

AFRICAN CONSUMER CARE LIMITED

**Financial Statements for the year ended 31st March, 2014 pursuant to section 212 of the
Companies Act, 1956**

REPORT ON THE FINANCIAL STATEMENTS made out as per requirements of section 212 of the Companies Act, 1956.

We have checked the accompanying Financial Statements of African Consumer Care Limited ("the foreign body corporate"), which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended made out as per requirements of Indian Companies Act, 1956 and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

OUR RESPONSIBILITY

The audit was conducted under statute of country of incorporation of body corporate, followed by our further check of true & fairness of account drawn up in terms of requirement of Indian Act, by the local auditor at Nigeria at Nigerian currency. Management prepared the financial statements, based on the audited accounts, in accordance with the provisions of the Act and according to the Standards on Auditing issued by the Institute of Chartered Accountants of India, in Indian Rupees. We have checked the financial statements prepared by the Management, in Indian Currency.

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

While checking, we have seen that ethical requirements required by those Standards, have been complied with. Reasonable assurance was obtained whether the financial statements are free from material misstatement.

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



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G. BASU & CO.
CHARTERED ACCOUNTANTS

BASU HOUSE
3, CHOWRINGHEE APPROACH
KOLKATA - 700 072


Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read with notes 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.

- (a) In the case of the balance sheet, of the state of affairs of the foreign body corporate as at 31st March, 2014;
- (b) In the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

Place: New Delhi
Date: 29th April 2014

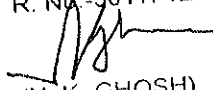
For G. BASU & CO.
Chartered Accountants
R. No. - 301174E


(N. K. GHOSH)
Partner
(M. No. 053094)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. The Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of section 227 (4A) of the Act is not applicable to the body corporate.
2. As required by Section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanation which to the best our knowledge and belief were necessary for the purpose of our checking;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

Place: New Delhi
Date: 29th April 2014

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

(N. K. GHOSH)
Partner
(M. No. 053094)

African Consumer Care Pvt Ltd
Balance Sheet as at 31st March 2014

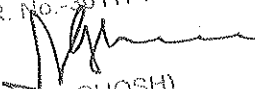
	PARTICULARS	Note No	As at 31st March, 2014	As at 31st March, 2013
I	EQUITY AND LIABILITIES			
	1. Share holder's Funds			
	a) Share Capital	1	1,847	1,847
	b) Reserves and Surplus	2	2,113	1,589
	3. Non-current liabilities			
	a) Deferred Tax Liabilities (Net)		124	
	b) Long-term provisions	3	-	29
	4. Current Liabilities			
	a) Short-term borrowings	4	-	650
	b) Trade payables		967	403
	c) Other current liabilities	5	143	454
	d) Short-term provisions	6	38	119
	Total:		5,232	5,091
II	ASSETS			
	1. Non-current assets			
	a) Fixed Assets			
	i) Tangible assets		2,381	2,130
	iii) Capital work-in-progress		25	127
	2. Current assets			
	a) Inventories	7	1,301	1,389
	b) Trade receivables	8	302	341
	c) Cash and cash equivalents	9	765	696
	d) Short-term loans and advances	10	448	408
	f) Other current assets	11	11	-
	Total:		5,232	5,091

*Closing exchange rate as on 31.03.2014 Naira 1 = Re. 0.36 (PY Naira 1 = Re. 0.34)

Place : New Delhi
 Date : 29th April 2014

As per our report of even date attached
 for G Basu and Company
 Chartered Accountants

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


 (N. K. GHOSH)
 Partner
 (M. No. 053094)

African Consumer Care Ltd.

