

TELEGRAMS : "TROBAS" CALCUTTA
TELEPHONE : 2212-6253, 2212-8016
FAX : 00-91-33-2212 7476
WEBSITE : www.gbasuandcompany.org
E-MAIL : s.lahiri@gbasu.in

G. BASU & CO.
CHARTERED ACCOUNTANTS

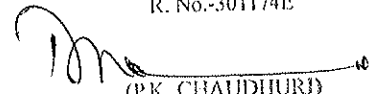
BASU HOUSE
3, CHOWRINGHEE APPROACH
KOLKATA - 700 072

REPORT ON THE FINANCIAL STATEMENTS

We have verified the enclosed financial statements of Dabur Nepal Pvt Ltd (presented in Indian National currency), where 97.5% of the equity shares are held by 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 profit and their cash flows for the year ended on that date.

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


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

Place: New Delhi

Date: 4th May 2015



Dabur Nepal Pvt. Ltd

Balance Sheet as at 31st March 2015

(Amount in Rs Lacs)

	PARTICULARS	Note No	As at 31st March, 2015	As at 31st March, 2014
I	EQUITY AND LIABILITIES			
	1. Share holder's Funds			
	a) Share Capital	1	499	499
	b) Reserves and Surplus	2	17,981	14,636
	2. Non-current liabilities			
	a) Deferred Tax Liabilities (Net)		49	-339
	b) Long-term provisions	3	-	76
	4. Current Liabilities			
	a) Short-term borrowings	4	14,722	11,657
	b) Trade payables		6,814	5,865
	c) Other current liabilities	5	327	2,323
	d) Short-term provisions	6	4,567	2,866
	Total:		44,959	37,583
II	ASSETS			
	1. Non-current assets			
	a) Fixed Assets			
	i) Tangible assets		15,542	10,378
	ii) Intangible assets		-	-
	iii) Capital work-in-progress		1,215	129
	2. Current assets			
	a) Current investment		-	
	b) Inventories	7	11,188	12,316
	c) Trade receivables	8	10,250	8,138
	d) Cash and cash equivalents	9	67	1,063
	e) Short-term loans and advances	10	6,668	3,144
	f) Other current assets	11	29	2,415
	Total:		44,959	37,583

*Exchange rate as on 31.03.2015 NPR 1 = Re. 0.625 (PY NPR 1 = Re. 0.625)

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)

Dabur Nepal Pvt. Ltd

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

(Amount in Rs Lacs)

PARTICULARS	Note No	For the year ended Mar 31' 2015	For the year ended Mar 31' 2014
I Revenue from operations	12	58,756	54,107
II Other Income	13	22	17
III Total Revenue (I +II)		58,778	54,124
IV Expenses			
Cost of materials consumed	14	40,724	37,785
Purchase of stock in trade	15	(900)	(608)
Changes in inventories of FG , WIP & Stock in Trade			
Finished Goods	16	739	281
Work in Progress		13	(8)
Stock in trade		-	-
Employee benefits expenses	17	3,509	3,054
Finance cost	18	624	1,054
Depreciation & Amortisation Expenses	19	966	1,742
Other Expenses	20	7,489	7,024
Total Expense		53,164	50,324
(V) Profit before exceptional and extraordinary items and tax (III - IV)		5,614	3,800
(VI) Exceptional Items		-	-
(VII) Profit before extraordinary items and tax (V - VI)		5,614	3,800
(VIII) Extraordinary Items		-	-
(IX) Profit before tax (VII - VIII)		5,614	3,800
(X) Tax expense			
(1) Current tax		1,057	836
(2) Deferred Tax		70	9
(XI) Profit/(Loss) for the year from continuing operations (IX - X)		4,487	2,955

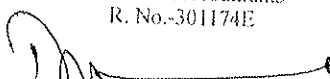
*Exchange rate as on 31.03.2015 NPR 1 = Re. 0.625 (PY NPR 1 = Re. 0.625)

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)

Dabur Nepal P Ltd

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

(Amount in Rs. Lacs)

