,
(iii) International Financial Reporting Standards have been adhered to.
(iv) the Code of Corporate Governance has been adhered to. Reasons have been provided where there has not been compliance.
(v) the Mauritius Companies Act 2001 have been adhered to in all material aspects.

Signed on behalf of the Board of Directors:

M.D.P André Espitalier Nöel
Managing Director

R.J. Paul Clarenc
Director

September 30, 2019

STATEMENT OF COMPLIANCE

Section 75 (3) of the Financial Reporting Act)

Name of the Public Interest Entity ("the PIE"): Mauritius Oil Refineries Limited

Reporting Period: July 1, 2018, to June 30, 2019

We, the Directors of Mauritius Oil Refineries Limited, confirm to the best of our knowledge that the Company has complied with all of its obligations and requirements under the Code of Corporate Governance 2016 in all material respects.

G.Allain D. DE SPEVILLE
Chairperson

Hansraj RUHEE
Director

September 30, 2019

STATUTORY DISCLOSURES

The directors have pleasure in submitting the Annual Report of Mauritius Oil Refineries Limited together with the audited financial statements for the year ended June 30, 2019.

PRINCIPAL ACTIVITIES

The activities of the group consist of refining crude edible oil, packing and marketing of the finished products, the marketing of a selected range of quality food products and the manufacture of metal cans and plastic containers.

RESULTS AND DIVIDENDS

The Group's and the Company's profit for the financial year ended June 30, 2019 amounted to Rs.31,035,000 (2018: Rs.36,172,000) and Rs.31,565,000 (2018: Rs.33,362,000) respectively.

Dividends declared during the financial year have been paid as follows:

An interim dividend of Re.0.90 per share in December 2018 (2018: Re.95 per share in December 2017)

A final dividend of Re.0.25 per share in June 2019 (2018: Re.0.25 per share in June 2018)

LIST OF DIRECTORS AND ALTERNATE DIRECTORS

The directors and alternate directors of the Company and those of its subsidiary companies holding office during the year ended June 30, 2019 are as follows:

(a) Mauritius Oil Refineries Limited

Mr G. Allain D.DE SPEVILLE - Chairman
Mr M.D.P.André ESPITALIER NOEL - Managing Director
Messrs R.J.Paul CLARENC
Akhtar N.Y. DAWOOD
Ashraf M.CURRIMJEE
Hansraj RUHEE
J.H. Maurice DE MARASSE ENOUF
Yakub M.K MORIA
Jérôme P.E.CLARENC - Deputy Managing Director
S.Rehaz A SAYED HASSEN

(b) Proton Limited

Messrs G. Allain D. DE SPEVILLE
R.J.Paul CLARENC

(c) Metal Can Manufacturers Limited

Messrs M.D.P. André ESPITALIER NOEL - Managing Director
R.J. Paul CLARENC
Jacques LI WAN PO
G. Allain D.DE SPEVILLE
G.A. Roland MAUREL

(d) Pharmalab Plastic Supplies Limited

Messrs R.J. Paul CLARENC
Hassam M.VAYID
M.D.P. André ESPITALIER NOEL
Patrick Y.K. PIN HARRY

DIRECTORS' SERVICE CONTRACTS

Mr M.D.P. André Espitalier Noël, Mr Jerôme Paul Edouard Clarenc and Mr S. Rehaz A. Sayed Hassen have service contracts with the Company without expiry dates.

Mr R.J. Paul Clarenc has a service contract as consultant with the Company which has been tacitly reconducted.

Except for the above, none of the other directors have unexpired service contracts.

DIRECTORS

Remuneration and benefits received, or due and receivable from the Company and from its subsidiaries were as follows:

- Directors of Mauritius Oil Refineries Limited	**From the Company**		**From Subsidiaries**	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Executive Directors (2019 and 2018: 3)				
- Full-time	**11,281**	10,688	**-**	-
- Part-time	**-**	-	**99**	602
Non-executive Directors (2019:7 and 2018: 8)	**6,860**	6,708	**569**	489
	18,140	17,396	**668**	1,091

	From the Company		**From Subsidiaries**	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Directors of subsidiary companies				
Executive (2019 and 2018: 1)				
Full-time	**-**	-	**-**	-
Part-time	**-**	-	**41**	41
Non-executive (2019 and 2018: 3)			**158**	138

CONTRACTS OF SIGNIFICANCE

There was no contract of significance subsisting during the year to which the Company or one of its subsidiaries is a party and in which a director is or was materially interested, either directly or indirectly.

DIRECTORS' INTERESTS IN SHARES

The interests of the Directors of the Company in the Group as at June 30, 2019 were as follows:

	Mauritius Oil Refineries Limited		Metal Can Manufacturers Limited	
	Number of ordinary shares		Number of ordinary shares	
	Direct interests	Indirect interests	Direct interests	Indirect interests
Messrs				
Yakub M.K MORIA	444,444	-	1,207	-
G. Allain D. DE SPEVILLE - Chairman	310,000	6,666	129	-
R.J.Paul CLARENC	38,400	-	9,087	-
Hansraj RUHEE	12,441	34,071	-	-
Akhtar N.Y. DAWOOD	10,300	-	5,460	-
S.Rehaz A SAYED HASSEN	821	-	2,015	339
J.H. Maurice DE MARASSE ENOUF	-	-	-	-
Ashraf M.CURRIMJEE	-	-	-	-
M.D.P. André ESPITALIER NOEL - MD	-	-	-	-
Jérôme P.E. CLARENC	-	-	-	-

MAJOR SHAREHOLDER

No person has reported any material interest of 5% or more of the stated capital of the Company except as disclosed on page 20.

INTERESTS OF SENIOR OFFICERS IN EQUITY

	Mauritius Oil Refineries Limited		Subsidiaries	
	Number of ordinary shares		Number of ordinary shares	
	Direct interests	Indirect interests	Direct interests	Indirect interests
Mr. J. L. Gilles Perrier (Service Manager)	-	-	**150**	**200**
Mr. Lynden Lareine (Internal Audit Manager)	-	-	**200**	**-**

DONATIONS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Donations made during the year	**5**	-	**5**	-

AUDITOR'S FEE

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Audit fees paid to:				
- Deloitte	**930**	-	**770**	-
- BDO & Co.	**-**	1,064	**-**	727
Fees paid for other services provided by:				
- UHY & CO	**170**	-	**170**	-
- BDO & Co.	**155**	111	**83**	111

Approved by the Board of Directors on September 30, 2019 and signed on its behalf by:

M.D.P. André ESPITALIER NOEL
Managing Director

Akhtar N.Y. DAWOOD
Director

SECRETARY'S CERTIFICATE

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 under sections 166(d) of the Mauritius Companies Act 2001.

SPEVILLE SECRETARIAL SERVICES LTD
Secretary

September 30, 2019

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAURITIUS OIL REFINERIES LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of **Mauritius Oil Refineries Limited** (the "Company" and the ''Public Interest Entity'') and its subsidiaries (collectively referred to as the "Group") set out on pages 44 to 103, which comprise the consolidated and separate statements of financial position as at 30 June 2019, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2019, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for opinion

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

Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Professional Accountant's Code of Ethics for Professional Accountants (IESBA code), and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Retirement benefit obligations	
The Group has recognised retirement benefit obligations of Rs 110,538,000 as at 30 June 2019. Management has applied judgement in determining the retirement benefits and has involved an independent actuary to assist with the IAS 19 provisions and disclosures. Retirement benefit obligations are considered a key audit matter due to the significance of the balance in the consolidated and separate financial statements as a whole, combined with the judgement associated for determining the appropriate actuarial assumptions. The significant assumptions used have been disclosed in Note 20.	We assessed the competence, capabilities and objectivity of management's independent actuary and verified the qualifications of the actuary. The procedures performed included the following: • We assessed and challenged the assumptions that management made in determining the present value of the liabilities and fair value of plan assets. • We involved a specialist to assist with the validation of the discount rate. The specialist's procedures included reviewing the yield curve and inflation rate used by the actuary. • We compared the assumptions used such as discount rate and annual salary increment with industry and historical data. • We verified the data used by the actuary with the payroll report for completeness and accuracy. • We found the assumptions and disclosures in the consolidated and separate financial statements to be appropriate.

Report on other legal and regulatory requirements

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 interest in, the Company and its subsidiaries other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company and its subsidiaries as far as appears from our examination of those records.

Other matter

The consolidated and separate financial statements for the year ended 30 June 2018 were audited by another auditor, who on 26 September 2018 expressed an unqualified opinion thereon.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Information, Statutory Disclosures, Corporate Governance Report and Secretary's Certificate. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Corporate Governance Report

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

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Group's and Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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 the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause and the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Deloitte	**Vishal Agrawal, FCA**
Chartered Accountants	Licensed by FRC

September 30, 2019

STATEMENTS OF FINANCIAL POSITION

June 30, 2019

	Notes	THE GROUP 2019 Rs '000	THE GROUP 2018 Rs'000	THE COMPANY 2019 Rs'000	THE COMPANY 2019 Rs '000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**267,092**	261,727	**236,058**	230,391
Investment property	7	**65,500**	63,200	**-**	-
Intangible assets	8	**1,094**	519	**831**	28
Investment in subsidiaries	9	**-**	-	**19,612**	19,612
Investment in associate	10	**31,413**	30,318	**12,005**	12,005
Investments in financial assets	11	**1,046**	9,784	**3**	3
Deferred tax assets	12	**2,280**	1,286	**-**	-
Loan receivable from subsidiary	15	**-**	-	**2,380**	1,665
		368,425	366,834	**270,889**	263,704
Current assets					
Inventories	13(a)	**230,092**	254,003	**197,744**	222,798
Trade and other receivables	14	**134,259**	133,732	**115,270**	106,079
Current tax assets	22(a)	**1,128**	930	**886**	930
Cash in hand and at bank	31(b)	**1,542**	2,334	**340**	2,003
		367,021	390,999	**314,240**	331,810
Total assets		**735,446**	757,833	**585,129**	595,514
EQUITY AND LIABILITIES					
Capital and reserves (attributable to owners of the parent)					
Stated capital	16	**166,401**	166,401	**166,401**	166,401
Revaluation reserve	17(a)	**83,283**	83,283	**79,676**	79,676
Fair value reserve	17(b)	**-**	3,126	**-**	-
Actuarial losses	17(c)	**(153,950)**	(124,686)	**(133,326)**	(105,585)
Retained earnings		**233,733**	238,650	**140,091**	146,798
Owner's interest		**329,467**	366,774	**252,842**	287,290
Non-controlling interests	18	**21,455**	25,889	**-**	-
Total equity		**350,922**	392,663	**252,842**	287,290
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	12	**28,870**	30,471	**18,565**	20,642
Retirement benefit obligations	20	**110,538**	93,959	**86,363**	75,224
		139,408	124,430	**104,928**	95,866
Current liabilities					
Trade and other payables	21	**60,064**	51,574	**50,714**	34,437
Current tax liabilities	22(a)	**202**	252	**-**	-
Borrowings	19	**184,850**	188,914	**176,645**	177,921
		245,116	240,740	**227,359**	212,358
Total liabilities		**384,524**	365,170	**332,287**	308,224
Total equity and liabilities		**735,446**	757,833	**585,129**	595,514

These financial statements have been approved for issue by the Board of Directors on September 30, 2019

M.D.P. André ESPITALIER NOEL
Managing Director

Akhtar N.Y. DAWOOD
Director

The notes on pages 50 to 103 form an integral part of these financial statements.
Auditor's report on pages 39 to 42

