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**G. BASU & CO.**  
CHARTERED ACCOUNTANTS

**BASU HOUSE**  
3, CHOWRINGHEE APPROACH  
KOLKATA - 700 072

## REPORT ON THE FINANCIAL STATEMENTS

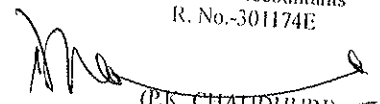
We have verified the enclosed financial statements of African Consumer Care Ltd (presented in Indian National currency), a wholly owned overseas subsidiary of Dabur India Limited made out in terms of requirement of Indian Companies Act in application of Accounting Standard referred to U/s 133 of Companies Act, 2013 read with the accounting policies of parent companies.

Based on information and explanations given to us and verification of the records of the body corporate we hereby certify that the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the body corporate as at 31.03.2015 and its loss and their cash flows for the year ended on that date.

Place: New Deihi

Date: 4<sup>th</sup> May 2015

For G. BASU & CO.  
Chartered Accountants  
R. No.-301174E

  
(P.K. CHAUDHURI)  
Partner  
(M. No. 003814)



**African Consumer Care Ltd**  
**Balance Sheet as at 31st March 2015**

(Rs in Lacs)

	PARTICULARS	Note No	As at 31st March, 2015	As at 31st March, 2014
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>1. Share holder's Funds</b>			
	a) Share Capital	1	1,847	1,847
	b) Reserves and Surplus	2	1,663	2,113
	<b>3. Non-current liabilities</b>			
	a) Deferred Tax Liabilities (Net)		117	124
	<b>4. Current Liabilities</b>			
	a) Short-term borrowings		-	-
	b) Trade payables		1,114	968
	c) Other current liabilities	5	200	143
	d) Short-term provisions	6	49	38
	<b>Total:</b>		<b>4,990</b>	<b>5,233</b>
<b>II</b>	<b>ASSETS</b>			
	<b>1. Non-current assets</b>			
	a) Fixed Assets			
	i) Tangible assets		2,312	2,381
	iii) Capital work-in-progress		128	25
	<b>2. Current assets</b>			
	a) Inventories	7	1,037	1,301
	b) Trade receivables	8	632	302
	c) Cash and cash equivalents	9	55	765
	d) Short-term loans and advances	10	747	448
	f) Other current assets	11	79	11
	<b>Total:</b>		<b>4,990</b>	<b>5,233</b>

\*Closing exchange rate as on 31.03.2015 Naira 1 = Re. 0.32 (PY Naira 1 = Re. 0.37)

Place : New Delhi  
 Date : 4th May 2015

As per our report of even date attached

For G. BASU & CO.  
 Chartered Accountants  
 R. No.-301174E



*[Signature]*  
 J.K. CHATURVEDI  
 Partner  
 (M. No. 003814)

**African Consumer Care Ltd.**

**Statement of Profit & Loss for the year ended 31st March 2015**

Rs. In Lacs

DESCRIPTION	Note No	For the year ended Mar 31' 2015	For the year ended Mar 31' 2014
I Revenue from operations	12	4,228	5,501
II Other Income	13	13	23
III Total Revenue (I +II)		4,241	5,524
IV Expenses			
Cost of materials consumed	14	1,720	2,278
Purchase of stock in trade	15	(14)	200
Changes in inventories of FG , WIP & Stock in Trade			
Finished Goods	16	(2)	22
Work in Progress		3	(12)
Stock in trade		60	(23)
Employee benefits expenses	17	610	602
Finance cost	18	82	19
Depreciation & Amortisation Expenses	19	185	97
Other Expenses	20	1,900	1,938
Total Expense		4,544	5,121
(V) Profit before exceptional and extraordinary items and tax (III - IV)		(303)	403
(VI) Exceptional Items		-	-
(VII) Profit before extraordinary items and tax (V - VI)		(303)	403
(VIII) Extraordinary Items		-	-
(IX) Profit before tax (VII - VIII)		(303)	403
(X) Tax expense			
(1) Deferred Tax		32	132
(XI) Profit/(Loss) for the year from continuing operations (IX - X)		(335)	271