PARTICULARS	FOR THE YEAR ENDED MARCH 31'2015		FOR THE YEAR ENDED MARCH 31'2014	
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT /(LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS		5,614		3,800
ADD:				
DEPRECIATION	966		1,742	
LOSS ON SALE OF FIXED ASSETS	2		39	
INTEREST	624	1,592	1,053	2,834
LESS:				
INTEREST RECEIVED	25		22	
PROFIT ON SALE OF ASSETS	6	19	10	12
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		7,187		6,622
WORKING CAPITAL CHANGES				
(INCREASE)/DECREASE IN INVENTORIES	1,129		(714)	
(INCREASE)/DECREASE IN TRADE AND OTHER RECEIVABLES	(2,513)		(3,108)	
INCREASE/(DECREASE) IN TRADE PAYABLES AND OTHER PAYABLES	(1,442)	(2,826)	606	(3,216)
(INCREASE)/DECREASE IN WORKING CAPITAL				
CASH GENERATED FROM OPERATING ACTIVITIES		4,361		3,406
TAX PAID	739		699	
CASH USED (-)/(+)GENERATED FROM OPERATING ACTIVITIES (A)		3,622		2,707
B. CASH FLOW FROM INVESTING ACTIVITIES				
ACQUISITION OF FIXED ASSETS		(7,216)		(1,957)
INTEREST RECEIVED		25		22
CASH USED (-)/(+)GENERATED IN INVESTING ACTIVITIES (B)		(7,191)		(1,935)
C. CASH FLOW FROM FINANCING ACTIVITIES				
REPAYMENT (-)/PROCEEDS (+) FROM SHORT TERM LOANS		3,063		1,096
INTEREST PAID		(624)		(1,053)
CASH USED (-)/(+)GENERATED IN FINANCING ACTIVITIES (C)		2,439		43
NET INCREASE (+)/DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)		(1,130)		815
CASH AND CASH EQUIVALENTS OPENING BALANCE		1,063		248
CASH AND CASH EQUIVALENTS CLOSING BALANCE		67		1,063

Place : New Delhi
Date : 4th May 2015

As per our report of even date attached

For G. BASU & CO.
Chartered Accountants
R. No. 36117H

(Signature)
(M. No. 003814)
Partner
(M. No. 003814)



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

Note 1 : Share Capital

(Amount in Rs Lacs)

Sl	Class of Shares		Face value of one share	Authorised Capital		Issued Share Capital		Subscribed and Paid-up Share Capital	
				Total no. of Shares	Total Value (in NPR)	Total no. of Shares	Total Value (Rs in NPR)	Total no. of Shares	Total Value (Rs in lacs)
A (i)	Equity Shares	As on 31st March, 2015	NPR 100 each	1400000	1400	800000	800	798520	499
		As on 31st March, 2014	NPR 100 each	1400000	1400	800000	800	798520	499



Note No 2 : Reserve & Surplus

(Amount in Rs Lacs)

Particulars	As at March	As at March
	31, 2015	31, 2014
Securities Premium Reserve:	375	375
Employee Housing Reserve Fund	609	609
ESOP Outstanding:	-	-
Exchange Fluctuation Reserve	-660	395
General Reserve:	450	537
Surplus / (deficit):	17,207	12,720
Total	17,981	14,636



Annexed to and forming part of Balance Sheet as on 31st March 2015
Note No 3 : Long term provisions

(Amount in Rs Lacs)

Particulars	As at Mar' 31, 2015	As at Mar' 31, 2014
For Leave encashment		76
		76



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

Note No. 4: Short term Borrowings

(Amount in Rs Lacs)

Sl	Nature of Borrowings	As at Mar' 31, 2015			As at Mar' 31, 2014		
		Secured	Unsecured	Total	Secured	Unsecured	Total
i)	Cash Credits from bank	972		972	40		40
ii)	Packing Credit Loan from Banks			-			-
iii)	Other Loans from Banks	13,750		13,750	11,617		11,617
iv)	Commercial Papers			-			-
	Total	14,722	-	14,722	11,657	-	11,657

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



Annexed to and forming part of Balance Sheet as on 31st March 2015
Note No 5: Other Current Liabilities

(Amount in Rs Lacs)

Particulars	As at Mar' 31, 2015	As at Mar' 31, 2014
Component of term loan repayable within a year		-
Security Deposits	12	9
Advances from Customers	5	5
Interest accrued but not due on loans	24	3
Statutory Liabilities	97	112
Other payables	189	2,194
Total:	327	2,323



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

Note No 6 : Short term Provisions

(Amount in Rs Lacs)

