

ASIAN CONSUMER CARE PRIVATE 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 Asian Consumer Care Private 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 Dhaka at Bangladesh 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

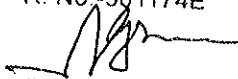
For G. BASU & CO.
Chartered Accountants
R. No. -301174E


(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 of 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)

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

(Amt in Rs Lacs)

	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	3184	3,184
	b) Reserves and Surplus	2	1,505	437
	3. Non-current liabilities			
	a) Deferred Tax Liabilities (Net)		2	-
	b) Long-term provisions		-	-
	4. Current Liabilities			
	a) Trade payables		1,530	928
	b) Other current liabilities	3	2,111	1,481
	c) Short-term provisions	4	590	433
	Total:		8,923	6,463
II	ASSETS			
	1. Non-current assets			
	a) Fixed Assets			
	i) Tangible assets		3,963	528
	ii) Capital work-in-progress			1,601
	b) Long-term loans and advances	5	-	63
	2. Current assets			
	a) Inventories	6	1,049	839
	b) Trade receivables	7	11	20
	c) Cash and cash equivalents	8	1,292	2,087
	d) Short-term loans and advances	9	640	1,325
	e) Other current assets	10	1,968	-
	Total:		8,923	6,463

*Closing exchange rate as on 31.03.2014 Taka 1 = Re. 0.77 (PY Taka 1 = Re. 0.70)

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)

Asian Consumer Care Private Limited

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

(Amt in Rs Lacs)

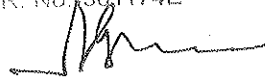
DESCRIPTION	Note No	For the year ended Mar 31' 2014	For the year ended Mar 31' 2013
I Revenue from operations	11	10,043	7,971
II Other Income	12	115	91
III Total Revenue (I +II)		10,158	8,062
IV Expenses			
Cost of materials consumed	17	3,322	3,012
Purchase of stock in trade	18	1,239	750
Changes in inventories of FG , WIP & Stock in Trade			
Finished Goods	19	67	(106)
Work in Progress		(69)	5
Stock in trade		(35)	97
Employee benefits expenses	13	690	447
Finance cost	14	14	20
Depreciation	15	96	27
Other Expenses	16	3,667	2,770
Total Expense		8,991	7,021
(V) Profit before exceptional and extraordinary items and tax (III - IV)		1,167	1,041
(VI) Exceptional Items		-	-
(VII) Profit before extraordinary items and tax (V - VI)		1,167	1,041
(VIII) Extraordinary Items		-	-
(IX) Profit before tax (VII - VIII)		1,167	1,041
(X) Tax expense			
(1) Current tax		457	420
(2) Deferred Tax		3	-
(XI) Profit/(Loss) for the year from continuing operations (IX - X)		708	621

*Average Exchange rate as on 31.03.2014 Taka 1 = Re. 0.78 (PY Taka 1 = Re. 0.67)