\*Average exchange rate as on 31.03.2015 Naira 1 = Re. 0.36 (PY Naira 1 = Re. 0.37)

Place : New Delhi  
Date : 4th May 2015

As per our report of even date attached



For G. BASU & CO.  
Chartered Accountants  
R. No.-301174E  
*(Signature)*  
(P.K. CHAUDHURI)  
Partner  
(M. No. 003814)

## AFRICAN CONSUMER CARE LTD

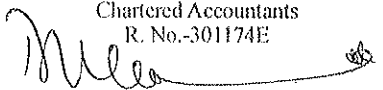
## STATEMENT OF CASH FLOW ( PURSUANT TO AS-3) INDIRECT METHOD FOR THE YEAR ENDED 31ST MARCH'2015

(All amounts in Rs. Lacs)

PARTICULARS	FOR THE YEAR ENDED MARCH 31'2015		FOR THE YEAR ENDED MARCH 31'2014	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		303		403
ADD:				
DEPRECIATION	185		97	
INTEREST	82	267	19	116
LESS:				
INTEREST RECEIVED	13		-	
DIVIDEND RECEIVED	-			
PROFIT ON SALE OF INVESTMENT	-	13		
PROFIT ON SALE OF ASSETS	-			
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		49		519
WORKING CAPITAL CHANGES				
(INCREASE)/DECREASE IN INVENTORIES	264		(89)	
(INCREASE)/DECREASE IN TRADE AND OTHER RECEIVABLES	(729)		(1)	
INCREASE/(DECREASE) IN TRADE PAYABLES AND OTHER PAYABLES	93	(372)	554	464
(INCREASE)/DECREASE IN WORKING CAPITAL				
CASH GENERATED FROM OPERATING ACTIVITIES		(421)		983
<b>CASH USED(-)/+(+GENERATED FROM OPERATING ACTIVITIES (A)</b>		<b>(421)</b>		<b>983</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
ACQUISITION OF FIXED ASSETS		(220)		(245)
INTEREST RECEIVED		13		
<b>CASH USED(-)/+(+GENERATED IN INVESTING ACTIVITIES (B)</b>		<b>(207)</b>		<b>(245)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
REPAYMENT(-)/PROCEEDS(+) FROM SHORT TERM LOANS		-		(650)
INTEREST PAID		(82)		(19)
<b>CASH USED(-)/+(+GENERATED) IN FINANCING ACTIVITIES (C)</b>		<b>(82)</b>		<b>(669)</b>
<b>NET INCREASE(+)/DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(710)</b>		<b>69</b>
CASH AND CASH EQUIVALENTS OPENING BALANCE		765		696
CASH AND CASH EQUIVALENTS CLOSING BALANCE		55		765

Place : New Delhi  
Date : 4th May 2015

As per our report of even date attached

For G. BASU & CO.  
Chartered Accountants  
R. No.-301174E  
  
(P.K. CHAUDHURI)  
Partner  
(M. No. 003814)



Annexed to and forming part of the Balance Sheet as at 31st March 2015

Note 1 : Share Capital

Sl	Class of Shares		Face value of one share	Authorised Capital		Issued, Subscribed and Paid-up Share Capital	
				Total no. of Shares	Total Value (in Naira)	Total no. of Shares	Total Value (Rs in lacs)
A (j)	Equity Shares	As on 31st March, 2015	1 Naira	250000000	2500	195548628	734
		As on 31st March, 2014	1 Naira	250000000	2500	195548628	734
A (i)	Preference Shares	As on 31st March, 2015	1 Naira	400000000	4000	371070000	1113
		As on 31st March, 2014	1 Naira	400000000	4000	371070000	1113



Annexed to and forming part of the Balance Sheet as at 31st March 2015

Note 2. Reserve & Surplus

(Rs in Lacs)