Particulars	As at Mar' 31, 2015	As at Mar' 31, 2014
For Leave Encashment	89	9
For Gratuity Payable	76	11
Provision For Taxation	3,438	2,381
For other provision	964	465
Total:	4,567	2,866



Annexed to and forming part of Balance Sheet as on 31st March 2015
Note No 7 : Inventories

(Amount in Rs Lacs)

Particulars	As at March	As at March
	31, 2015	31, 2014
Raw Materials (including packing materials)	9,103	9,496
Work-in-Progress	266	279
Finished goods	1,802	2,541
Stores & spares	17	0
Total	11,188	12,316



Annexed to and forming part of Balance Sheet as on 31st March 2015
 Note No 8 : Trade Receivables

(Amount in Rs Lacs)

Particulars	As at Mar' 31, 2015	As at Mar' 31, 2014
Unsecured:		
Debts outstanding for a period of above 6 month since due date of payment		
Considered good	0	-
Considered doubtful	245	2
	245	2
Less: Provision for doubtful debts	245	2
	0	-
Other debts : Considered good	10,250	8,138
Total	10,250	8,138

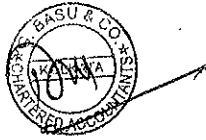


Annexed to and forming part of Balance Sheet as on 31st March 2015

Note No 9 : Cash & cash Equivalents

(Amount in Rs Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Balances with banks (Net of FDR's maturing after 12 months)	65	1,061
Cash-in-Hand	2	2
Total	67	1,063



Note No 10 : Short term Loans & advances

(Amount in Rs Lacs)

Particulars		As at March 31, 2015	As at March 31, 2014
Advances to Suppliers	Considered good	225	429
	Considered Doubtful	225	429
	Less: Provision for doubtful advance	225	429
Advances to Employees	Considered good	540	264
	Considered Doubtful	540	264
	Less: Provision for doubtful advance	540	264
Balance with Government Authorities	Considered good	2,725	
Other Loans & Advances	Considered good	64	76
Advance Payment Of Tax	Considered good	3,105	2,366
Deposit with others	Considered good	9	9
Total		6,668	3,144



Annexed to and forming part of Balance Sheet as on 31st March 2015
Note No 11 : Other Current Assets

(Amount in Rs Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured and Considered Good		
Interest accrues on FDs, CP's, CD's and Govt Bonds	0	8
Other Assets	29	2,407
	29	2,415



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

Note No. 12 : Revenue from Operations

(Amount in Rs Lacs)

	Particulars	For the year ended March 31' 2015	For the year ended March 31' 2014
A	Sale of Products	58,925	54,209
	Domestic	17,284	14,668
	Export	41,641	39,541
B	Sale of Services	-	-
C	Other Operating Revenues	311	227
	Sale of Scrap	311	227
D	Less Excise Duty	(480)	(329)
	Total	58,756	54,107



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

Note No. 13 : Other Income

(Amount in Rs Lacs)

Particulars	For the year ended March 31' 2015	For the year ended March 31' 2014
Interest Income	25	22
Gain on Sale of Fixed Assets	(6)	(10)
Miscellaneous Receipts	3	5
Total	22	17



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

Note 14- Cost of Material Consumed

(Amount in Rs Lacs)

	Particulars	For the year ended March 31' 2015	For the year ended March 31' 2014
A	Raw material consumed	27,565	25,851
B	Packing material consumed	13,159	11,934
	Total	40,724	37,785



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

Note 15 - Purchase of Stock in Trade

(Amount in Rs Lacs)

	Particulars	For the year ended March 31' 2015	For the year ended March 31' 2014
	Purchase of Goods	(900)	(608)
	Total	(900)	(608)



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

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

(Amount in Rs Lacs)

Particulars	For the year ended March 31' 2015	For the year ended March 31' 2014
Opening Inventories		
Finished Goods	2,541	2,822
Work in Progress	279	271
Closing Inventories		
Finished Goods	1,802	2,541
Work in Progress	266	279
Total	752	273



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

Note No. 17 : Employee Benefits Expenses

(Amount in Rs Lacs)

	Particulars	For the year ended March 31' 2015	For the year ended March 31' 2014
A	Salaries, Wages and Bonus	3,046	2,639
B	Contribution to Provident and Other Funds	193	151
C	Workmen and Staff Welfare	259	254
D	Director's Remuneration	11	10
	Total	3,509	3,054