Place : New Delhi
Date : 29th April 2014

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

For G. BASU & CO.
Chartered Accountants
R. No. 30,1174E


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

Asian Consumer Care Pvt Ltd

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

(Amount 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		1,167		1,041
ADD:				
DEPRECIATION	96		27	
MISCELLANEOUS EXP. WRITTEN OFF	-		6	
INTEREST	14	110	20	53
LESS:				
INTEREST RECEIVED	111		91	
PROFIT ON SALE OF ASSETS	-	111		91
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		1,167		1,003
WORKING CAPITAL CHANGES				
(INCREASE)/DECREASE IN INVENTORIES	(210)		(22)	
(INCREASE)/DECREASE IN TRADE AND OTHER RECEIVABLES	1,090		(968)	
INCREASE/(DECREASE) IN TRADE PAYABLES AND OTHER PAYABLES	(883)	(3)	1,109	120
(INCREASE)/DECREASE IN WORKING CAPITAL				
CASH GENERATED FROM OPERATING ACTIVITIES		1,163		1,122
TAX PAID	121		58	
CASH USED(-)/(+)GENERATED FROM OPERATING ACTIVITIES (A)		1,042		1,064
B. CASH FLOW FROM INVESTING ACTIVITIES				
ACQUISITION OF FIXED ASSETS		(1,934)		(1,640)
INTEREST RECEIVED		111		91
CASH USED(-)/(+)GENERATED IN INVESTING ACTIVITIES (B)		(1,823)		(1,549)
C. CASH FLOW FROM FINANCING ACTIVITIES				
PROCEEDS FROM SHARE CAPITAL & PREMIUM		-		2,519
INTEREST PAID		(14)		(20)
CASH USED(-)/(+)GENERATED IN FINANCING ACTIVITIES (C)		(14)		2,499
NET INCREASE(+)/DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)		(795)		2,014
CASH AND CASH EQUIVALENTS OPENING BALANCE		2,087		73
CASH AND CASH EQUIVALENTS CLOSING BALANCE		1,292		2,087

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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Note 2: Reserve & Surplus

Particulars	(Rs in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Exchange Fluctuation Reserve	611	250
Surplus / (deficit):	894	186
Total	1,505	437



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

Note 3: Other Current Liabilities

Particulars	(Rs in Lacs)	
	As at Mar' 31, 2014	As at Mar' 31, 2013
Creditors for Capital Goods	6	-0
Advances from Customers	10	-
Interest accrued but not due on loans	-	25
Statutory Liabilities	1,361	957
Other payables	735	499
Total:	2,111	1,481



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

Note 4: Short term Provisions

(Rs in Lacs)

Particulars	As at Mar' 31, 2014	As at Mar' 31, 2013
For Leave Encashment	8	13
Provision For Taxation	582	421
Total:	590	433



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

Note 5: Long term Loans & Advances

(Rs in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Capital Advance	-	63
	0	63
Total		



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

Note 6: Inventories

(Rs in Lacs)

Particulars	As at March	
	31, 2014	31, 2013
Raw Materials (including packing materials)	608	439
Work-in-Progress	122	53
Finished goods	178	245
Stock-in-trade	136	102
Stores & spares	5	
Total	1,048.87	839



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

Note 7: Trade Receivables

Particulars	(Rs in Lacs)	
	As at Mar' 31, 2014	As at Mar' 31, 2013
Unsecured:		
Debits outstanding for a period of above 6 month since due date of payment		
Considered good	-	3
Considered doubtful	-	3
Less: Provision for doubtful debts	-	0
Other debts : Considered good	11	20
Total	11	20



Annexed to and forming part of Balance Sheet as at March 31' 2014
Note 8: Cash & cash Equivalents

(Rs in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Balances with banks	1,290	2,086
Cash-in-Hand	2	1
Less Bank deposit maturing after 12 months	1,292	2,087
Total	-	-
	1,292	2,087



Note 9: Short term Loans & advances

Particulars	(Rs in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Advances to Suppliers	142	108
	-	-
	142	108
	-	-
	142	108
Advances to Employees	3	7
	-	-
	3	7
	-	-
	3	7
Other Loans & Advances	182	1,023
Advance Payment Of Tax	304	183
Deposit with others	8	3
Total	640	1,325



Annexed to and forming part of Balance Sheet as at March 31' 2014
Note 10: Other Current Assets

Particulars	(Rs in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Unsecured and Consider Good		
Other Assets	1,968	-
	1968	-



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

Note 11: 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	10,008	7,936
	Domestic	10,008	7,936
B	Other Operating Revenues	35	35
	Sale of Scrap	35	35
	Total	10,043	7,971



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

Note 12: Other Income

Rs. In Lacs

	Particulars	For the year ended March 31' 2014	For the year ended March 31' 2013
A	Interest Income	111	91
E	Gain on Sale of Fixed Assets	4	0
	Total	115	91