Statement of Profit & Loss for the year ended 31st March 2014

DESCRIPTION	Note No	For the year ended Mar 31' 2014	For the year ended Mar 31' 2013
I Revenue from operations	12	5,501	5,526
II Other Income	13	23	-
III Total Revenue (I +II)		5,524	5,526
IV Expenses			
Cost of materials consumed	14	2,278	2,470
Purchase of stock in trade	15	200	-
Changes in inventories of FG , WIP & Stock in Trade			
Finished Goods	16	27	(103)
Work in Progress		(17)	4
Stock in trade		(23)	125
Employee benefits expenses	17	601	433
Finance cost	18	19	36
Depreciation & Amortisation Expenses	19	97	168
Other Expenses	20	1,939	1,822
Total Expense		5,122	4,955
(V) Profit before exceptional and extraordinary items and tax (III - IV)		403	571
(VI) Exceptional Items		-	-
(VII) Profit before extraordinary items and tax (V - VI)		403	571
(VIII) Extraordinary Items		-	-
(IX) Profit before tax (VII - VIII)		403	571
(X) Tax expense			
(1) Deferred Tax		132	-
(XI) Profit/(Loss) for the year from continuing operations (IX - X)		271	571

*Average exchange rate as on 31.03.2014 Naira 1 = Re. 0.37 (PY Naira 1 = Re. 0.34)

Place : New Delhi
Date : 29th April 2014

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


(N. K. GHOSH)
Partner
(M. No. 053094)

As per our report of even date attached
for G Basu and Company
Chartered Accountants

AFRICAN CONSUMER CARE LTD

STATEMENT OF CASH FLOW (PURSUANT TO AS-3) INDIRECT METHOD FOR THE YEAR ENDED 31ST MARCH'2014

(All amounts in Rs. Lacs)

PARTICULARS	FOR THE YEAR ENDED MARCH 31'2014		FOR THE YEAR ENDED MARCH 31'2013	
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		403		571
ADD:				
DEPRECIATION	97		168	
INTEREST	19	116	36	204
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		518		775
WORKING CAPITAL CHANGES				
(INCREASE)/DECREASE IN INVENTORIES	(89)		(196)	
(INCREASE)/DECREASE IN TRADE AND OTHER RECEIVABLES	(1)		72	
INCREASE/(DECREASE) IN TRADE PAYABLES AND OTHER PAYABLES	554	464	(475)	(599)
(INCREASE)/DECREASE IN WORKING CAPITAL				
CASH GENERATED FROM OPERATING ACTIVITIES		983		177
CASH USED(-)/(+)GENERATED FROM OPERATING ACTIVITIES (A)		983		177
B. CASH FLOW FROM INVESTING ACTIVITIES				
ACQUISITION OF FIXED ASSETS		(245)		(197)
CASH USED(-)/(+)GENERATED IN INVESTING ACTIVITIES (B)		(245)		(197)
C. CASH FLOW FROM FINANCING ACTIVITIES				
REPAYMENT(-)/PROCEEDS(+) FROM SHORT TERM LOANS		(650)		650
INTEREST PAID		(19)		(36)
CASH USED(-)/(+)GENERATED IN FINANCING ACTIVITIES (C)		(669)		613
NET INCREASE(+)/DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)		69		593
CASH AND CASH EQUIVALENTS OPENING BALANCE		696		103
CASH AND CASH EQUIVALENTS CLOSING BALANCE		765		696

Place : New Delhi
Date : 29th April 2014

As per our report of even date attached
for G Basu and Company
Chartered Accountants

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

(N. K. GHOSH)
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Annexed to and forming part of the Balance Sheet as at 31st March 2014

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)	
A (i)	Equity Shares	1 Naira	250000000	2500	195548628 734
	As on 31st March, 2014				
		1 Naira	250000000	2500	44048628 734
	As on 31st March, 2013				
A (i)	Preference Shares	1 Naira	400000000	4000	371070000 1113
	As on 31st March, 2014				
		1 Naira	400000000	4000	371070000 1113
	As on 31st March, 2013				



Annexed to and forming part of the Balance Sheet as at 31st March 2014

Note 2. Reserve & Surplus

Particulars	(Rs in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Exchange Fluctuation Reserve	382	129
General Reserve:	6	6
Surplus / (deficit):	1,725	1,454
Total	2,113	1,589