Particulars	(Rs in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Exchange Fluctuation Reserve	275	382
General Reserve:	-2	6
Surplus / (deficit):	1,390	1,725
Total	1,663	2,113



Annexed to and forming part of the Balance Sheet as at 31st March 2015

**Note 5: Other Current Liabilities**

(Rs in Lacs)

Particulars	As at Mar' 31, 2015	As at Mar' 31, 2014
Creditors for Capital Goods	1	5
Advances from Customers	161	15
Interest accrued but not due on loans	2	-
Other payables	36	123
<b>Total:</b>	<b>200</b>	<b>143</b>



Annexed to and forming part of the Balance Sheet as at 31st March 2015

Note 6 : Short term Provisions

(Rs in Lacs)

Particulars	As at Mar'	As at Mar'
	31, 2015	31, 2014
For Leave Encashment	17	18
For Gratuity Payable	31	32
Provision For Taxation	-	-13
For other provision	1	1
<b>Total:</b>	<b>49</b>	<b>38</b>





Annexed to and forming part of the Balance Sheet as at 31st March 2015

Note 7 : Inventories

(Rs in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Raw Materials (including packing materials)	813	1,018
Work-in-Progress	20	28
Finished goods	177	170
Stock-in-trade	22	82
Stores & spares	5	3
Total	1,037	1,301



Annexed to and forming part of the Balance Sheet as at 31st March 2015

Note 8: Trade Receivables

(Rs in Lacs)

Particulars	(Rs in Lacs)	
	As at Mar' 31, 2015	As at Mar' 31, 2014
Unsecured:		
Other debts : Considered good	632	302
Total	632	302



Annexed to and forming part of the Balance Sheet as at 31st March 2015

Note 9 : Cash & cash Equivalents

(Rs in Lacs)

Particulars	(Rs in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Balances with banks	54	765
Cash-in-Hand	1	0
Total	55	765



Note 10: Short term Loans & advances

(Rs in Lacs)

Particulars		As at March 31, 2015	As at March 31, 2014
Advances to Suppliers	Considered good	680	344
	Considered Doubtful	680	344
	Less: Provision for doubtful advance	680	344
Advances to Employees	Considered good	50	25
	Considered Doubtful	50	25
	Less: Provision for doubtful advance	50	25
Balance with Government Authorities	Considered good	8	-
Other Loans & Advances	Considered good	7	8
Deposit with others	Considered good	2	71
	Total	747	448



Annexed to and forming part of the Balance Sheet as at 31st March 2015

Note 11: Other Current Assets		(Rs in Lacs)	
Particulars	March 31, 2015	As at March 31, 2014	
Unsecured and Consider Good			
Other Receivables	79	11	
	79	11	



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2015

Note No. 12 Revenue from Operations

Rs. in Lacs

	Particulars	For the year ended Mar 31' 2015	For the year ended Mar 31' 2014
A	Sale of Products	4,210	5,486
	Domestic	4,210	5,457
	Export	0	29
B	Other Operating Revenues	18	15
	Sale of Scrap	18	15
	<b>Total</b>	<b>4,228</b>	<b>5,501</b>



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2015

Note No. 13 Other Income

Rs. In Lacs

	Particulars	For the year ended Mar 31' 2015	For the year ended Mar 31' 2014
A	Interest Income	13	19
F	Miscellaneous Receipts	(0)	4
	Total	13	23



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2015

Note 14 - Cost of Material Consumed

Rs. in Lacs

	Particulars	For the year ended Mar 31' 2015	For the year ended Mar 31' 2014
A	Raw material consumed	1,218	1,654
B	Packing material consumed	502	624
	<b>Total</b>	<b>1,720</b>	<b>2,278</b>





Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2015

Note 15 - Purchase of Stock in Trade

Rs. In Lacs

	Particulars	For the year ended Mar 31' 2015	For the year ended Mar 31' 2014
	Purchase of Goods	(14)	200
	Total	(14)	200



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2015

Note 16 - Changes In Inventories of Finished Goods, Work-In-Progress and Stock-in-trade