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

year ended June 30, 2019

	Notes	THE GROUP 2019 Rs'000	THE GROUP 2018 Rs'000	THE COMPANY 2019 Rs'000	THE COMPANY 2018 Rs'000
Revenue	23	**1,008,386**	1,152,706	**896,416**	1,034,895
Cost of operations	24	**(850,218)**	(1,000,739)	**(758,580)**	(901,980)
Gross profit		**158,168**	151,967	**137,836**	132,915
Other operating income		**4,081**	3,738	**3,576**	3,420
Distribution costs	24	**(24,923)**	(24,868)	**(24,923)**	(24,868)
Administrative expenses	24	**(94,201)**	(83,503)	**(77,258)**	(72,105)
		43,125	47,334	**39,231**	39,362
Fair value gain/(loss) on investment property	7	**2,300**	(204)	**-**	-
Other income	26	**602**	-	**6,864**	6,356
Net finance costs	27	**(10,446)**	(6,067)	**(10,032)**	(5,634)
		35,581	41,063	**36,063**	40,084
Share of profit of associate	10(a)	**1,536**	3,966	**-**	-
Profit before taxation		**37,117**	45,029	**36,063**	40,084
Income tax expense	22(b)	**(6,082)**	(8,857)	**(4,498)**	(6,722)
Profit for the year	28	**31,035**	36,172	**31,565**	33,362
Profit attributable to:					
Owners of the parent		**30,728**	34,181	**31,565**	33,362
Non-controlling interests		**307**	1,991	**-**	-
		31,035	36,172	**31,565**	33,362
Earnings per share	29	**0.92**	1.03	**0.95**	1.00

The notes on pages 50 to 103 form an integral part of these financial statements.
Auditor's report on pages 39 to 42

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

year ended June 30, 2019

	Notes	THE GROUP 2019	THE GROUP 2018	THE COMPANY 2019	THE COMPANY 2018
		Rs'000	Rs'000	**Rs'000**	Rs'000
Profit for the year		**31,035**	36,172	**31,565**	33,362
Other comprehensive income/(loss) for the year:					
Items that will not be reclassified to profit or loss:					
Gain on property revaluation		**-**	1,025	**-**	-
Fair value loss on investments in financial assets		**(754)**	-	**-**	-
Remeasurement of defined benefit obligations	20	**(38,744)**	(17,193)	**(32,315)**	(13,507)
Income tax relating to components of other comprehensive income	12(c)	**5,667**	1,559	**4,574**	885
Share of other comprehensive income/(loss) of associate	10(a)	**1,333**	(2,702)	**-**	-
Other comprehensive loss for the year		**(32,498)**	(17,311)	**(27,741)**	(12,622)
Total comprehensive (loss)/income for the year		**(1,463)**	18,861	**3,824**	20,740
Total comprehensive (loss)/income attributable to:					
Owners of the parent		**965**	18,031	**3,824**	20,740
Non-controlling interests	18	**(2,428)**	830	**-**	-
		(1,463)	18,861	**3,824**	20,740

The notes on pages 50 to 103 form an integral part of these financial statements.
Auditor's report on pages 39 to 42

STATEMENTS OF CHANGES IN EQUITY

year ended June 30, 2019

	Notes	Stated capital	Revaluation reserve	Actuarial reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to owners of the parent							
THE GROUP		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at July 1, 2018		166,401	83,283	(124,686)	3,126	238,650	366,774	25,889	392,663
Impact of first time adoption of IFRS 9	14	-	-	-	-	-	-	-	-
Profit for the year		-	-	-	-	30,728	30,728	307	31,035
Other comprehensive loss for the year		-	-	(29,264)	(499)	-	(29,763)	(2,735)	(32,498)
Total comprehensive loss for the year		-	-	(29,264)	(499)	30,728	965	(2,428)	(1,463)
Transfer to retained earnings		-	-	-	(2,627)	2,627	-	-	-
Dividends	30	-	-	-	-	(38,272)	(38,272)	-	(38,272)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(2,006)	(2,006)
Balance at June 30, 2019		**166,401**	**83,283**	**(153,950)**	**-**	**233,733**	**329,467**	**21,455**	**350,922**
Balance at July 1, 2017		166,401	86,443	(111,696)	3,126	244,405	388,679	27,066	415,745
Profit for the year		-	-	-	-	34,181	34,181	1,991	36,172
Other comprehensive loss for the year		-	(3,160)	(12,990)	-	-	(16,150)	(1,161)	(17,311)
Total comprehensive income for the year		-	(3,160)	(12,990)	-	34,181	18,031	830	18,861
Dividends	30	-	-	-	-	(39,936)	(39,936)	-	(39,936)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(2,007)	(2,007)
Balance at June 30, 2018		**166,401**	**83,283**	**(124,686)**	**3,126**	**238,650**	**366,774**	**25,889**	**392,663**

The notes on pages 50 to 103 form an integral part of these financial statements.
Auditor's report on pages 39 to 42

STATEMENTS OF CHANGES IN EQUITY

year ended June 30, 2019

THE COMPANY	Notes	Stated capital Rs'000	Revaluation reserve Rs'000	Actuarial reserve Rs'000	Retained earnings Rs'000	Total Rs'000
Balance at July 1, 2018		166,401	79,676	(105,585)	146,798	287,290
Impact of first time adoption of IFRS 9	14	-	-	-	-	-
Profit for the year		-	-	-	31,565	31,565
Other comprehensive loss for the year		-	-	(27,741)	-	(27,741)
Total comprehensive income for the year		-	-	(27,741)	31,565	3,824
Dividends	30	-	-	-	(38,272)	(38,272)
Balance at June 30, 2019		**166,401**	**79,676**	**(133,326)**	**140,091**	**252,842**
Balance at July 1, 2017		166,401	83,361	(96,648)	153,372	306,486
Profit for the year		-	-	-	33,362	33,362
Other comprehensive loss for the year		-	(3,685)	(8,937)	-	(12,622)
Total comprehensive income for the year		-	(3,685)	(8,937)	33,362	20,740
Dividends	30	-	-	-	(39,936)	(39,936)
Balance at June 30, 2018		**166,401**	**79,676**	**(105,585)**	**146,798**	**287,290**

The notes on pages 50 to 103 form an integral part of these financial statements.
Auditor's report on pages 39 to 42

STATEMENTS OF CASH FLOWS

year ended June 30, 2019

	Notes	THE GROUP 2019 Rs'000	THE GROUP 2018 Rs'000	THE COMPANY 2019 Rs'000	THE COMPANY 2018 Rs'000
Cash flows from operating activities					
Cash generated from operations	31(a)	**76,870**	47,312	**61,429**	38,720
Interest received		**-**	-	**183**	193
Interest paid		**(10,296)**	(6,439)	**(9,882)**	(6,002)
Tax paid - net		**(2,828)**	(5,323)	**(1,678)**	(2,615)
CSR contribution		**(430)**	(459)	**(279)**	(274)
Net cash generated from operating activities		**63,316**	35,091	**49,773**	30,022
Cash flows used in investing activities					
Purchase of property, plant and equipment		**(22,523)**	(18,801)	**(19,194)**	(18,045)
Acquisition of intangible assets		**(1,208)**	-	**(879)**	-
Proceeds from disposal of motor vehicles		**1,054**	957	**766**	957
Loan repaid by related companies	15	**-**	-	**203**	715
Dividend received:					
- subsidiaries		**-**	-	**4,305**	3,905
- associate		**1,774**	2,258	**1,774**	2,258
Net cash used in investing activities		**(20,903)**	(15,586)	**(13,024)**	(10,210)
Cash flows used in financing activities					
Loan from related company		**-**	-	**-**	5,500
Repayments of borrowings		**-**	(75,000)	**-**	(75,000)
Dividends paid to non-controlling interests		**(2,006)**	(2,007)	**-**	-
Dividends paid to Company's shareholders		**(37,135)**	(40,592)	**(37,135)**	(40,592)
Net cash used in financing activities		**(39,141)**	(117,599)	**(37,135)**	(110,092)
Net increase/(decrease) in cash and cash equivalents		**3,272**	(98,094)	**(386)**	(90,280)
Movement in cash and cash equivalents					
At July 1,		**(186,580)**	(88,486)	**(170,418)**	(80,138)
Increase/(decrease)		**3,272**	(98,094)	**(386)**	(90,280)
At June 30,	31(c)	**(183,308)**	(186,580)	**(170,804)**	(170,418)

Non-cash transaction:
During the year the group netted off deposit of Rs 7,984,000 received in previous year against investment held upon decision of the investee company to wind up.

The notes on pages 50 to 103 form an integral part of these financial statements.
Auditor's report on pages 39 to 42

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

1. GENERAL INFORMATION

Mauritius Oil Refineries Limited (the "Company") is a public company incorporated and domiciled in Mauritius. The address of its registered office is Quay D, Port Louis.

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

The Company is quoted on the official list on the Stock Exchange of Mauritius. The principal activities of the Group has been disclosed on page 20..

2. SIGNIFICANT ACCOUNTING POLICIES

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

(A) BASIS OF PREPARATION

The financial statements of Mauritius Oil Refineries Ltd comply with the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and have been prepared in accordance with International Financial Reporting Standards (IFRS). Where necessary, comparative figures have been regrouped to conform to the current year's presentation.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety which are describes as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

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

In the current year, the Group has adopted all of the new and revised standard and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2018.

2.1 NEW AND AMENDED IFRS STANDARDS THAT ARE EFFECTIVE FOR THE CURRENT YEAR

Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Group has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. IFRS 9 was adopted without restating comparative information. The reclassification and the adjustment arising from the new impairment

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

rules are therefore not reflected in the statement of financial position as at 30 June 2018 but are recognised in the opening reserves on 1 July 2018.

Additionally, the Group adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that were applied to the disclosures for 2018 and to the comparative period.

IFRS 9 introduced new requirements for:

(i) The classification and measurement of financial assets and financial liabilities;

(ii) Impairment of financial assets; and

(iii) General hedge accounting.

Details of these new requirements as well as their impact on the Group's financial statements are described below.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Group has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 July 2018. Accordingly, the Group has applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 July 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 July 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- All other debt investments and equity measurements are measured subsequently at fair value through profit or loss (FVTPL).
- Despite the aforegoing, the Group may make the following irrecoverable election/designation at initial recognition of a financial asset:
- the Group may irrecoverably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as criteria as measured at FVTPL.

In the current year, the Group has not designated any debts investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment. See page 52.

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

The directors of the Company reviewed and assessed the Group's and Company's existing financial assets as at 1 July 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had no material impact in the Group's and Company's financial assets as regards their classification and measurement.

The table below shows the classification of the Group and Company's financial assets upon application of IFRS 9, i.e. 1 July 2018.

(b)

	Measurement Category		Carrying Amount		
	Original IAS 39	New IFRS 9	Original IAS 39	New IFRS 9	Difference
THE GROUP			Rs.000	Rs.000	Rs.000
Financial assets					
Cash at bank	Loans and receivables at amortised cost	Financial assets at amortised cost	2,334	2,334	-
Trade and other receivables	Loans and receivables at amortised cost	Financial assets at amortised cost	125,595	125,595	-
Receivables from related parties	Loans and receivables at amortised cost	Financial assets at amortised cost	2,122	2,122	-
THE COMPANY					
Financial assets					
Cash at bank	Loans and receivables at amortised cost	Financial assets at amortised cost	2,003	2,003	-
Trade and other receivables	Loans and receivables at amortised cost	Financial assets at amortised cost	98,219	98,219	-
Loan receivable from subsidiary	Loans and receivables at amortised cost	Financial assets at amortised cost	2,800	2,800	-

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on:

i. Debt investments measured subsequently at amortised cost or at FVTOCI;

ii. Trade receivables and contract assets; and

iii. Financial guarantee contracts to which the impairment of IFRS 9 apply

In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses ('ECL') if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL.