Annexed to and forming part of the Balance Sheet as at 31st March 2014

Note 3 : Long term provisions

(Rs in Lacs)

Particulars	As at Mar'	As at Mar'
	31, 2014	31, 2013
For Gratuity	-	29
	-	29



Annexed to and forming part of the Balance Sheet as at 31st March 2014

Note 4 : Short term Borrowings

Sl	Nature of Borrowings	As at Mar' 31, 2013	As at Mar' 31, 2013
	Other Loans from Banks	-	650
	Total	-	650

Note: 1. There is no default in repayment of principal loan or interest thereon.



Annexed to and forming part of the Balance Sheet as at 31st March 2014

Note 5: Other Current Liabilities (Rs in Lacs)

Particulars	As at Mar' 31, 2014	As at Mar' 31, 2013
Creditors for Capital Goods	5	-
Advances from Customers	15	0
Interest accrued but not due on loans	-	5
Statutory Liabilities	-	1
Other payables	123	448
Total:	143	454



Annexed to and forming part of the Balance Sheet as at 31st March 2014
Note 6 : Short term Provisions

(Rs in Lacs)		
Particulars	As at Mar' 31, 2014	As at Mar' 31, 2013
For Leave Encashment	18	11
For Gratuity Payable	32	-
Provision For Taxation	-13	99
For other provision	1	9
Total:	38	119



Annexed to and forming part of the Balance Sheet as at 31st March 2014

Note 7 : Inventories

Particulars	(Rs in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Raw Materials (including packing materials)	1,018	1,116
Work-in-Progress	28	11
Finished goods	170	197
Stock-in-trade	82	59
Stores & spares	3	6
Total	1,301	1,389



Annexed to and forming part of the Balance Sheet as at 31st March 2014

Note 8: Trade Receivables

Particulars	(Rs in Lacs)	
	As at Mar' 31, 2014	As at Mar' 31, 2013
Unsecured:		
Other debts : Considered good	302	341
Total	302	341



Annexed to and forming part of the Balance Sheet as at 31st March 2014

Note 9 : Cash & cash Equivalents (Rs in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Balances with banks	765	696
Total	765	696



Note 10: Short term Loans & advances

Particulars	(Rs in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Advances to Suppliers	344	-
	344	-
	344	-
Advances to Employees	25	10
	25	10
	25	10
Other Loans & Advances	8	398
Deposit with others	71	-
Total	448	408



Annexed to and forming part of the Balance Sheet as at 31st March 2014

Note 10: Short term Loans & advances (Rs in Lacs)

Particulars	March 31, 2014	As at March 31, 2013
Unsecured and Consider Good		
Other Receivables	10.78	
	10.78	-



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2014

Note No. 12 Revenue from Operations

Rs. In Lacs

	Particulars	For the year ended March 31' 2014	For the year ended March 31' 2013
A	Sale of Products	5,486	5,503
	Domestic	5,457	5,502
	Export	29	1
B	Other Operating Revenues	15	23
	Sale of Scrap	15	23
	Total	5,501	5,526



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2014

Note No. 13 Other Income

Rs. In Lacs

	Particulars	For the year ended March 31' 2014	For the year ended March 31' 2013
A	Interest Income	19	0
F	Miscellaneous Receipts	4	0
	Total	23	0



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2014

Note 14 - Cost of Material Consumed

	Particulars	For the year ended March 31' 2014	For the year ended March 31' 2013
A	Raw material consumed	1,654	1,875
B	Packing material consumed	624	595
	Total	2,278	2,470



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2014

Note 15 - Purchase of Stock in Trade

	Particulars	For the year ended March 31' 2014	For the year ended March 31' 2013
	Purchase of Goods	200	-
	Total	200	-