Rs. In Lacs

Particulars	For the year ended Mar 31' 2015	For the year ended Mar 31' 2014
<b>Opening Inventories</b>		
Finished Goods	175	197
Work in Progress	23	11
Stock-in-trade	82	59
<b>Closing Inventories</b>		
Finished Goods	177	175
Work in Progress	20	23
Stock-in-trade	22	82
<b>Total</b>	<b>61</b>	<b>(13)</b>



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2015

Note No. 17 : Employee Benefits Expenses

Rs. In Lacs

	Particulars	For the year ended Mar 31' 2015	For the year ended Mar 31' 2014
A	Salaries, Wages and Bonus	470	453
B	Contribution to Provident and Other Funds	79	88
C	Workmen and Staff Welfare	61	61
	Total	610	602



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2015

Note No. 18 : Finance Cost

Rs. In Lacs

	Particulars	For the year ended Mar 31'	For the year ended Mar 31' 2014
A	Interest Expense	5	6
B	Bank Charges	43	40
C	Net (gain)/loss on foreign currency transaction	34	(27)
	Total	82	19



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2015

**Note No. 19 : Depreciation & Amortisations**

**Rs. in lacs**

Particulars	For the year ended Mar 31' 2015	For the year ended Mar 31' 2014
Depreciation on Tangible Fixed Assets	185	97
Total	185	97



## Annexed to and forming part of Profit &amp; Loss Account for the year ended March 31' 2015

## Note No. 20 : Other Expenses

Rs. In Lacs

Particulars	For the year ended Mar 31' 2015	For the year ended Mar 31' 2014
Power and Fuel	70	78
Stores and Spares Consumed	27	22
Repair to Building	3	4
Repair to Plant and Machinery	14	18
Repair to Others	29	26
Processing Charges	405	406
Rates and taxes	22	23
Rent	13	11
Insurance	25	18
Freight and Forwarding Charges	148	37
Commission,Discount and Rebate	4	0
Advertisement and Publicity	697	1,037
Travel and Conveyance	159	115
Legal and Professional	170	38
Telephone and Fax Expenses	19	16
Security Expenses	14	14
General Charges	66	62
Auditor's Remuneration	11	13
Loss on Sale of Fixed Assets	4	0
<b>Total</b>	<b>1,900</b>	<b>1,938</b>



(All amounts in Rupees lacs except share data)

**African Consumer Care Pvt Ltd**

**Note No.: 21**

**1. Significant Accounting Policies to the financial statements for the year ended 31<sup>st</sup> March, 2015.**

**1.1.1 Basis for preparation of accounts**

The accounts have been prepared in accordance with the historical cost convention under accrual basis of accounting as per Indian GAAP. Accounts and Disclosures thereon comply with the Accounting Standards specified in Companies (Accounting Standard) Rules 2006 which continue to apply under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules 2014, other pronouncement of ICAI, provisions of the Companies Act and guidelines issued by SEBI as applicable.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013.

**1.1.2 Use of Estimates**

Indian GAAP enjoins management to make estimates and assumptions that affect reported amount of assets, liabilities, revenue, expenses and contingent liabilities pertaining to years, the financial statement relate to. Actual result could differ from such estimates. Any revision in accounting estimates is recognized prospectively from current year and material revision, including its impact on financial statement, is reported in notes to accounts in the year of incorporation of revision.

**1.2 Translation of overseas subsidiaries from foreign currencies to reporting currency:-**

- a) All assets/ outside liabilities and income/ expenses of overseas subsidiaries have been translated in reporting currency in terms of exchange rates prevailing on year-end date and average monthly rate respectively on the basis of non-integral operational approach under revised AS-11 there by accounting for aggregate of net impact in exchange fluctuation in these regards as exchange reserve shown under broad head of "Reserve and Surplus".