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

An assessment of the impairment of financial assets of the Company is as follows:

Items existing as at 1 July 2018 that are subject to the impairment provisions of IFRS 9	Notes	Credit risk attributes at 1 July 2018	Cumulative additional loss allowance recognised on:	Cumulative additional loss allowance recognised on:
			01-Jul-18	01-Jul-18
			THE GROUP	THE COMPANY
Cash at bank	31(b)	Bank balances are assessed to have low credit risk at each reporting date as these are held with reputable banking institutions.	-	-
Trade and other receivables	14	The Group and the Company apply the simplified approach and recognise lifetime ECL on the trade receivables. The directors assessed the loss allowance arising on trade receivables as not material.	-	-
Loan receivable from subsidiary and receivables from related parties	14, 15	The directors have concluded that it would require undue cost and effort to determine the credit risk of these balances on their respective dates of initial recognition. These balances are also assessed to have credit risk other than low. Accordingly, the Company recognises lifetime ECL until they are derecognised. The identified impairment loss is not material.	-	-

No credit loss allowance as at 1 July 2018 has been recognised against retained earnings following the adoption of IFRS 9 owing to the amounts being immaterial.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that are attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities.

Impact of application of IFRS 15 Revenue from Contracts with Customers

In the current year, the Company has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

5-Step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of the new requirements as well as their impact on the Company's financial statements are described below.

The Group has applied IFRS 15 in accordance with the fully retrospective transitional approach without using the practical expedients for completed contracts in IFRS 15: C5(a), and (b), or for modified contracts in IFRS 15: C5(c) but using the expedient in IFRS 15: C5(d) allowing both non- disclosure of the amount of the transaction price allocated to the remaining performance obligations, and an explanation of when it expects to recognise that amount as revenue for all reporting periods presented before the date of initial application, i.e. 1 January 2018.

The following adjustments were made to the amounts recognised in the statements of profit or loss and other comprehensive income for the year ended 30 June 2019.

THE GROUP

Statement of profit or loss and other comprehensive income line items impacted with adoption of IFRS 15	30/06/2018 As previously reported Rs'000	Impact of adoption of IFRS 15 Rs'000	30/06/2018 As restated Rs'000
Revenue	1,157,127	(4,421)	1,152,706
Distribution cost	29,289	(4,421)	24,868
Profit for the year	36,172	-	36,172

THE COMPANY

Statement of profit or loss and other comprehensive income line items impacted with adoption of IFRS 15	30/06/2018 As previously reported Rs'000	Impact of adoption of IFRS 15 Rs'000	30/06/2018 As restated Rs'000
Revenue	1,039,316	(4,421)	1,034,895
Distribution cost	29,289	(4,421)	24,868
Profit for the year	33,362	-	33,362

2.2 NEW AND REVISED STANDARDS THAT ARE EFFECTIVE BUT WITH NO MATERIAL EFFECT ON THE FINANCIAL STATEMENTS

Financial Instruments: Recognition and Measurement - Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception.

IAS 28 Investment in Associates and Joint Ventures - Amendments deferring the effective date of the September 2014 amendments

IAS 28 Investment in Associates and Joint Ventures - Amendments resulting from Annual Improvements 2014 - 2016 Cycle (clarifying certain fair value measurement)

IAS 39 Financial Instruments: Recognition and Measurement - Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception

IFRIC 22 Foreign Currency Transactions and Advance Consideration

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

2.3 NEW AND REVISED STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

At the date of the authorisation of the financial statements, management anticipates that the following relevant new and revised standards that were issued but effective only in the future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

IAS 1 Presentation of Financial Statements - Amendments regarding the definition of material (effective 1 January 2020)

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of material (effective 1 January 2020)

IAS 12 Income taxes - Amendments regarding the Annual Improvements to IFRS Standards 2015–2017 Cycle (effective 1 January 2019)

IAS 19 Employee Benefits - Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) issued (effective 1 January 2019)

IFRS 9 Financial Instruments - Financial Instruments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities (effective 1 January 2019)

IFRS 16 Lease - Leases published (effective 1 January 2019)

IFRIC 23 Uncertainty over Income Tax Treatments issued (effective 1 January 2019)

The directors anticipate that these Standards and Interpretation will be applied on their effective dates in future periods. The directors have not yet had an opportunity to consider the potential impact of the application of the amendments

2. SIGNIFICANT ACCOUNTING POLICIES

(B) PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are initially recorded at cost. Freehold buildings, held for use in the production or supply of goods or for administrative purposes, are stated at their fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is readjusted to the revalued amount of the asset.

Up to June 30, 2001, plant and machinery was revalued every year by E.T.M Services Ltd on the basis of the depreciated replacement cost of the assets. As from June 30, 2002, the directors decided that plant and machinery would no longer be revalued each year to reflect their replacement value. From thereon, these assets are stated at their revalued amount as at June 30, 2001 less subsequent depreciation. Additions subsequent to that date are recognised at cost. 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 and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve directly in equity; all other decreases are charged to profit or loss.

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

No depreciation is charged on capital expenditure in progress.

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

Depreciation is calculated on the straight-line method to write off the cost or the revalued amounts of the assets, to their residual values over their estimated useful lives.

The annual rates used are as follows:

Improvement to land	10%
Freehold buildings	2% - 5%
Plant & machinery	5% - 20%
Yard	10%
Furniture & fittings	10% - 20%
Tools	10% - 20%
Motor vehicles	12.5% - 20%
Computer equipment & accessories	20% - 33%

Assets for which depreciation is calculated on a reducing balance basis are as follows:

Plant & machinery	5% - 20%
Oil storage complex	5% - 20%

Freehold land is not depreciated.

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

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

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss. On disposal of revalued assets, the amounts included in revaluation reserve are transferred to retained earnings.

Derecognition of property, plant and equipment

An asset is removed from the statements of financial position on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount and should be recognised in profit and loss.

(C) INVESTMENT PROPERTY

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(D) INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of cost of the acquisition over the Group's interest in the fair value of the net identifiable assets of the acquired subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Any net excess of the Group's interest in the net fair value of acquiree's net identifiable assets over cost is recognised in the statement of profit or loss.

Goodwill on acquisitions of associates and jointly controlled entities are included in investments in associates.

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

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 lives.

The estimated useful life of computer software is 3- 5 years

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised

(E) INVESTMENT IN SUBSIDIARIES

Separate financial statements

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

Consolidated financial statements

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.

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 interest in the acquiree at the non- controlling interest's proportionate share of the acquiree's net assets.

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. The subsidiaries have consistently applied all the policies adopted by the Group.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(F) INVESTMENT IN ASSOCIATE

Separate financial statements

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

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Investment in associate is accounted for using the equity method. The Group's investment in associate includes goodwill (net of any accumulated impairment loss) identified on acquisition. Investment in associate is initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of investment.

Investment in associate is accounted for using the equity method. The Group's investment in associate includes goodwill (net of any accumulated impairment loss) identified on acquisition. Investment in associate is initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of investment.

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

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

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The associate has consistently applied all the policies adopted by the Group.

(G) FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value.

FINANCIAL ASSETS

(i) Classification of financial assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

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

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

(ii) Amortised cost and effective interest method

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

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums, or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

(iii) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ('ECL') on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

(iv) Significant increase in credit risk

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

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

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

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

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

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

(i) the financial instrument has a low risk of default;
(ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and;
(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has an external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

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

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

(v) Measurement and recognition of expected credit losses

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

(vi) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(vii) Write-off policy

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

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

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all cash flows that the Group expects to receive, discounted at the original interest rate.

(viii) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

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

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

Financial liabilities that are not

(i) contingent consideration of an acquirer in a business combination,
(ii) held-for-trading, or
(iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

(ii) Financial liabilities measured subsequently at amortised cost

The effective interest method is a method of calculating the amortised cost of financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the amortised cost of a financial liability.

(iii) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(H) TRADE AND OTHER PAYABLES

Trade and other payables are stated at fair value and subsequently measured at amortised cost.

(I) STATED CAPITAL

Ordinary shares are classified as equity. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(J) LEASES

Leases are classified as finance lease where the terms of the lease transfer substantially all risks and rewards of ownership to the lessee. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The finance charge is charged to profit or loss over the lease period.

(K) REVENUE RECOGNITION

Revenue is recognised when control of the products have been transferred, is when the products are delivered and accepted by the customers i.e at a point in time. The customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers's acceptance of the products.

A receivable is recognised at the delivery point as this represents the point in time at which the right to consideration becomes unconditional, as only passage of time is required before payment is due.

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

· Interest and rental income - as it accrues unless collectability is in doubt,

· Dividend income - when the shareholder's right to receive payment is established.

(L) PROVISIONS

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

(M) BORROWINGS

Borrowings are recognised initially at the 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.

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

(N) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and balances with banks net of bank overdrafts. Cash equivalents are short term, highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(O) CURRENT AND DEFERRED TAX

Current tax

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

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred 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 tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred tax asset is realised or the deferred 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(P) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in-first-out (FIFO) method and by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowings costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(Q) RETIREMENT BENEFIT OBLIGATIONS

Defined benefit plan

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

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

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

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 obligation 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.

Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

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.

Unfunded pensioners

In compliance with IAS 19, full liability of the retirement obligations has been recognised.

(R) FOREIGN CURRENCIES

Functional and presentation currency

Items included in the financial statements are measured using Mauritian Rupee, the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Mauritian Rupee, which is the Group's functional and presentation currency.

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.

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

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

(S) 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).

(T) PROVISIONS

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

(U) LEASES

Lease are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

Accounting for leases - where Group is the lessee

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Operating leases

Assets leased out under operating leases are included in investment property in the statement of financial position. Rental income is recognised on a straight line basis over the lease term.

(V) DIVIDEND DISTRIBUTION

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

(W) SEGMENT REPORTING

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

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

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

- Foreign exchange risk;
- Credit risk;
- Interest rate risk;
- Liquidity risk; and
- Market risk.

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

A description of the significant risk factors is given below together with the risk management policies applicable.

FOREIGN EXCHANGE RISK

The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro.

The Group's dealings in foreign currency purchases is managed by seeking the best rates. Fluctuations arising on purchase transactions are partly offset by sales transactions, effected sometimes in US Dollar.

The Group

At June 30, 2019, if the Rupee had weakened/strengthened by 1% against the US Dollar/Euro with all variables held constant, post tax profit for the year would have been

Rs. 92,696 (2018: Rs.26,176) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US Dollar/Euro denominated assets and liabilities. Profit is less sensitive to movement in rupee/US Dollar and rupee/Euro exchange rates in 2019 than 2018 because of the decreased amount of US Dollar/Euro net liabilities.

The Company

At June 30, 2018, if the rupee had weakened/strengthened by 1% against the US Dollar/Euro with all variables held constant, post tax profit for the year would have been Rs. 90,228 (2018: Rs. 23,823) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US Dollar/Euro denominated assets and liabilities. Profit is less sensitive to movement in Rupee/US Dollar and Rupee/Euro exchange rates in 2019 than 2018 because of the decreased amount of US Dollar/Euro net liabilities.

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

CURRENCY PROFILE

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

The Group	2019		2018	
	Assets	Liabilities	Assets	Liabilities
	Rs'000	Rs'000	Rs'000	Rs'000
Euro	247	5,605	235	2,477
Rs	98,933	218,169	111,618	233,121
USD	34,365	20,107	18,198	4,890
	133,545	243,881	130,051	240,488

The Company	2019		2018	
	Assets	Liabilities	Assets	Liabilities
	Rs'000	Rs'000	Rs'000	Rs'000
Euro	-	5,605	-	2,477
Rs	80,061	200,614	84,824	204,991
USD	34,380	20,107	18,198	4,890
	114,441	226,326	103,022	212,358

CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Before accepting any new customer, a dedicated team responsible for the determination of credit limits uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer.

The Group's credit risk are primarily attributable to trade receivables and cash and cash equivalents. The carrying amount of trade receivables presented in the statement of financial position are net of loss allowances, estimated by management as disclosed in Note 14 and represents the Company's maximum exposure to credit risk. Bank balances are assessed to have low credit risk at reporting date since these are held with reputable banking institutions. The identified impairment loss on these balances was immaterial.