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2014

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

Particulars	For the year ended March 31' 2014	For the year ended March 31' 2013
Opening Inventories		
Finished Goods	197	94
Work in Progress	11	15
Stock-in-trade	59	184
Closing Inventories		
Finished Goods	170	197
Work in Progress	28	11
Stock-in-trade	82	59
Total	(13)	26



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2014

Note No. 17 : Employee Benefits Expenses

Rs. In Lacs

	Particulars	For the year ended March 31' 2014	For the year ended March 31' 2013
A	Salaries, Wages and Bonus	453	329
B	Contribution to Provident and Other Funds	88	62
C	Workmen and Staff Welfare	61	42
	Total	601	433



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2014

Note No. 18 : Finance Cost

Rs. In Lacs

	Particulars	For the year ended March 31'	For the year ended March 31' 2013
A	Interest Expense	6	11
B	Bank Charges	40	30
C	Net (gain)/loss on foreign currency transaction	(27)	(5)
	Total	19	36



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2014

Note No. 19 : Depreciation & Amortisations

Rs. in lacs

Particulars	For the year ended March 31' 2014	For the year ended March 31' 2013
Depreciation on Tangible Fixed Assets	97	168
Total	97	168



Annexed to and forming part of Profit & Loss Account for the year ended March 31' 2014

Note No. 20 : Other Expenses

Rs. In Lacs

Particulars	For the year ended March 31' 2014	For the year ended March 31' 2013
Power and Fuel	78	75
Stores and Spares Consumed	22	29
Repair to Building	4	16
Repair to Plant and Machinery	18	17
Repair to Others	26	17
Processing Charges	406	484
Rates and taxes	23	21
Rent	11	7
Insurance	18	16
Freight and Forwarding Charges	37	37
Advertisement and Publicity	1,037	911
Travel and Conveyance	115	64
Legal and Professional	38	36
Telephone and Fax Expenses	16	12
Security Expenses	14	12
General Charges	60	55
Auditor's Remuneration	13	12
Total	1,939	1,822



(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 31st March, 2014

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, other pronouncement of ICAI, provisions of the Companies Act, 1956 and guidelines issued by SEBI as applicable.

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.

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 Revised Schedule VI to the companies Act, 1956

2.1 Translation of overseas subsidiaries from foreign to reporting currency:-

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 thereby accounting for aggregate of net impact in exchange fluctuation in these regards as exchange reserve shown under board head of "Reserve and Surplus".

2.2 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 income stipulated for recognition on realization basis on the ground of uncertainty under AS-9 or income or expenses referred to in appropriate paragraphs of Note no: 2.5

2.3 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 at rates specified in Schedule XIV of the Companies Act and as per the useful lives of the assets estimated by the management when useful life of the assets is deemed less and for Motor Vehicles when depreciation has been provided for on written down value method at the rates specified in the aforesaid schedule.
- d) Fixed Assets purchased for less than Rs. 5,000/- have been depreciated at the rate of 100%.
- e) Patents and trademarks are being amortized over the period of ten years on straight line basis.
- f) Software's are being amortized over the period of five years on straight line basis.
- g) For New Projects, all direct expenses and direct overheads (excluding services provided by employees in company's regular payroll) are capitalized.
- h) 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.
- i) During sale of fixed assets, any profit earned towards excess of sale values over gross block of assets (i.e. balancing charge) is transferred from profit & loss account to capital reserve.

2.4 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 term 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 CGU's and identified for writing down on the ground of obsolescence, damage, redundancy & un-usability at the year-end.
- c) Further the company has assessed recoverable value of each cash generating units (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.

2.5 Financial Assets & Liabilities

a) Financial assets held for trading:

These assets relate to equity instruments, mutual funds held for short term which is carried at fair value. The difference of cost and fair value is accounted for as loss or income, as the case may be, in profit & loss account.

b) Financial assets available for sale:

These relate to non-current investments e.g. Equity Instrument / Government Securities held for long term which is carried at fair value. The difference between cost and fair value is accounted for in investment revaluation reserve forming part of equity.

c) Other financial assets / liabilities - Loans, Receivables, Payables:

These include all remaining items of assets and liabilities, (excluding equity, fixed (tangible & intangible) assets, inventories and specific exemption referred to in note (g) to follow), being carried at amortized cost. The difference between unamortized value and amortized value is accounted for as a loss or income, as the case may be, in profit and loss account.