- b) Exchange difference arising on reporting of Long term foreign currency monetary items, pertaining to transactions among group companies/branches, at rates different from those at which they were initially recorded are accumulated under exchange fluctuation reserve. Relevant component of exchange fluctuation reserve is amortisable as per para 46A of AS-11.

### **1.3 Recognition of Income and Expenses**

- a. Sales and purchases are accounted for on the basis of passing of title to the goods.
- b. Sales comprise of sale price of goods including excise duty but exclude trade discount and sales tax/Vat.
- c. Income/ loss from future trading of commodities, forming part of inputs, is to be recognized at the closing point of the contract. For option contracts, loss if any occurs on balance sheet date is recognized. However profit, if any, accruing on open contracts on balance sheet date is ignored.
- d. All the other incomes have been accounted for on accrual basis except for those entailing accounting on realization basis under AS 9 on the ground of uncertainty factor.
- e. All expenses are provided on accrual basis unless stated otherwise.

### **1.4 Fixed Assets**

- a. Fixed assets are stated at carrying amount i.e. cost less accumulated depreciation.
- b. Cost includes freight, duties, taxes and other expenses incidental to acquisition and installation.
- c. Depreciation on Fixed Assets has been provided on straight line method in terms of life span of assets specified in Schedule II of the Companies Act, 2013 except for Moulds which are depreciated in four years on straight line method based on technical advice.
- d. Patents and trademarks are being amortized over the period of ten years on straight line basis.
- e. Software's are being amortized over the period of five years on straight line basis.
- f. For New Projects, all direct expenses and direct overheads (excluding services provided by employees in company's regular payroll) are capitalized.
- g. Capital Subsidy received against fixed capital outlay is deducted from gross value of individual fixed assets, forming part of subsidy scheme granted, by way of proportionate allocation of subsidy amount thereon. Depreciation is charged on net fixed assets after deduction of subsidy amount.





- h. During sale of fixed assets, any profit earned towards excess of sale value over gross block of assets (i.e. balancing charge) is transferred from profit & loss account to capital reserve.
- i. Fixed assets inherited from entry of new entity in business combination pursuant to its acquisition by the group are carried at price corresponding assets were held in the books of newly acquired entity at the point of its acquisition.
- j. In respect of fixed assets of new entrants in the group having followed different basis of charging depreciation, prior to the date of their takeover, written down value of their assets are subjected to depreciation charge under straight line method at rate which enables respective assets to be amortized within their respective life span assessed under schedule II of the companies Act, 2013.

#### **1.5 Impairment/discarding of Assets**

- a) The company identifies impairable fixed assets based on cash generating unit concept for tangible fixed assets and asset specific concept for intangible fixed assets at the year-end in terms of clause 5 to 13 of AS -28 and clause 83 of AS- 26 respectively for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss, when crystallizes, is charged against revenue of the year.
- b) Apart from test of impairment within the meaning of AS 28, individual tangible fixed assets of various cash generating units (CGUs) are identified for writing down on the ground of obsolescence, damage, redundancy & unusability at the year end.
- c) Further the company has assessed recoverable value of each CGUs and each intangible asset based on value-in-use method. Such assessment indicated the value in use of corresponding assets higher than corresponding carrying cost of assets thereby ruling out the cause of further arriving at their net-selling-price and exigency of provision against impairment loss.

#### **1.6 Investment**

Investments that are readily realizable and are intended to be held for not more than one year at the point of acquisition are classified as "Current investments". All other investments are classified as "Non-current investments".



Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of non current investments.

Investments in subsidiaries, Joint Ventures and Associates are held for long term and valued at cost reduced by diminution of permanent nature therein, if any.

No profit or losses of subsidiaries are accounted for.

### **1.7 Research and Development Expenditure**

Revenue expenditure on research & development is expensed as incurred including contribution towards scientific research expenses.