The carrying amounts of financial assets recorded in the financial statements represent the Group's maximum exposure to credit risk.

The table below shows the credit concentration of the Group and the Company at end of the reporting period:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
Counterparties:	Rs'000	Rs'000	Rs'000	Rs'000
10 major counterparties per company	72,420	60,524	56,842	44,169

Management does not expect any losses from non-performance of these customers.

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

CATEGORIES OF FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
Financial assets	2019	2018	2019	2018
At amortised cost	Rs'000	Rs'000	Rs'000	Rs'000
Trade and other receivables	130,483	125,595	111,504	98,219
Cash and bank balances	1,542	2,334	340	2,003
Loan receivable from subsidiary	-	-	2,597	2,800
Receivable from related party	1,520	2,122	-	-
	133,545	130,051	114,441	103,022

	THE GROUP		THE COMPANY	
Financial Liabilities	2019	2018	2019	2018
At amortised cost	Rs'000	Rs'000	Rs'000	Rs'000
Trade and other payables	51,072	44,752	41,722	27,615
Borrowings	-	-	5,500	5,500
Bank overdraft	184,850	188,914	171,145	172,421
Dividend payable	7,959	6,822	7,959	6,822
	243,881	240,488	226,326	212,358

INTEREST RATE RISK

The Group's/Company's income and operating cash flows are exposed to interest rate risk as it sometimes borrows at variable rates.

The Group

At June 30, 2019, if interest rates on Rupee-denominated borrowings had been 10 basis points lower/higher with all other variables held constant, post-tax profit for the year would have been Rs.171,495 (2018: Rs.136,740) higher/lower, mainly as a result of lower/higher interest expense on floating rate borrowings.

If interest rates on Rupee-denominated bank balances had been 10 basis points lower/higher with all other variables held constant, there would not have been a material impact on post-tax profit for the year ended June 30, 2019 and June 30, 2018.

The Company

At June 30, 2019, if interest rates on Rupee-denominated borrowings had been 10 basis points lower/higher with all other variables held constant, post-tax profit for the year would have been Rs.174,047 (2018: Rs.172,000) higher/lower, mainly as a result of lower/higher interest expense on floating rate borrowings.

If interest rates on rupee-denominated bank balances had been 10 basis points lower/higher with all other variables held constant, there would not have been a material impact on post-tax profit for the year ended June 30, 2019 and June 30, 2018.

LIQUIDITY RISK

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from 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.

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

The table below analyses the Group's and the Company's 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 June 30, 2019	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings	**184,850**	-	**-**	-
Trade and other payables	**59,031**	-	**-**	-

THE GROUP	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At June 30, 2018	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings	188,914	-	**-**	-
Trade and other payables	51,574	-	**-**	-

THE COMPANY	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At June 30, 2019	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings	**176,645**	-	**-**	-
Trade and other payables	**49,681**	-	**-**	-

THE COMPANY	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At June 30, 2018	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings	177,921	-	**-**	-
Trade and other payables	34,437	-	**-**	-

MARKET RISK

The Group is exposed to market risk arising from changes in oil prices and fluctuation in exchange rates. This risk will directly impact on the performance of the Company. There is a procurement committee to address these exposures as and when necessary.

3.2 FAIR VALUE ESTIMATION

The fair value of financial instruments traded in active markets is based on quoted market price 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. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1 as they are quoted equity investments.

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

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

3.3 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are:

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

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown in the statements of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. stated capital, non-controlling interests, retained earnings and revaluation reserve).

During 2019, the Group's strategy, which was unchanged from 2018, was to maintain the debt-to-adjusted capital ratio at the lower end, in order to secure access to finance at a reasonable cost.

The debt-to-adjusted capital ratios at June 30, 2019, and at June 30, 2018, were as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total debt (note 19)	**184,850**	188,914	**176,645**	177,921
Less: cash and bank balances (note 31(b))	**(1,542)**	(2,334)	**(340)**	(2,003)
Net debt	**183,308**	186,580	**176,305**	175,918
Total equity	**350,922**	392,663	**252,842**	287,290
Debt-to-adjusted capital ratio	**0.52:1**	0.48:1	**0.70:1**	0.61:1

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 adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(A) ESTIMATED IMPAIRMENT OF GOODWILL

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(d). These calculations require the use of estimates.

(B) 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.

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

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 obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 20.

(C) REVALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialists to determine the fair value of investment property as at June 30, 2019 and fair value of land as at June 30, 2019. The valuation has been arrived at by reference to market evidence of transaction prices for similar properties.

The determined fair value of the investment property has been based on the income approach. The key assumptions used to determine the fair value of the investment properties, are further explained in Note 7.

(D) DEPRECIATION POLICIES

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.

(E) LIMITATION OF SENSITIVITY ANALYSIS

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

(F) CALCULATION OF LOSS ALLOWANCE

The Group uses a provision matrix to calculate ECLs for trade receivables. When measuring ECL, the Group uses reasonable and supportable forward looking information, which is based on the assumptions for the future movement of economic drivers and how these drivers will affect each other.

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

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

(G) RECOGNITION OF EXPECTED CREDIT LOSSES

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

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP	Freehold land	Improvement to land	Freehold buildings	Plant & machinery	Yard	Furniture& fittings	Tools	Motor vehicles	Computer equipment & accessories	Oil storage complex	Capital expenditure in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) COST OR VALUATION												
At July 1, 2018	9,857	279	123,811	339,133	11,021	23,523	3,805	50,293	11,512	22,003	-	595,237
Additions	-	-	2,918	6,834	-	2,124	12	3,709	402	-	6,524	22,523
Disposals	-	-	-	-	-	-	-	(3,173)	-	-	-	(3,173)
Write off	-	-	-	(3,843)	-	-	-	-	-	-	-	(3,843)
At June 30, 2019	**9,857**	**279**	**126,729**	**342,124**	**11,021**	**25,647**	**3,817**	**50,829**	**11,914**	**22,003**	**6,524**	**610,744**
DEPRECIATION												
At July 1, 2018	-	140	2,486	239,653	9,749	19,859	3,692	34,252	11,078	12,601	-	333,510
Charge for the year	-	28	2,545	7,218	270	934	48	5,153	274	181	-	16,651
Disposals	-	-	-	-	-	-	-	(3,114)	-	-	-	(3,114)
Write off	-	-	-	(3,395)	-	-	-	-	-	-	-	(3,395)
At June 30, 2019	**-**	**168**	**5,031**	**243,476**	**10,019**	**20,793**	**3,740**	**36,291**	**11,352**	**12,782**	**-**	**343,652**
NET BOOKVALUE												
At June 30, 2019	**9,857**	**111**	**121,698**	**98,648**	**1,002**	**4,854**	**77**	**14,538**	**562**	**9,221**	**6,524**	**267,092**

NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2019

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

	Freehold land	Improvement to land	Freehold buildings	Plant & machinery	Yard	Furniture & fittings	Tools	Motor vehicles	Computer equipment & accessories	Oil storage complex	Total
(a) THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(ii) COST OR VALUATION											
At July 1, 2017	8,832	279	115,895	334,488	10,772	22,393	3,777	49,692	11,231	22,003	579,362
Additions	-	-	7,916	4,645	249	1,130	28	4,552	281	-	18,801
Disposals	-	-	-	-	-	-	-	(3,951)	-	-	(3,951)
Revaluation	1,025	-	-	-	-	-	-	-	-	-	1,025
At June 30, 2018	**9,857**	**279**	**123,811**	**339,133**	**11,021**	**23,523**	**3,805**	**50,293**	**11,512**	**22,003**	**595,237**
DEPRECIATION											
At July 1, 2017	-	112	-	230,528	9,486	18,808	3,593	32,798	10,727	12,054	318,106
Charge for the year	-	28	2,486	9,125	263	1,051	99	5,044	351	547	18,994
Disposals	-	-	-	-	-	-	-	(3,590)	-	-	(3,590)
At June 30, 2018	**-**	**140**	**2,486**	**239,653**	**9,749**	**19,859**	**3,692**	**34,252**	**11,078**	**12,601**	**333,510**
NET BOOK VALUE											
At June 30, 2018	**9,857**	**139**	**121,325**	**99,480**	**1,272**	**3,664**	**113**	**16,041**	**434**	**9,402**	**261,727**

NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2019

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

	Freehold buildings	Plant & machinery	Yard	Furniture & fittings	Tools	Motor vehicles	Computer equipment & accessories	Oil storage complex	Capital expenditure in progress	Total
(b) THE COMPANY	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) COST OR VALUATION										
At July 1, 2018	124,316	266,653	10,831	15,426	498	43,550	11,183	22,003	-	494,460
Additions	2,918	4,779	-	2,124	12	2,471	366	-	6,524	19,194
Disposals	-	-	-	-	-	(2,467)	-	-	-	(2,467)
Write off	-	(3,843)	-	-	-	-	-	-	-	(3,843)
At June 30, 2019	**127,234**	**267,589**	**10,831**	**17,550**	**510**	**43,554**	**11,549**	**22,003**	**6,524**	**507,344**
DEPRECIATION										
At July 1, 2018	2,486	186,334	9,557	12,380	422	29,608	10,681	12,601	-	264,069
Charge for the year	2,545	5,015	270	819	20	3,993	222	182	-	13,066
Disposals	-	-	-	-	-	(2,454)	-	-	-	(2,454)
Write off	-	(3,395)	-	-	-	-	-	-	-	(3,395)
At June 30, 2019	**5,031**	**187,954**	**9,827**	**13,199**	**442**	**31,147**	**10,903**	**12,783**	**-**	**271,286**
NET BOOK VALUE										
At June 30, 2019	**122,203**	**79,635**	**1,004**	**4,351**	**68**	**12,407**	**646**	**9,220**	**6,524**	**236,058**

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

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

(b) THE COMPANY

	Freehold buildings	Plant & machinery	Yard	Furniture & fittings	Tools	Motor vehicles	Computer equipment & accessories	Oil storage complex	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(ii) COST OR VALUATION									
At July 1, 2017	116,400	262,671	10,582	14,295	469	42,949	10,997	22,003	480,366
Additions	7,916	3,982	249	1,131	29	4,552	186	-	18,045
Disposals	-	-	-	-	-	(3,951)	-	-	(3,951)
At June 30, 2018	**124,316**	**266,653**	**10,831**	**15,426**	**498**	**43,550**	**11,183**	**22,003**	**494,460**
DEPRECIATION									
At July 1, 2017	-	179,394	9,294	11,509	378	29,139	10,408	12,054	252,176
Charge for the year	2,486	6,940	263	871	44	4,059	273	547	15,483
Disposals	-	-	-	-	-	(3,590)	-	-	(3,590)
At June 30, 2018	**2,486**	**186,334**	**9,557**	**12,380**	**422**	**29,608**	**10,681**	**12,601**	**264,069**
NET BOOK VALUE									
At June 30, 2018	**121,830**	**80,319**	**1,274**	**3,046**	**76**	**13,942**	**502**	**9,402**	**230,391**

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

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

(c) No assets were acquired under finance leases during the year (2018: Rs.nil).

(d) Leased assets for the Group included above comprise of plant and machinery:

	2019	2018
	Rs'000	Rs'000
Cost - capitalised finance leases	-	3,989
Accumulated depreciation	-	(1,508)
Net book value	-	2,481

e) The Company's freehold buildings were last revalued by Messrs Broll Indian Ocean Limited, independent chartered valuers, on June 30, 2017. Valuations were made based on market value using depreciated replacement cost approach. The revaluation surplus net of deferred taxes was credited to a revaluation reserve in shareholders' equity (note 17). The directors consider the carrying amount not to be materially different from its fair value as at June 30, 2019.