No amortization is made for financial assets / liabilities bearing floating rate of interest or where amortization has in material impact on profitability in AS-30.

d) Financial Instruments:

These relate to off - balance sheet exposure towards foreign exchange of the nature of currency fluctuation or forward contract, being marked to market, entered into with the object of hedging against adverse currency fluctuation (not being for trading and speculation) in respect of import / export commitments.



Financial instruments are held at fair value and the profit or loss arising on year closing date on account of difference between contract rate and exchange rate (the latter being the fair value) on open contracts relevant to maturity date is recognized as profit or loss of the year appearing under broad head of "Finance Cost".

- e) Fair value of financial assets – held for trading is determined on the basis of market quotation / NAV issued by investees. In the absence of scope of determination of fair value, same are held at cost.
- f) Amortized cost is carried at by way of discounting future cash inflow / out flow in respect of relevant asset / liability as on reporting date against application of effective rate of interest.
- g) Interest in subsidiaries / associates / joint venture, employees related dues, obligation under financial lease (in the capacity of lessee / lessor) have been left out of the purview of treatments referred to herein for financial assets / liabilities because of different accounting standards dealing with them.
- h) No amortized value of fiscal provision or advance tax has been considered because of period of uncertainty of their adjustment.

2.6 Research and Development Expenses:

Contributions towards scientific research expenses are charged to the Profit & Loss Account in the year in which the contribution is made.

2.7 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 up-to the stage of completion.
- c) Finished Goods: Cost of input plus appropriate overhead.

2.8 Deferred Entitlement on Leave Travel Concession:

In terms 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.

2.9 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 (revised).
 - ii) Post separation benefits of directors, which is of the nature of long term benefit, on the basis of actuarial valuation as per AS-15 (revised).
 - iii) Gratuity Liability on the basis of actuarial valuation as per AS-15 (revised)

- 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.

2.10 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.

2.11 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.

2.12 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-à-vis reporting currency is accounted for in profit and loss account.



- 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.

2.13 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 Miscellaneous Expenditure under broad head of non-current assets 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.

2.14 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.

- iii) 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.

2.15 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 from there 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".

2.16 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.