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

Note No. 18: Finance Cost

(Amount in Rs Lacs)

	Particulars	For the year ended March 31' 2015	For the year ended March 31' 2014
A	Interest Expense	576	308
B	Bank Charges	54	57
C	Net (gain)/loss on foreign currency transaction	(6)	689
	Total	624	1,054



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

Note No. 19 : Depreciation & Amortisations

(Amount in Rs Lacs)

Particulars	For the year ended March 31' 2015	For the year ended March 31' 2014
Depreciation on Tangible Fixed Assets	966	1,742
Total	966	1,742



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

Note No. 20: Other Expenses

(Amount in Rs Lacs)

Particulars	For the year ended March 31' 2015	For the year ended March 31' 2014
Power and Fuel	1,947	1,516
Stores and Spares Consumed	78	76
Repair to Building	79	55
Repair to Plant and Machinery	501	462
Repair to Others	585	543
Processing Charges	49	48
Rates and taxes	3	1
Rent	88	84
Insurance	239	239
Freight and Forwarding Charges	38	40
Commission,Discount and Rebate	621	525
Advertisement and Publicity	2,501	2,280
Travel and Conveyance	176	153
Legal and Professional	120	115
Telephone and Fax Expenses	46	38
Security Expenses	100	95
General Charges	274	671
Auditor's Remuneration	4	4
Corporate Social Resposibility	23	-
Provision for Doubtful Debts	15	40
Loss on Sale of Fixed Assets	2	39
Total	7,489	7,024



Note No.: 21

Dabur Nepal Private Limited

1) 1.1. SIGNIFICANT ACCOUNTING POLICIES

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 & un-usability 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.

- 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.

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.

2. Notes to Accounts

a) Capital commitments

Capital commitments on account of open contracts as of 31 March 2015 are Rs 586 (Previous Year Rs 61 Lacs)

b) Contingent Liabilities

There are contingent liabilities in respect of:

S. No.	Particulars	Rs in Lacs	
		31 March 2015	31 March 2014
1	Unexpired Letters of Credit	3149	4030
2	Unexpired Bank Guarantees	2518	2659
3	Additional Demand Income Tax (FY 64-65,65-66 & 66-67)	105	
4	Additional demand on account of VAT - (FY 61-62 & 62-63)	212	212
		5984	6901

c) Staff Housing Fund

The Company has spent Rs 102 lacs on purchase of land for the staff housing colony, and Rs 275 lacs on construction of workers' quarter upto 31 March 2015 out of total provision of Rs 609 lacs (Previous Year Rs 609 lacs).

d) Custom Duty Drawback Receivable

Custom duty drawback claims on import of materials are accounted for once the same is passed in Single Window Committee meeting of Department of Industries.

Rs 59 lacs (Previous Year Rs 103 lacs) are receivable against Customs Duty Drawback receivable from Government of Nepal as on 31 March 2015.

e) Related Party Transaction



Export Sales

The export sales are made by the Company to Dabur India Ltd, Asian Consumer Care Private Limited, related parties where the directors are interested. The sales to these companies during the year ended 31 March 2015 aggregated to Rs 41005 lacs (previous year 38539 lacs), and Rs 125 lacs (previous year Rs 97 lacs) respectively.

Purchase

Purchases from Dabur India Limited, related party, where the directors are interested, aggregated to Rs 1155 lacs (previous year 721 lacs).

Remuneration to Key Management Personnel

Remuneration to Key Management Personnel paid or payable during the period are Rs 54 lacs (Previous year Rs 46 lacs)

j) Deferred Tax

Particulars	(Rs in Lacs)	
	As at 31 March 2015	As at 31 March 2014
Deferred Tax Liability		
Depreciation	204	114
Deferred Tax Asset		
Provision for Doubtful Receivables	44	41
Housing Provision	110	110
Provision for Leave Encashment	16	15
Net Deferred Tax (Asset)/Liability as on 31 March 2014	34	(52)

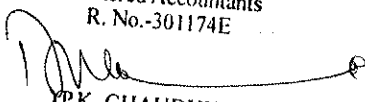
k) Previous year figures/Rounding off

Previous year's figures have been regrouped / rearranged wherever necessary and practicable to facilitate comparison. Figures are presented in Rupees lacs.

Place: New Delhi
Date: 4th May 2015

As per our report of even date

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


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