(f) Land included in one of the subsidiaries, Metal Can Manufacturers Ltd was last revalued by Gexim Real Estate Ltd, independent valuers on September 20, 2017. Valuation has been made on the basis of open market value. The revaluation surplus has been credited to revaluation reserve in the shareholder's equity (note 17).

The Group's freehold land and buildings are categorised as level 2 of the fair value hierarchy as at June 30, 2019.

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

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost of operations	**10,350**	14,092	**7,742**	11,809
Distribution costs	**3,993**	2,531	**3,993**	2,531
Administrative expenses	**2,308**	2,371	**1,330**	1,143
	16,651	18,994	**13,065**	15,483

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

	THE GROUP			
	Freehold buildings		Plant & machinery	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost	**47,019**	44,101	**186,581**	181,802
Accumulated depreciation	**(20,144)**	(17,599)	**(150,202)**	(145,187)
Net book value	**26,875**	26,502	**36,379**	36,615

	THE GROUP	
	Freehold land	
	2019	2018
	Rs'000	Rs'000
Cost	**2,683**	2,683

(i) Bank borrowings are secured by floating charges on the assets of the Group including property, plant and equipment (note 19).

NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2019

6. LEASEHOLD LAND PAYMENTS

The lease with the Mauritius Ports Authority are as follows:
(i) 20,472.4 m² of land and
(ii) 3,698 m2 of land which expired on June 30, 2011.

The lease agreement in respect of 3,698 m2 of land on lease from MPA, was due for renewal as from July 1, 2011. The Company agreed to the terms and conditions of a new lease for the plot of land on lease from the MPA. The agreement will be signed in the near future.

7. INVESTMENT PROPERTY

	THE GROUP	
	2019	2018
Fair value model	**Rs'000**	Rs'000
At July 1,	**63,200**	63,404
Increase/(decrease) in fair value	**2,300**	(204)
At June 30,	**65,500**	63,200

The investment property consists of buildings owned by a subsidiary, Proton Limited, which is on the land of 5,909.22 m² under a lease with the Mauritius Ports Authority. The investment property has been valued at fair value by BREA Ltd, Chartered Valuation Surveyor, on an income approach on June 30, 2019. The investment property consists of building categorised as level 2 of the fair value hierarchy as at June 30, 2019.

The company has agreed to the terms and conditions of a new lease for a plot of land of 5,909.22 m² with the Mauritius Ports Authority. The agreement will be signed in the near future.

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

The following amounts have been recognised in profit or loss:

	THE GROUP	
	2019	2018
	Rs'000	Rs'000
Rental income from investment property	**4,817**	4,817
Direct operating expenses from investment property that generates rental income	**417**	449

VALUATION TECHNIQUE

Income Capitalisation Approach

SIGNIFICANT UNOBSERVABLE INPUT(S)

The capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of 9% - 10%. A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa. Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property, at an average of Rs.205 per square metre ("sqm") per month.

SENSITIVITY

A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.

A significant increase in the market rent used would result in a significant increase in fair value, and vice versa.

NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2019

8. INTANGIBLE ASSETS

		Goodwill on consolidation	Computer software	Total
(a)	**THE GROUP**	Rs'000	Rs'000	Rs'000
(i)	**COST**			
	At July 1, 2018	**491**	**9,490**	**9,981**
	Additions	**-**	**1,208**	**1,208**
	At June 30, 2019	**491**	**10,698**	**11,189**
	AMORTISATION			
	At July 1, 2018	**-**	**9,462**	**9,462**
	Charge for the year	**-**	**142**	**142**
	Impairment of goodwill (note 24)	**491**	**-**	**491**
	At June 30, 2019	**491**	**9,604**	**10,095**
	NET BOOK VALUE			
	At June 30, 2019	**-**	**1,094**	**1,094**
(ii)	**COST**			
	At July 1, 2017 and June 30, 2018	491	9,490	9,981
	AMORTISATION			
	At July 1, 2017	-	9,235	9,235
	Charge for the year	-	227	227
	At June 30, 2018	**-**	**9,462**	**9,462**
	NET BOOK VALUE			
	At June 30, 2018	**491**	**28**	**519**

		Computer software	
(b)	**THE COMPANY**	**2019**	2018
	COST	**Rs'000**	Rs'000
	At July 1, 2018	**9,490**	9,490
	Additions	**879**	-
	At June 30, 2019	**10,369**	9,490
	AMORTISATION		
	At July 1, 2018	**9,462**	9,235
	Charge for the year	**76**	227
	At June 30, 2019	**9,538**	9,462
	NET BOOK VALUE		
	At June 30, 2019	**831**	28

(c) Amortisation charge of Rs 142,000 (2018: 227,000) for the Group and Rs 76,000 (2018: Rs 227,000) for the Company has been included in administrative expenses.

(d) Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments as reported in note 23. The recoverable amounts of these cash-generating units have been assessed based on the Group's share in the net asset of the investee.

Following this exercise, an impairment on goodwill of Rs. 491,000 was recognised during the year. (2018: nil)

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

9. INVESTMENT IN SUBSIDIARIES

	2019	2018
(a) THE COMPANY	**Rs'000**	Rs'000
COST		
At July 1, 2018 and June 30, 2019	**19,612**	19,612

The management has assessed the carrying amount of its investment in its subsidiaries against their respective net assets and concluded that there are no indication of impairment.

Details of the subsidiaries are as follows:

Name of company	Class of shares held	Stated capital	Main business	Year end	Country of incorporation and operation	Proportion of ownership interest Direct	Proportion of ownership interest Indirect
		Rs'000					
2019							
Proton Limited	**Ordinary**	**1,000**	**Rental services**	**June 30,**	**Mauritius**	**100%**	**-**
Metal Can Manufacturers Limited	**Ordinary**	**27,623**	**Manufacturing of metal and plastic containers**	**June 30,**	**Mauritius**	**51.20%**	**-**
Pharmalab Plastic Supplies Limited *	**Ordinary**	**2,952**	**Manufacturing of plastic bottles**	**June 30,**	**Mauritius**	**51.22%**	**14.78%**
2018							
Proton Limited	Ordinary	1,000	Rental services	June 30,	Mauritius	100%	-
Metal Can Manufacturers Limited	Ordinary	27,623	Manufacturing of metal and plastic containers	June 30,	Mauritius	51.20%	-
Pharmalab Plastic Supplies Limited	Ordinary	2,952	Manufacturing of plastic bottles	June 30,	Mauritius	51.22%	14.78%

** Subsequent to year end, the directors of Pharmalab Plastic Supplies Limited approved the winding up of this company.*

b) Details for subsidiary that have non-controlling interests that are material to the entity.

Name	Profit allocated to non-controlling interests during the year	Accumulated non-controlling interests at June 30,
	Rs'000	Rs'000
2019		
Metal Can Manufacturers Limited	**974**	**23,115**
2018		
Metal Can Manufacturers Limited	586	22,141

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Summarised financial information on subsidiary with material non-controlling interests.

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income:-

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit for the year	Other comprehensive loss for the year	Total comprehensive income/(loss) for the year
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2019								
Metal Can Manufacturers Limited	**48,540**	**31,789**	**21,381**	**20,001**	**103,113**	**1,996**	**(4,497)**	**(2,501)**
2018								
Metal Can Manufacturers Limited	54,442	30,057	23,751	15,188	109,647	4,678	(3,289)	1,389

(ii) Summarised statement of cash flow information:-

Name	Operating activities	Investing activities	Financial activities	Net increase/(decrease) in cash and cash equivalents
	Rs'000	Rs'000	Rs'000	Rs'000
2019				
Metal Can Manufacturers Limited	9,972	(3,414)	(4,111)	2,447
2018				
Metal Can Manufacturers Limited	**(4,984)**	**(755)**	**(4,111)**	**(9,850)**

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

10. INVESTMENT IN ASSOCIATE

(a) **THE GROUP**

	2019	2018
	Rs'000	Rs'000
At July 1,	**30,318**	31,312
Share of profit after tax	**1,536**	3,966
Share of other comprehensive income/(loss)	**1,333**	(2,702)
Dividend received	**(1,774)**	(2,258)
At June 30,	**31,413**	30,318

(b) The results of the associate stated below have been included in the consolidated financial statements:

Company	Year end	Country of incorporation	%Direct Holding	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit for the year	Other comprehensive income/(loss) for the year	Total comprehensive income for the year	Dividend received during the year
				Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2019												
Plastic Industry (Mauritius) Ltd	June 30,	Mauritius	**32.26**	**118,954**	**109,761**	**60,605**	**66,698**	**238,503**	**3,862**	**3,746**	**7,607**	**1,774**
2018												
Plastic Industry (Mauritius) Ltd	June 30,	Mauritius	32.26	108,116	99,700	54,928	53,566	227,746	10,327	(7,763)	2,564	2,258

(c) As at June 30, 2019, the fair value of the Group's interest in its associate which is listed on the stock exchange of Mauritius was Rs 43,869,928 (2018: Rs.34,999,171) based on the quoted market price available, which is a level 1 input in terms of IFRS 13.

(d) **THE COMPANY**

	2019	2018
	Rs'000	Rs'000
COST		
At July 1, 2018 and June 30, 2019	**12,005**	12,005

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

11. INVESTMENTS IN FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
(a) Financial assets	**Rs'000**	Rs'000	**Rs'000**	Rs'000
At July 1, 2018 and June 30, 2019	**1,046**	9,784	**3**	3

	THE GROUP		THE COMPANY	
(b) Financial assets include the following:	**2019**	2018	**2019**	2018
Level 3	**Rs'000**	Rs'000	**Rs'000**	Rs'000
- Unlisted equity securities - at fair value	**1,046**	9,784	**3**	3

The Directors consider the carrying amounts of the unlisted equity securities to approximate their fair values.

(c) Financial assets are denominated in Mauritian Rupees.

(d) Financial assets are classified as fair value through other comprehensive income (FVOCI) as at 30 June 2019 and available for sale as at 30 June 2018.

12.DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax is calculated on all temporary differences under the liability method at 17% (2018: 17%).In prior years, the Group and the Company used to calculate deferred tax on the actual corporate tax rate prevailing in Mauritius, which is at 15% (2018: 15%). For the year ended June 30, 2019, it was agreed that the 2% Corporate Social Responsibility (CSR) contribution as imposed by the Government should also be considered in the computation of the deferred tax. Consequently, deferred income tax is calculated on all temporary differences under the liability method at 17% (2018: 17%). CSR contribution previously accounted under Administrative expenses has now been reclassified under tax expense.

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax assets	**2,280**	1,286	**-**	-
Deferred tax liabilities	**(28,870)**	(30,471)	**(18,565)**	(20,642)
	(26,590)	(29,185)	**(18,565)**	(20,642)

(b) Tax losses	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Unused tax losses at end of the reporting date	**-**	1,707	**-**	-
Deferred tax assets recognised on tax losses	**-**	1,707	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

At the end of the reporting period, the Group had unused tax losses of Rs nil (2018: Rs.1,706,563) available for offset against future profits. Deferred tax assets have been recognised in respect of Rs nil (2018: Rs.1,706,563) of such losses.