### **1.8 Inventories**

Inventories are valued at the lower of cost or net realizable value. Basis of determination of cost remains as follows:

- a. Raw material, Packing Material, Stores & Spares : Moving weighted Average basis
- b. Work-in-progress : Cost of Input plus overhead upto the stage of completion
- c. Finished Goods : Cost of input plus appropriate overhead

### **1.9 Deferred Entitlement on Leave Travel Concession:**

In terms of opinion of the Expert Advisory Committee of the ICAI, the Company has provided liability accruing on account of deferred entitlement towards Leave Travel Concession in the year in which the employees concerned render their services.

### **1.10 Retirement Benefits**

Liabilities in respect of retirement benefits to employees are provided for as follows:-

#### **a. Defined Benefit Plans:**

- i) Leave Salary of employees on the basis of actuarial valuation as per AS 15.
- ii) Post separation benefits of directors on the basis of actuarial valuation as per AS 15.
- ii) Gratuity Liability on the basis of actuarial valuation as per AS 15.



**b. Defined Contribution Plans:**

- i) Liability for superannuation fund on the basis of the premium paid to insurance company in respect of employees covered under Superannuation Fund Policy.
- ii) Provident fund & ESI on the basis of actual liability accrued and paid to trust / authority.

**1.11 Income Tax and Deferred Tax**

The liability of company on account of income tax is estimated considering the provisions of the Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one year and capable of reversal in one or more subsequent years.

**1.12 Contingent Liabilities**

Disputed liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax , Income Tax, Excise etc.), pending in appeal/court for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts. However, present obligation as a result of past event with possibility of outflow of resources, when reliably estimable, is recognized in accounts.

**1.13 Foreign Currency Translation:**

- (a) Transactions of parent and domestic subsidiaries with overseas parties are recognized at currency rate ruling on the date of transaction. Gain or loss arising towards rise/fall of overseas currency Vis a Vis reporting currency is accounted for in statement of profit and loss.
- (b) Impact of currency fluctuation on current assets/ current or outside liabilities of individual entities with reference to currency of reporting in countries of their incorporation are charged to revenue.



#### 1.14 Employee Stock Option Purchase (ESOP)

Aggregate of quantum of option granted under the scheme in monetary term (net of consideration of issue to be paid in cash) in terms of intrinsic value has been shown as Employees Stock Option Scheme outstanding in Reserve and Surplus head of the Balance Sheet with corresponding debit in deferred Employee Compensation under ESOP appearing as negative item as part of shareholder's fund as per guidelines to the effect issued by SEBI.

- a) With the exercise of option and consequent issue of equity share, corresponding ESOP outstanding is transferred to share premium account.
- b) Employees' contribution for the nominal value of share in respect to option granted to employees of subsidiary company is being reimbursed by subsidiary companies to holding company.
- c) Entitlement of option rises proportionately with the issuance of bonus. Nominal value of shares against enhanced options is financed by the company at the point of exercise of such option by employees against utilization of general reserve/security premium.
- d) Deferred employees compensation under ESOP is amortized on straight line method over the vesting period.

#### 1.15 Business combinations:

##### i) Merger/Amalgamation:

Merger / Amalgamation (of the nature of merger) of other company / body corporate with the group is accounted for on the basis of purchase method, the assets / liabilities being accounted for in terms of book values of assets, liabilities appearing in transferor entity on the date of such merger / amalgamation for the purpose of arriving at the figure of goodwill or amalgamation reserve.

##### ii) Acquisition:

Any new entity joining business combination consequent upon acquisition of its shares/rights by any of the entities in group is accounted for under purchase method, assets and liabilities of the new entrant been accounted for as per book value of assets, liabilities appearing in books of new entrant on the date of its take over for the purpose of arising at the figure of goodwill/capital reserve.



iv) During the course of merger/amalgamation/acquisition under purchase method, excess/shortfall of consideration money over vis-à-vis net assets (gross assets less outside liabilities) inherited under such deal is accounted for as goodwill/amalgamation or capital reserve.

If balance sheet of transferor/acquired entity has any compulsory/statutory reserve at point of its transfer/acquisition, said reserves are retained subsequently under the Reserve & Surpluses against creation of new head called "Amalgamation Adjustment Account" accounted for under the head of Miscellaneous Expenditure in assets side of the balance sheet.