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

Note 13 : 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	582	352
B	Contribution to Provident and Other Funds	0	3
C	Workmen and Staff Welfare	107	86
F	ESOP Expenses	0	6
	Total	690	447



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

Note 14: Finance Cost

Rs. In Lacs

	Particulars	For the year ended March 31' 2014	For the year ended March 31' 2013
A	Interest Expense	0	7
B	Bank Charges	16	28
C	Net (gain)/loss on foreign currency transaction	(3)	(16)
	Total	14	20



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

Note 15 : 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	96	27
Total	96	27



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

Note 16: Other Expenses

Rs. In Lacs

Particulars	For the year ended March 31' 2014	For the year ended March 31' 2013
Power and Fuel	21	24
Stores and Spares Consumed	5	3
Repair to Plant and Machinery	7	4
Repair to Others	7	6
Processing Charges	24	3
Rates and taxes	35	4
Rent	66	48
Insurance	36	34
Sales Tax	1,912	1,485
Freight and Forwarding Charges	112	119
Commission,Discount and Rebate	25	14
Advertisement and Publicity	985	657
Travel and Conveyance	85	70
Legal and Professional	10	9
Telephone and Fax Expenses	13	10
Security Expenses	16	4
General Charges	300	276
Auditor's Remuneration	1	1
Fixed Assets Written Down	8	0
Total	3,667	2,770



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

Note 17 - Cost of Material Consumed

	Particulars	For the year ended March 31' 2014	For the year ended March 31' 2013
A	Raw material consumed	2,198	2,003
B	Packing material consumed	1,123	1,009
	Total	3,322	3,012



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

Note 18 - Purchase of Stock in Trade

	Particulars	For the year ended March 31' 2014	For the year ended March 31' 2013
	Purchase of Goods	1,239	750
	Total	1,239	750



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

Note 19 - 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	245	139
Work in Progress	53	57
Stock-in-trade	102	198
Closing Inventories		
Finished Goods	178	245
Work in Progress	122	53
Stock-in-trade	136	102
Total	(37)	(5)



Asian Consumer Care Pvt Ltd

Note No.: 20

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 convection 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.

2. Notes to Accounts:

- 1. "Related Party Disclosure" as required under AS-18 issued by ICAI are given below:

- a) **Names on the related parties and nature of relationships with the related parties:**

Name of the Related Party	Nature of The Relationship
i) Dabur India Limited	Parent Company of Holding Company
ii) Dabur Nepal Private Limited	Fellow Subsidiary Company
iii) Dabur International limited, Dubai	Holding Company
iv) ACI Limited, Bangladesh (a Joint Venture Company)	Associate

b) Transaction with the Related Parties:

(Rs in Lacs)

Nature of Transaction	Parent Company of Holding Company (Rs)	Associate Company (Rs)	Fellow Subsidiary (Rs)	Holding Company (Rs)
i) Purchase of Goods	1012		99	37
ii) Power & Utilities		9		
iii) Rent		8		
iv) Creditors	261	1	3	131
	1273	18	102	168



2. Information pursuant to AS-19 issued by ICAI :

There is a operating lease agreement executed on 28th January 2005 initially for a period of 02 years ending on 15th July 2007 subsequently renewed for several times and ultimate renewal for 02 years (16.07.2012 to 15.07.2013) These lease agreements includes list of machineries & movable items in the factory Manikganj the number of such items is 72. The considerations in this regard after the last renewal is to the extent of Rs 79,721/- per month and other ancillary cost to be payable Asian Consumer Care Pvt. Ltd.

The Lease payment on this account for the financial year 2013-2014 is identified as Rs. 9 Lacs and duly accounted for as Lease Rent.

The future payment on this account is restricted to 15th July 2014 and accordingly such lease will be terminated.