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**(29,185)**	(25,772)	**(20,642)**	(17,188)
Profit or loss charge (note 22(b))	**(3,072)**	(4,972)	**(2,497)**	(4,339)
Credit to other comprehensive income	**5,667**	1,559	**4,574**	885
At June 30,	**(26,590)**	(29,185)	**(18,565)**	(20,642)

(d) The movement in the 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) THE GROUP	Accelerated tax depreciation	Revaluation of assets	Total
	Rs'000	Rs'000	Rs'000
Deferred tax liabilities			
At July 1, 2017	(13,008)	(27,637)	(40,645)
Charge to profit or loss	(1,810)	-	(1,810)
Charge to other comprehensive income	-	(3,685)	(3,685)
At June 30, 2018	(14,818)	(31,322)	(46,140)
Credit to profit or loss	764	-	764
Charge to other comprehensive income	-	(920)	(920)
At June 30, 2019	**(14,054)**	**(32,242)**	**(46,296)**

(ii) THE GROUP	Tax losses	Retirement benefit obligations	Total
	Rs'000	Rs'000	Rs'000
Deferred tax assets			
At July 1, 2017	195	14,678	14,873
Charge to profit or loss	56	(3,218)	(3,162)
Credit to other comprehensive income	-	5,244	5,244
At June 30, 2018	251	16,704	16,955
Credit to profit or loss	(251)	(3,585)	(3,836)
Credit to other comprehensive income	-	6,587	6,587
At June 30, 2019	**-**	**19,706**	**19,706**

(iii) Net deferred tax liabilities	**2019**	2018
	Rs'000	Rs'000
Deferred tax liabilities	**(46,296)**	(46,140)
Deferred tax assets	**19,706**	16,955
	(26,590)	(29,185)

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

(iv) THE COMPANY	Accelerated tax depreciation	Revaluation of assets	Total
	Rs'000	Rs'000	Rs'000
Deferred tax liabilities			
At June 30, 2017	(1,686)	(27,637)	(29,323)
Charge to profit or loss	(422)	-	(422)
Charge to other comprehensive income	-	(3,685)	(3,685)
At June 30, 2018	(2,108)	(31,322)	(33,430)
Charge to profit or loss	1,103	-	1,103
Charge to other comprehensive income	-	(920)	(920)
At June 30, 2019	**(1,005)**	**(32,242)**	**(33,247)**

(v) THE COMPANY	Retirement benefit obligations
Deferred tax assets	Rs'000
At June 30, 2017	12,135
Charge to profit or loss	(3,917)
Credit to other comprehensive income	4,570
At June 30, 2018	12,788
Charge to profit or loss	(3,600)
Credit to other comprehensive income	5,494
At June 30, 2019	**14,682**

(vi) **Net deferred tax liabilities**	**2019**	2018
	Rs'000	Rs'000
Deferred tax liabilities	**(33,247)**	(33,430)
Deferred tax assets	**14,682**	12,788
	(18,565)	(20,642)

13.INVENTORIES

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Raw materials	**146,291**	200,485	**128,036**	181,265
Finished goods	**65,962**	36,511	**60,141**	32,072
Consumables and spare parts	**17,839**	17,007	**9,567**	9,461
	230,092	254,003	**197,744**	222,798

(b) The cost of inventories recognised as expense and included in the cost of operations amounted to Rs.745M (2018: Rs.905M) for the Group and Rs.684M (2018: Rs.828M) for the Company.

(c) Bank borrowings are secured by floating charges on the assets of the Company, including inventories.

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

14. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables	**125,055**	117,697	**108,767**	97,039
Expected credit loss allowance				
Balance at July 1, 2018	**(17)**	(86)	**(17)**	(86)
Impact of first time adoption of IFRS 9	**-**	-	**-**	-
(Increase)/decrease in loss allowance for the year	**(508)**	69	**(508)**	69
	(525)	(17)	**(525)**	(17)
Trade receivables - net of impairment	**124,530**	117,680	**108,242**	97,022
Receivables from related parties (note 32)	**1,520**	2,122	**-**	-
Loan receivable from subsidiary (note 15)	**-**	-	**217**	1,135
Advance payments to suppliers	**85**	91	**85**	85
Other receivables	**5,302**	8,916	**5,085**	3,234
Prepayments	**2,821**	4,923	**1,640**	4,603
	134,259	133,732	**115,270**	106,079

The carrying amounts of other receivable approximate their fair values.

Included in trade receivables is an amount of Rs 982,082 (2018: Rs 1,050,668) receivable from related parties.

The average credit period on sales of goods is 30 days. No interest is charged on the trade receivables and allowance is determined by the Company's management on specific debtors' balances due more than 90 days, which is determined on a case by case basis.

Before accepting a new customer, the credit-control department assesses the credit quality of the customer and defines the terms and credit limits accordingly.

In determining the recoverability of the trade receivables, the Company considers any change in the credit quality of the trade receivables from the date the credit was initially granted up to the reporting date.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

	Collectively assessed	Individually assessed	Total
Balance at July 1, 2017	-	86,000	86,000
Decrease in loss allowance recognised in profit of loss during the year	-	(69,000)	(69,000)
Balance at June 30, 2018	-	17,000	17,000
Balance at July 1, 2018 under IAS 39	-	17,000	17,000
Adjustment upon application of IFRS 9	-	-	-
Increase in loss allowance recognised in profit or loss during the year	-	508,000	508,000
Balance at June 30, 2019	**-**	**525,000**	**525,000**

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

The following table details the risk profile of trade receivables based on the Company's provision matrix at June 30, 2019. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer base.

		Trade receivables - past due				
	Not past due	<30 days	31-60 days	61-90 days	>90 days	Total
Estimated total gross carrying amount at default	41,697,594	32,449,208	5,595,890	1,154,059	391,135	81,287,886
Lifetime ECL (Rs)	-	-	-	116,865	391,135	508,000

The balance above exclude 80% of amount receivable from one of the Company's major customer, which is secured by credit guarantee of Rs 24,479,114.

Ageing of past due debts but not impaired (excluding related party receivables)	THE GROUP AND THE COMPANY
	2018
	Rs'000
3 to 6 months	4,288

(b) The carrying amounts of trade and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Mauritiian Rupee	**100,369**	121,755	**81,627**	87,881
US Dollar	**33,299**	11,741	**33,299**	18,198
Euro	**591**	236	**344**	-
	134,259	133,732	**115,270**	106,079

The receivables denominated in US Dollar arise on sales to local customers in this currency. Furthermore, the receivables denominated in Euro pertain mainly to deposits and prepayments.

15. LOAN RECEIVABLE FROM SUBSIDIARY

	THE COMPANY	
	2019	2018
	Rs'000	Rs'000
Loan receivable from subsidiary (note 32)	**2,597**	2,800
Analysed as follows:		
Non-current	**2,380**	1,665
Current (note 14)	**217**	1,135
	2,597	2,800

Loan receivable from subsidiary is unsecured and bears interest at the rate of PLR+1% p.a (2018: PLR+1%).

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

16. STATED CAPITAL

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
Authorised		
40,000,000 ordinary shares of Rs.5 each	**200,000**	200,000

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
Issued and fully paid		
33,280,256 ordinary shares of Rs.5 each	**166,401**	166,401

The Ordinary Shares shall rank "pari passu" in all respects. Every Ordinary Share shall confer one vote to its holder at general meetings of the Company.

17. RESERVES

(a) Revaluation reserve

The revaluation reserve arises from the revaluation of freehold land and buildings and plant & machinery.

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**83,283**	86,443	**79,676**	83,361
Total comprehensive loss for the year	**-**	(3,160)	**-**	(3,685)
At June 30,	**83,283**	83,283	**79,676**	79,676

(b) Fair value reserve

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1, 2018 and June 30, 2019	**-**	3,126	**-**	-

(c) Actuarial Losses

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**(124,686)**	(111,696)	**(105,585)**	(96,648)
Total comprehensive loss for the year	**(29,264)**	(12,990)	**(27,741)**	(8,937)
At June 30,	**(153,950)**	(124,686)	**(133,326)**	(105,585)

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

18. NON-CONTROLLING INTERESTS

	THE GROUP	
	2019	2018
	Rs'000	Rs'000
At July 1,	**25,889**	27,066
Share of total comprehensive (loss)/income for the year	**(2,428)**	830
Dividend	**(2,006)**	(2,007)
At June 30,	**21,455**	25,889

19. BORROWINGS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current				
Bank overdrafts	**184,850**	188,914	**171,145**	172,421
Loan from subsidiary (note 32)	**-**	-	**5,500**	5,500
Total borrowings	**184,850**	188,914	**176,645**	177,921

(a) The rate of interest on loan from subsidiary is 3.5% p.a (2018: 3.5%). The loan is repayable on demand and is unsecured.

(b) Bank overdrafts are secured by floating charges on the assets of the Group including property, plant and equipment and inventories (note 5 and 13). The rates of interest on borrowings vary between 3.95% p.a and 6.25% p.a.

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

THE GROUP

	6 months or less	6 -12 months	1 - 5 years	Over 5 years	Total
At June 30, 2019 **Total borrowings**	**184,850**	-	-	-	**184,850**
At June 30, 2018 Total borrowings	188,914	-	-	-	188,914

THE COMPANY

	6 months or less	6 -12 months	1 - 5 years	Over 5 years	Total
At June 30, 2019 **Total borrowings**	**176,645**	-	-	-	**176,645**
At June 30, 2018 Total borrowings	177,921	-	-	-	177,921

NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2019

(d) The effective interest rates at the end of the reporting period were as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	%	%	**%**	%
Bank overdrafts	**5.50**	5.75	**5.50**	5.75

(e) The carrying amounts of the Group's and the Company's borrowings are denominated in Mauritian Rupees and are not materially different from their fair values.

20.RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amount recognised in the statements of financial position as non-current liabilities:				
- Pension benefits (note (a) (iii))	**84,983**	69,254	**61,186**	50,801
- Other post retirement benefits (note (b) (i))	**25,555**	24,705	**25,177**	24,423
	110,538	93,959	**86,363**	75,224
Amount charged to profit or loss:				
- Pension benefits (note (a) (vi))	**13,816**	14,472	**10,293**	11,190
- Other post retirement benefits (note (b) (ii))	**2,160**	2,252	**1,983**	2,128
	15,976	16,724	**12,276**	13,318
Amount charged to other comprehensive income:				
-Pension benefits (note 20 (a) (vii))	**36,558**	12,130	**30,092**	8,398
-Other post retirement benefits (note (b) (ii))	**2,186**	5,063	**2,223**	5,109
	38,744	17,193	**32,315**	13,507

(A)PENSION BENEFITS

(i) The assets of the fund are held independently and administered by Swan Pensions Limited.

. The most recent actuarial valuations of plan assets and the present value of the defined benefit obligations were carried out at June 30, 2018 by Aon Hewitt 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 Projected Unit Credit Method.

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

NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2019

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of funded obligations	**326,741**	280,520	**265,688**	224,189
Fair value of plan assets	**(241,758)**	(211,266)	**(204,502)**	(173,388)
Liability in the statement of financial position	**84,983**	69,254	**61,186**	50,801

(iii) The movements in the statements of financial position are as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**69,254**	76,525	**50,801**	61,213
Charged to profit or loss (note 25)	**13,816**	14,472	**10,293**	11,190
Charged to other comprehensive income	**36,558**	12,130	**30,092**	8,398
Contributions paid	**(34,645)**	(33,873)	**(30,000)**	(30,000)
At June 30,	**84,983**	69,254	**61,186**	50,801

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**280,520**	257,542	**224,189**	208,354
Current service cost	**10,246**	10,581	**7,815**	8,170
Interest cost	**18,559**	16,185	**15,004**	13,085
Actuarial gain/(loss)	**3,201**	(937)	**2,768**	(4,487)
Liability loss due to change in financial assumptions	**31,116**	14,035	**25,440**	13,389
Benefits paid	**(16,901)**	(16,886)	**(9,528)**	(14,322)
At June 30,	**326,741**	280,520	**265,688**	224,189

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**211,266**	181,017	**173,388**	147,141
Interest income	**14,989**	12,294	**12,526**	10,065
Return on plan assets excluding interest income	**(2,241)**	968	**(1,884)**	504
Employer contributions	**34,645**	33,873	**30,000**	30,000
Benefits paid	**(16,901)**	(16,886)	**(9,528)**	(14,322)
At June 30,	**241,758**	211,266	**204,502**	173,388

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**10,246**	10,581	**7,815**	8,170
Interest cost	**3,570**	3,891	**2,478**	3,020
Total included in employee benefit expense	**13,816**	14,472	**10,293**	11,190

Total included in employee benefit expense can be analysed as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
- cost of operations	**8,662**	8,941	**5,139**	5,659
- distribution costs	**1,250**	1,304	**1,250**	1,304
- administrative expenses	**3,904**	4,227	**3,904**	4,227
	13,816	14,472	**10,293**	11,190

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Liability experience losses/(gains)	**3,201**	(937)	**2,768**	(4,487)
Actuarial losses arising from changes in financial assumptions	**31,116**	14,035	**25,440**	13,389
Actuarial losses	**34,317**	13,098	**28,208**	8,902
Return on plan assets excluding interest income	**2,241**	(968)	**1,884**	(504)
	36,558	12,130	**30,092**	8,398

(viii) The assets in the plan were:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	%	%	**%**	%
Qualifying insurance policies	**100**	100	**100**	100

(ix) The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuary. Expected contributions to post employment benefit plans for the year ending June 30, 2019 are Rs. 35,497,000 for the Group and Rs.31,404,000 for the Company.