#### **1.16 Segment Reporting**

The Company identifies primary segments based on the pre-dominant sources of risk effects and returns depending on organization and of the management and internal financial reporting system. The operating segments are the segments for which separate financial information are available and operating profit/loss there from are evaluated regularly by the management for allocation of resources and assessment of performance. Revenue, expenses, assets and liabilities which relate to the company as a whole which are not allocable to segments on direct and/or reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

#### **1.17 Operating Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals for operating leases are charged to statement of profit & loss on accrual basis in accordance with the respective lease agreements.

#### **1.18. Earnings per Share**

Basic Earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.



For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



## Notes to Accounts

### 1. LEGAL STATUS AND BUSINESS ACTIVITY

a) African Consumer Care Limited is a Privated limited liability company incorporated in the Federal republic of Nigeria on 11th June 2004.

b) The company is engaged in the manufacturing, import, export, warehousing and distribution of Oral Care, Beauty Care, Home Care, and health care products.

The manufacturing activities are carried out based on the permissions obtained from NAFDAC & Ministry of Labour & Productivity.

c) The parent company is Dabur International Limited. The total Authorised Share Capital of the Company is N 5000 lacs

Authorised Share Capital	2,210	Lacs
Paid-up Capital	1,847	Lacs
		Lacs
Dabur International Limited	99%	
Dabur (UK) Limited	1%	

d) Revenue

Revenue represents the net amount invoiced for manufactured goods delivered during the period and Conversion charges on contract manufacturing.

e) No Provision has been made for taxation, due to investment allowance and initial capital allowance on the acquisition of assets.

Education Cess is provided for 2% on the Adjusted Profit. Deferred Tax is provided as per the International Financial reporting system.

f) Provision has been made for Gratuity and Leave salary as per the Company Policy. Gratuity is calculated at one month's salary for each completed years of service.

g) Company is having Import Financing Facility of Rs 814 lacs and Overdraft of Rs 170 lacs from Standard Chartered Bank which is supported by the Corporate Guarantee from M/s. Dabur International Limited.

h) Due to high discounting rate, it is not practicable for the company to make provision for impairment of the assets on regular basis.

i) There is no disputed liabilities and claims including claims raised by fiscal authorities except PAYEE Tax demand as shown below, pending court cases.

Irrevocable Letter of Credit of USD 332,892 which is Equivalent to Rs 211 lacs

j) Foreign currency transactions

Transactions in foreign currencies are translated into INR at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into INR at the rate of exchange ruling at the balance sheet date.

Gains or losses resulting from foreign currency transactions are taken to the income statement.



k) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash on hand, Cheques in hand, bank balances in current account and short term fixed deposits

l) Financial instruments

Financial instruments of the company comprise trade and other receivables, cash and cash equivalents, other current financial assets, related party balances, trade and other payables and bank borrowings.

m) Segmental reporting

The primary segment identified for African Consumer care being the FMCG segment and all the products falls within the same segment. The sales have been made and realised in the Federal republic of Nigeria

FMCG Sales ( Rs in lacs )	4228
Misc. Income ( Rs in lacs )	13
Total Income	4241

n) All fixed assets are stated at cost of acquisition.

o) Contigent Liabilities:

	31.03.2015	31.03.2014
	Rs in lacs	Rs in lacs
Irrevocable Letter of Credit	211	64
Capital Commitment	377	37
Import Financing Facility	1,500,000	864
Overdraft Facility		180

p) Related Party Transaction (AS 18)

Item	Dabur International Limited	Dabur India Limited
Purchases	216	308

Dabur International Limited      Parent Company  
Dabur India Limited              Ultimate Parent Company

As per our report of even date attached

Place : New Delhi

Date : 4<sup>th</sup> May 2015



For G. BASU & CO.  
Chartered Accountants  
R. No.-301174E

  
(P.K. CHAUDHURI)  
Partner  
(M. No. 003814)