3. Classification of Sundry Debtors are given below:

Debts Outstanding for a period exceeding six months	Rs NIL
Other Debts	Rs 15 Lacs
Total	Rs 15 Lacs

4. Contingent Liability Not Provided For:

- a) In respect of Letter of Credit issued by the Bank amounting to Rs 886 lacs (Previous Year Rs 524 Lacs)
 - b) Shipping Guarantee issued by bank amounts to Rs NIL lacs (Previous year Rs 464 Lacs)
 - c) Estimated amount of contract remaining to be executed on Capital Account Rs 379 lacs (Previous year Rs 822 lacs)
 - d) In respect of Bank Guarantee issued by the bank Rs NIL (Previous year Rs 3 lacs)
5. In absence of any reasonable certainty of earning profit in near future no deferred tax assets has been created for carry forward losses as the possibilities of realization of this nature of assets in future remains uncertain. Being no difference in the rate of depreciation on fixed assets in Bangladesh Company's Act, 1994 and Income Tax, 1984 no deferred tax assessed/liability is necessary on account of depreciation difference. However, Deferred Tax Liability has been assessed at Rs 2.40 lacs which has not been taken into account.
6. The book records for fixed assets contain certain assets worth of Rs 5 lacs (Previous year Rs 5 lacs) still lying at Narayangonj factory of the company which is of no use as such calls for either a provision to be made there against or steps should be taken to write it off.



7. The finished goods and packing material of the nature of obsolete/damaged/date expired worth Rs 28 lacs (Previous year Rs 9 lacs) have been written off during the year. Provisions against damaged / shortage, obsolete materials of Rs 24 Lacs had been made against material consumed. Including the fresh provisions of Rs 5 Lacs as mentioned the total provision in this regard is Rs 24 Lacs.
8. It is informed that no benefit on service of the nature of P.F, ESI and gratuity is available to the employees of the company excepting leave salary which are being paid for by the company itself being in the nature of encashment. The liability of any unpaid portion at the year end is Rs 8 lacs based on actuarial valuations (Previous year Rs 13 lacs). There is no "Defined contribution plan" for the same. Corresponding deposits in the Banks or Financial Institutions to meet the above liability has not been made by the company.
9. Confirmation from the Sundry Debtors have been received & checked from our end. Advances & due to Sundry Creditors and others remain unconfirmed.
10. The Statutory auditor are held as retainer for providing service of taxation matter are paid Rs 1.39 lacs (Previous half year 1.26 lacs). The expenses have been booked under legal and professional charge. But no disclosure there for has been made in the financial statement of the company for the year although there is a separate disclosure requirement under item no. 6 of Part II of Schedule XI of local company's Act, 1994.

In addition Statutory Auditors were paid Rs 0.12 lacs (Previous Rs 0.27 lacs) being reimbursement of out of pocket expenses.
11. The Board has approved CAPEX of Rs 4229 Lacs for purchase of factory land, machinery etc. The Company has spent Rs 3470 Lacs, for plant & machinery & civil constructions during the FY 2013-2014.

12. Creditors:

- i) There is acceptance for Bills Discounting outstanding for Rs NIL (Previous Year Rs 576 lacs). All relate to sundry creditors for goods.
- ii) Test check of sundry creditors accounts has been made on sample basis wherein no significant discrepancy has been noticed. No age wise break up has been produced as such genuineness of the liabilities could not be ascertained.
- iii) Letter for balance confirmation issued by the Company to individual parties has not been responded.



13. Other Liabilities:

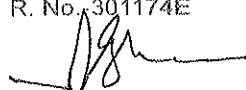
- a. Certain accounts have been test checked wherein no significant observation noticed.
- b. Unpaid liabilities on account of rent, telephone, telex, fax, electricity charged, salary & wages, advertisement etc have been provided which amounts to Rs 569 lacs for over and above a liability to the extent of Rs 8 lacs has been provided against leave encashment, considered on actuarial basis. (Excluding Workers Profit Participation & Welfare Fund)
- c. Provision has been made for the Worker's Profit Participation and Welfare Fund as per the provisions of the Labour Act, 2006 which amounts to Rs 63 lacs.

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)