(x) The weighted average duration of the defined benefit obligations for the Company at the end of the reporting period is 16 years (2018: 6 years).

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	%	%	**%**	%
Discount rate	**4.5-5**	6.7-7.0	**4.5-4.9**	6.8-6.9
Future salary increases	**4.0-6.0**	4.0-6.0	**4.0-6.0**	4.0-6.0
Future pension increases	**0.0-3.0**	0.0-3.0	**0.0-3.0**	0.0-3.0
Average retirement age (ARA)	**60**	60	**60**	60
Assumed SWAN annuity rates for: - Male at ARA	**17.3/13.0**	17.3/13.0	**17.3/13.0**	17.3/13.0
- Female at ARA	**19.6/14.0**	19.6/14.0	**19.6/14.0**	19.6/14.0

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
- Increase due to 1% decrease in discount rate	**23,360**	47,453	**18,605**	38,310
- Decrease due to 1% increase in discount rate	**20,488**	38,318	**16,302**	30,898

An increase/ decrease of 1% in other principal actuarial assumptions would not have a material impact on defined benefit obligations at the end of the reporting period.

(xii) The plan exposes the Group to normal risks associated with defined benefit pension plans, such as investment, interest, longevity and salary risks.

Investment risk (where the plan is funded)

The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit, and if it is higher, it will create a plan surplus.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity risk (where the plan is funded, and an annuity is paid over life expectancy)

The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk

The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability, whereas an increase in the assumed rate will decrease the liability.

The Group had a residual obligation imposed by the Employment Rights Act 2008 on top of its defined contribution plan. It is therefore particularly exposed to investment under-performance of the defined contribution plan.

There has been no plan amendment, curtailment or settlement during the year, except for some data adjustments.

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

(B) OTHER POST RETIREMENT BENEFITS

Other post retirement benefits comprise mainly of gratuity on retirement payable under the Employment Rights Act 2008, those which are not sufficiently covered under the pension plan and unfunded pensioners.

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Retirement gratuity	**3,555**	1,993	**3,177**	1,711
Unfunded pensioners	**22,000**	22,712	**22,000**	22,712
	25,555	24,705	**25,177**	24,423

(ii) The movements in the statement of financial position are analysed as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
At July 1,	**24,705**	19,892	**24,423**	19,688
Charged to profit or loss (note 25)	**2,160**	2,252	**1,983**	2,128
Charged to other comprehensive income	**2,186**	5,063	**2,223**	5,109
Benefits paid	**(3,496)**	(2,502)	**(3,452)**	(2,502)
At June 30,	**25,555**	24,705	**25,177**	24,423

(iii) The movement in other post retirement benefits over the year is as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**24,705**	19,892	**24,423**	19,688
Current service cost	**707**	667	**571**	556
Interest cost	**1,255**	1,213	**1,241**	1,200
Past service cost	**198**	372	**171**	372
Benefits paid	**(3,496)**	(2,502)	**(3,452)**	(2,502)
Liability experience loss	**645**	571	**686**	588
Liability loss due to change in financial assumptions	**1,541**	4,492	**1,537**	4,521
At June 30,	**25,555**	24,705	**25,177**	24,423

(iv) The funding policy is to pay benefits out of the reporting entity's cash flow as and when due. Expected contributions to post employment benefit plans for the year ending June 30, 2019 are Rs 3,423,000 for the Group and Rs.3,735,000 for the Company.

(v) The weighted average duration of the defined benefit obligations for the Company at the end of the reporting period is 6 years (2018: 16 years).

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	%	%	**%**	%
Discount rate	**4.6-6.1**	5.4-7.00	**4.6-6.1**	5.4-6.3
Future salary increases	**4.0/6.0**	3.0/6.0	**3.0-4.0/6.0**	3.0/6.0
Future pension increases	**0.0**	0.0-3.0	**0.0-3.0**	0.0-3.0

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
- Increase due to 1% decrease in discount rate	**2,460**	2,178	**2,445**	2,170
- Decrease due to 1% increase in discount rate	**2,053**	1,771	**2,043**	1,763

(viii) An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on retirement gratuity at the end of the reporting period.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on retirement gratuity as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The sensitivity analysis may not be representative of the actual change in the retirement gratuity as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

21.TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
Trade payables	**20,616**	19,479	**20,252**	16,751
Other payables and accruals	**25,433**	12,319	**21,470**	10,847
Dividends payables	**7,959**	6,822	**7,959**	6,822
Amount due to related parties (note 32)	**5,023**	4,970	**-**	17
Deposit from customer	**1,033**	7,984	**1,033**	-
	60,064	51,574	**50,714**	34,437

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

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

22.INCOME TAX

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Statements of financial position				
- Current tax assets	**(1,128)**	(930)	**(886)**	(930)
- Current tax liabilities	**202**	252	**-**	-
	(926)	(678)	**(886)**	(930)
Statements of financial position				
At July 1,	**(678)**	809	**(930)**	(424)
Under provision in previous year	**-**	14	**-**	14
Current tax on the adjusted profit for the year at 15% (2018: 15%)	**2,580**	3,412	**1,722**	2,095
Tax refund during the year	**-**	410	**-**	410
Tax paid during the year	**(1,150)**	(2,298)	**-**	-
Tax paid under APS	**(1,457)**	(2,927)	**(1,457)**	(2,927)
Tax deducted at source	**(221)**	(98)	**(221)**	(98)
At June 30,	**(926)**	(678)	**(886)**	(930)

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
(b) Statements of profit or loss and other comprehensive income				
Current tax on the adjusted profit for the year at 15% (2018: 15%)	**2,580**	3,412	**1,722**	2,095
Under provision in previous year	**-**	14	**-**	14
CSR contribution	**430**	459	**279**	274
	3,010	3,885	**2,001**	2,383
Deferred tax (note 12(c))	**3,072**	4,972	**2,497**	4,339
Tax charge	**6,082**	8,857	**4,498**	6,722

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

(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 Group and the Company as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before taxation	**37,117**	45,029	**36,063**	40,084
Tax calculated at 17% (2018: 17%)	**6,310**	7,655	**6,131**	6,814
Income not subject to tax	**(261)**	(103)	**(1,033)**	(1,117)
Expenses not deductible for tax purposes	**391**	301	**269**	220
Under provision in previous year	**-**	14	**-**	14
Other movements	**(358)**	990	**(869)**	791
Tax charge	**6,082**	8,857	**4,498**	6,722

23.SEGMENT INFORMATION

(a) The Group has three reporting segments: Oil Products, Metal Cans & Plastic Containers and Imported food products.

"Others" comprise of other business activities and operating segments that are not reportable. Revenue included in this segment amounted to Rs 15.4M (2018: Rs 15.6M).

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Mauritius Oil Refineries Limited evaluates performance on the basis of profit or loss from operations before tax expense. Mauritius Oil Refineries Limited accounts for intersegments sales and transfers as if the sales or the transfers were to third parties, i.e. current market prices.

NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2019

23. SEGMENT INFORMATION (CONT'D)

(b) The segment results for the year ended June 30, 2019 are as follows:

	Oil Products		Metal Cans & Plastic Containers		Imported food products		Others		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Total segment revenue	**753,950**	893,878	**103,114**	109,646	**142,466**	141,017	**21,756**	23,805	**1,021,286**	1,168,346
Inter-segment revenue	**(6,547)**	(7,289)	**-**	(159)	**-**	-	**(6,353)**	(8,192)	**(12,900)**	(15,640)
Revenue from external customers	**747,403**	886,589	**103,114**	109,487	**142,466**	141,017	**15,403**	15,613	**1,008,386**	1,152,706
Segment result	**17,132**	19,160	**3,053**	5,641	**22,099**	20,389	**1,333**	2,144	**43,616**	47,334
Fair value gain/(loss) on revaluation of investment property									**2,300**	(204)
Impairment of goodwill									**(491)**	-
Other Income									**602**	-
Net finance costs									**(10,446)**	(6,067)
Share of profit of associate									**1,536**	3,966
Profit before taxation	**17,132**	19,160	**3,053**	5,641	**22,099**	20,389	**1,333**	2,144	**37,117**	45,029
Taxation									**(6,082)**	(8,857)
Profit for the year	**17,132**	19,160	**3,053**	5,641	**22,099**	20,389	**1,333**	2,144	**31,035**	36,172

Other segment items included in profit or loss are as follows:

	Oil Products		Metal Cans & plastic containers		Imported food products		Others		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Depreciation (note 5)	**12,823**	15,328	**3,586**	2,842	**242**	155	**-**	669	**16,651**	18,994
Amortisation of intangible assets (note 8)	**76**	227	**66**	-	**-**	-	**-**	-	**142**	227

Inter segment transfers or transactions are entered into under the normal commercial terms and conditions that would be available to unrelated third parties.

NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2019

The segment assets and liabilities at June 30, 2019 and capital expenditure for the year then ended are as follows:

	Oil Products		plastic Metal Cans & containers		Imported food products		Others		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Segment assets	**398,722**	414,164	**78,370**	83,837	**32,440**	30,337	**71,517**	70,564	**581,049**	598,902
Investment in associate	**-**	-	**-**	-	**-**	-	**-**	-	**31,413**	30,318
Non segment assets	**-**	-	**-**	-	**-**	-	**-**	-	**122,984**	128,613
Consolidated total assets	**-**	-	**-**	-	**-**	-	**-**	-	**735,446**	757,833
Segment liabilities	**45,239**	34,438	**21,381**	23,708	**5,475**	3,013	**2,445**	10,078	**74,541**	71,237
Non segment liabilities	**-**	-	**-**	-	**-**	-	**-**	-	**309,983**	293,933
Consolidated total liabilities	**-**	-	**-**	-	**-**	-	**-**	-	**384,524**	365,170
Capital expenditure	**19,194**	18,042	**3,330**	759	**-**	-	**-**	-	**22,523**	18,801
Depreciation and amortisation	**12,899**	15,555	**2,984**	2,842	**242**	155	**668**	669	**16,793**	19,221

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash.
Segment liabilities comprise operating liabilities and exclude items such as taxation and corporate borrowings.
Capital expenditure comprises additions to property, plant and equipment, and intangible assets.

(c) **Geographical information**

The Group's activities and assets are based in Mauritius.

	Revenue from external customers		Non-current assets	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Mauritius	**1,008,386**	1,152,706	**368,425**	366,834

(i) There are no revenue from external customers attributable to individual foreign countries during the year (2018: Rs.nil).
Sales revenue is based on the country in which the customer is located. Total assets are shown by the geographical area in which the assets are located.