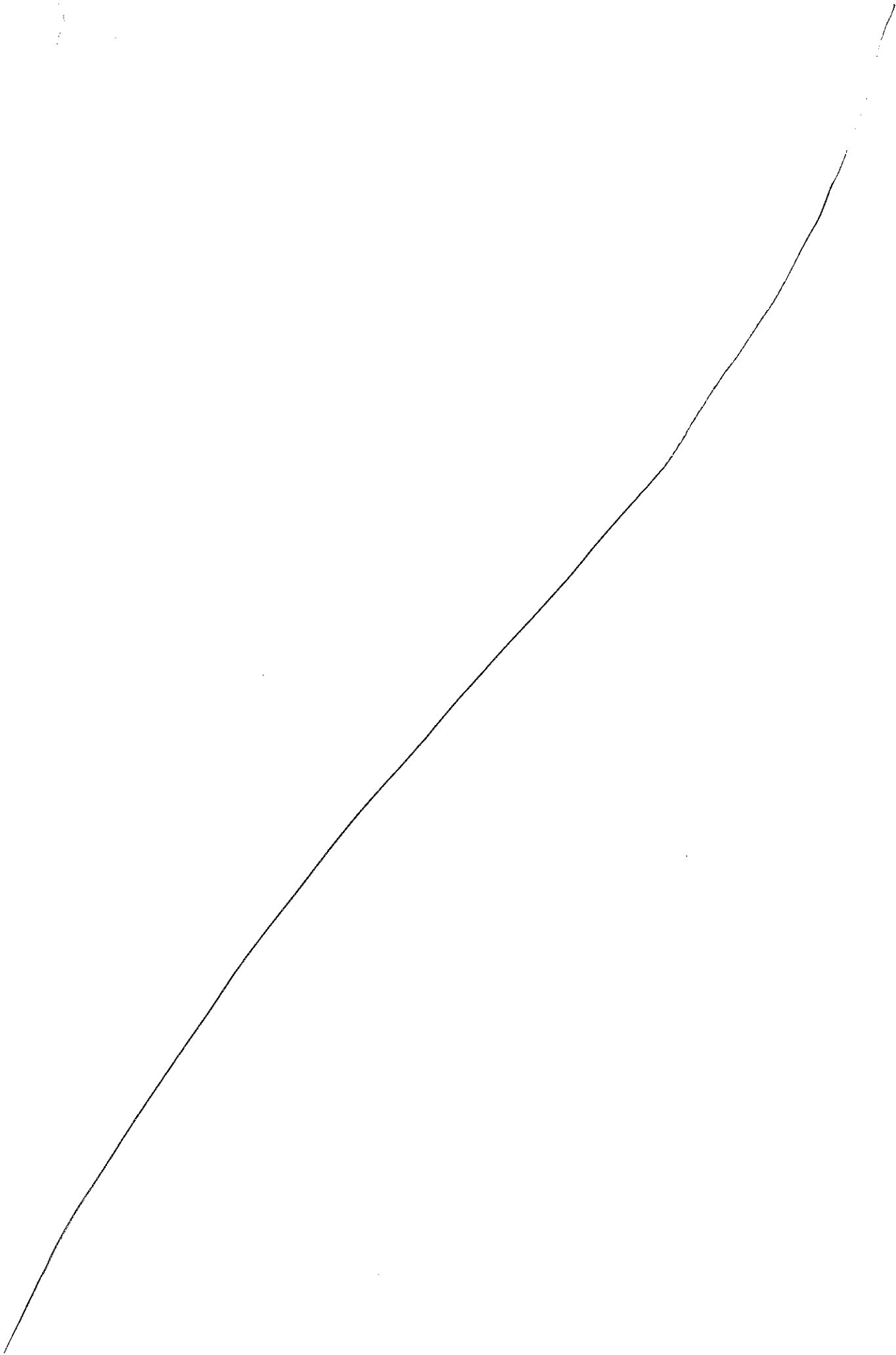
For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.17 Miscellaneous Expenditure

- a) Deferred Employees Compensation under ESOP is amortized on straight line basis over vesting period.
- b) Share issue expenses and research fee paid in connection with technical collaborations are charged to revenue in the year of occurrence.
- c) Statutory / Compulsory reserves inherited from merger / amalgamation / acquisition of new entities are shown under this head as "Amalgamation Adjustment Account" for the purpose of their retention under "Reserves and Surplus" head in liability side.

Amalgamation Adjustment Account is reversed only after withdrawal of relevant statutory / compulsory reserve following expiry of fulfillment of statutory period / objective or cessation of statutory obligation.





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.

PAYEE Tax & WHT Demand 25 lacs

Irrevocable Letter of Credit of USD 102,189 which is Equivalent to Rs 55 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)	5,388
Misc. Income (Rs in lacs)	22
Total Income	5,410

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

o) Contigent Liabilities:

	31.03.2014	31.03.2013
	Rs in lacs	Rs in lacs
Irrevocable Letter of Credit	64	155
Capital Commitment	37	127
PAYEE Tax & WHT Demand	0	25
Import Financing Facility	1,500,000	864
Overdraft Facility		180

As per our report of even date attached

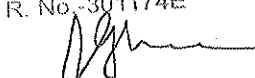
For G Basu & Co

Chartered Accountants

Place : New Delhi

Date : 29th April 2014

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



(N. K. GHOSH)
Partner
(M. No. 053094)