(d) **Analysis of sales**

	2019	2018
	Rs'000	Rs'000
Sale of goods	**1,001,047**	1,145,065
Sale of services	**2,522**	2,824
Rental income	**4,817**	4,817
	1,008,386	1,152,706

For method of recognition of revenue, see note 2(k).

NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2019

24.EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost of inventories (note 13)	**745,026**	905,008	**684,541**	827,801
Employee benefit expense (note 25)	**125,224**	125,843	**95,578**	97,736
Depreciation (note 5(g))	**16,651**	18,994	**13,065**	15,483
Advertising	**6,270**	5,972	**6,270**	5,972
Factory repairs and maintenance	**10,837**	7,978	**5,220**	5,026
General expenses	**10,420**	9,293	**9,698**	8,921
Office expenses	**3,838**	3,576	**3,333**	3,103
Distribution expenses	**7,414**	3,356	**7,414**	3,356
Motor vehicle repairs	**1,379**	1,532	**1,379**	1,368
Licences	**2,455**	1,457	**2,341**	1,283
Amortisation of intangible assets (note 8)	**142**	227	**76**	227
Impairment of goodwill	**491**	-	**-**	-
Miscellaneous expenses	**39,195**	25,874	**31,846**	28,677
Total cost of operations, distribution costs and administrative expenses	**969,342**	1,109,110	**860,761**	998,953

Miscellaneous expenses refer to other expenses incurred in the day to day operation of the Group and the company

25.EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries including termination benefits	**103,384**	103,476	**78,476**	79,664
Social security costs	**4,541**	4,332	**3,503**	3,444
Pension - defined contribution plans	**1,323**	1,311	**1,323**	1,310
Pension - defined benefit plans (note 20(a)(vi))	**13,816**	14,472	**10,293**	11,190
Pension - other post retirement benefit (note 20(b)(ii))	**2,160**	2,252	**1,983**	2,128
	125,224	125,843	**95,578**	97,736

26.OTHER INCOME

		THE GROUP		THE COMPANY	
		2019	2018	**2019**	2018
		Rs'000	Rs'000	**Rs'000**	Rs'000
Interest income		**-**	-	**183**	193
Other income		**602**	-	**602**	-
Dividend income	- Listed	**-**	-	**1,774**	2,258
	- Unquoted	**-**	-	**4,305**	3,905
		-	-	**6,079**	6,163
		602	-	**6,864**	6,356

NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2019

27.NET FINANCE COSTS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Net foreign exchange (loss)/gains	**(150)**	372	**(150)**	368
Interest expense:				
- Bank overdrafts	**(10,104)**	(3,731)	**(9,690)**	(3,487)
- Bank loans repayable by instalments	**(192)**	(2,708)	**(192)**	(2,515)
	(10,296)	(6,439)	**(9,882)**	(6,002)
	(10,446)	(6,067)	**(10,032)**	(5,634)

28.PROFIT FOR THE YEAR

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
Profit for the year is arrived at after	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Crediting:				
Profit on disposal of motor vehicle	**995**	596	**753**	596
and charging:				
Depreciation on property, plant and equipment				
- owned assets	**16,651**	18,994	**13,066**	15,483
- leased assets under finance leases	**-**	-	**-**	-
Amortisation of intangible assets	**142**	227	**76**	227
Loss on write off of plant & machinery	**448**	-	**448**	-
Impairment of goodwill	**491**	-	**-**	-
Cost of inventories consumed (note 24)	**745,026**	905,008	**684,541**	828,000
Employee benefit expense (note 25)	**125,224**	125,843	**95,578**	97,736

29.EARNINGS PER SHARE

		THE GROUP		THE COMPANY	
		2019	2018	**2019**	2018
Net profit attributable to owners of the parent	**Rs'000**	**30,728**	34,181	**31,565**	33,362
Number of ordinary shares in issue (in thousand)		**33,280**	33,280	**33,280**	33,280
Earnings per share	**Rs**	**0.92**	1.03	**0.95**	1.00

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

30. DIVIDENDS

	THE GROUP AND THE COMPANY	
	2019	2018
Dividend declared during the year can be analysed as follows:	**Rs'000**	Rs'000
Interim dividend of Re.0.90 per share paid in December 2018		
(2018: Re.0.95 per share in December 2017)	**29,952**	31,616
Final dividend of Re.0.25 per share paid in June 2019		
(2018: Re 0.25 per share in June 2018)	**8,320**	8,320
	38,272	39,936

31. NOTES TO THE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Cash generated from operations				
Profit before taxation	**37,117**	45,029	**36,063**	40,084
Adjustments for:				
Depreciation on property, plant and equipment	**16,651**	18,994	**13,066**	15,483
Amortisation of intangible assets	**142**	227	**76**	227
Impairment of goodwill	**491**	-	**-**	-
Share of profit of associate	**(1,536)**	(3,966)	**-**	-
Investment and other income	**-**	-	**(6,262)**	(6,356)
Retirement benefit obligations - net	**(22,165)**	(19,651)	**(21,176)**	(19,184)
Interest expense	**10,296**	6,439	**9,882**	6,002
Fair value (gain)/loss on investment property	**(2,300)**	204	**-**	-
Loss on write off of plant & machinery	**448**	-	**448**	-
Profit on disposal of motor vehicle	**(995)**	(596)	**(753)**	(596)
Operating profit before working capital changes	**38,149**	46,680	**31,344**	35,660
Changes in working capital:				
-Trade and other receivables	**(528)**	121,626	**(10,109)**	124,261
-Inventories	**23,911**	(123,373)	**25,054**	(118,824)
-Trade and other payables	**15,337**	2,379	**15,140**	(2,377)
Cash generated from operations	**76,870**	47,312	**61,429**	38,720

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash in hand and at bank	**1,542**	2,334	**340**	2,003
Bank overdrafts	**(184,850)**	(188,914)	**(171,145)**	(172,421)
	(183,308)	(186,580)	**(170,805)**	(170,418)

(c) Reconciliation of liabilities arising from financing activities

THE GROUP	2018	Cash flows	Non-cash	**2019**
	Rs'000	Rs'000	Rs'000	Rs'000
Bank loan	-	-	-	-
Total liabilities from financing activities	-	-	-	-

	2017	Cash flows	Non-cash	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Bank loan	75,000	(75,000)	-	-
Total liabilities from financing activities	75,000	(75,000)	-	-

THE COMPANY	2018	Cash flows	Non-cash	**2019**
	Rs'000	Rs'000	Rs'000	Rs'000
Loan from related company	5,500	-	-	**5,500**
Total liabilities from financing activities	5,500	-	-	**5,500**

	2017	Cash flows	Non-cash	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Loan from related company	-	5,500	-	5,500
Bank loan	75,000	(75,000)	-	-
Total liabilities from financing activities	75,000	(69,500)	-	5,500

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

32.RELATED PARTY TRANSACTIONS

(a) THE GROUP	Purchase of goods or services Rs'000	Sale of goods or services Rs'000	Loan payable Rs'000	Amount owed by related parties Rs'000	Amount owed to related parties Rs'000
Year ended June 30, 2019					
Associate	**41,596**	**1,711**	**-**	**1,520**	**5,023**
Enterprises in which directors have significant influence	**6,867**	**-**	**-**	**-**	**-**
	48,463	**1,711**	**-**	**1,520**	**5,023**
Year ended June 30, 2018					
Associate	38,904	13,862	-	2,122	1,282
Enterprises in which directors have significant influence	1,755	-	-	-	3,688
	40,659	13,862	-	2,122	4,970

(b) THE COMPANY	Purchase of goods or services Rs'000	Sale of goods or services Rs'000	Loan receivable Rs'000	Loan payable Rs'000	Amount owed to related parties Rs'000
Year ended June 30, 2019					
Subsidiaries	**6,868**	**6,547**	**2,597**	**5,500**	**217**
Associate	**1,301**	**356**	**-**	**-**	**-**
	8,169	**6,903**	**2,597**	**5,500**	**217**
Year ended June 30, 2018					
Subsidiaries	8,353	7,289	2,800	5,500	17
Associate	217	1,051	-	-	-
	8,570	8,340	2,800	5,500	17

(c) (i) The above transactions have been made on normal commercial terms and in the normal course of business.

(ii) Loan receivable from subsidiary bears interest rate of PLR + 1% (2018: PLR + 1%) per annum and is repayable at call.

(iii) For the year ended June 30, 2019, the Group and the Company have not recorded any impairment of receivables relating to amounts owed by related parties (2018: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES TO THE FINANCIAL STATEMENTS

year ended June 30, 2019

(d) Key management personnel compensation, including directors remuneration and benefits

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Salaries and short term employee benefits	**26,580**	26,322	**25,912**	25,008
Post employment benefits	**2,374**	2,472	**2,374**	2,472
	28,954	28,794	**28,286**	27,480

33.CONTINGENCIES

(A)CONTINGENT LIABILITIES

At June 30, 2019, the Company had no contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities would arise.

(B) CAPITAL COMMITMENTS

No capital expenditure was contracted for at the end of the reporting period but not yet incurred.

(C) OPERATING LEASE

(i) Group as lessee

As stated in note 6, the land is leased from Mauritius Ports Authority (MPA) on which the Company's premises is constructed. The lease agreement is in respect of 20,472.4 m2 of land.

The lease agreement in respect of 3,698 m2 of land on lease from MPA, is due for renewal as from July 1, 2011. The Company has agreed to the terms and conditions of a new lease for the plot of land of 3,698 m2 with the MPA. The agreement will be signed in the near future.

As stated in note 7, land of 5,909.22 m2 is also leased from MPA by Proton Limited which is due for renewal as from July 1, 2011. The Group has agreed to the terms and conditions of a new lease for the plot of land of 5,909.22 m2 with the MPA. The agreement will be signed in the near future.

The minimun lease payment under operating leases recognised as expenses during the year was Rs 3,658,072 (2018: 3,658,072)

Operating lease commitments

	THE COMPANY	
	2019	2018
Within 1 year	**Rs'000**	Rs'000
	3,658	3,658

The future minimum lease payments under non-cancellable operating lease are as follows:

ii) Group as lessor

As set out in note 7 property rental income earned during the year was Rs 4,817,364 (2018: Rs 4,817,364).

	THE GROUP	
	2019	2018
Within 1 year	**Rs'000**	Rs'000
	4,817	4,817

NOTES

NOTICE OF MEETING

NOTICE is hereby given that the Annual Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, 2 Quay Road, Port Louis, on Monday 9th December 2019 at 10.30 hours.

ORDER OF THE DAY

1. To receive the Directors' Report and the Auditors' Report
2. To adopt the Group's and Company's Accounts made up to June 30, 2019
3. To elect three Directors in the place of Messrs. Ashraf CURRIMJEE, Allain DOGER DE SPEVILLE and Yakub MORIA retiring by rotation. The retiring Directors offer themselves for re-election.
4. To re-appoint Mr. R.J. Paul CLARENC, who seeks re-election as Director of the Company until the next Annual Meeting in accordance with Section 138(6) of the Companies Act 2001
5. To re-appoint Mr. J.H. Maurice de MARASSE ENOUF, who seeks re-election as Director of the Company until the next Annual Meeting in accordance with Section 138(6) of the Companies Act 2001
6. To re-appoint Mr. Hansraj RUHEE, who seeks re-election as Director of the Company until the next Annual Meeting in accordance with Section 138(6) of the Companies Act 2001
7. To appoint an Auditor until the next Annual Meeting and fix his remuneration
8. To ratify the dividends declared in November 2018 and May 2019

By Order of the Board

SPEVILLE SECRETARIAL SERVICES LTD

Secretary

A member of the Company entitled to attend and vote at this Meeting may appoint a person, whether a member or not, to attend the Meeting and vote on his behalf. Proxy forms must be lodged at the Registered Office of the Company not less than forty eight hours before the Meeting.

30th October 2019

MAURITIUS OIL REFINERIES LTD

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