

TELEPHONE: 2649-4230
Mob. No. : 9810517204

G. BASU & CO
CHARTERED ACCOUNTANTS

75, SHIVALIK APARTMENTS
ALAKNANDA, KALKAJI
NEW DELHI - 110 019

Independent Auditor's Report

To the Members of H&B Stores Limited

Report on the Financial Statements

We have audited the accompanying financial statements of H&B Stores Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.



HEAD OFFICE: BASU HOUSE, 3, CHOWRINGHEE APPROACH, KOLKATA-700 072

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Company as at 31st March 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f. In our opinion, the Company has reasonably adequate internal financial control system in place providing operating effectiveness of such controls.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best our information and according to the explanations given to us:
 - I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 7 and 21A to the financial statements.

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- II. The Company did not have any long-term contract including derivative contract which may lead to any foreseeable loss.
- III. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

For G. Basu & Co.

Chartered Accountants

Firm's registration number: 301174E


Anil Kumar

Partner

Membership number: 9390

Place: Delhi

Date: 29th April 2015

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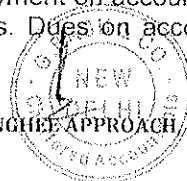
ANNEXURE TO THE AUDITORS' REPORT AS REFERRED TO IN PARA i OF THE SAID REPORT OF EVEN DATE.

- 1 a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the Management at reasonable intervals. No discrepancies between book records and the physical inventories have been noticed on such verification.
- 2 a. The inventories have been physically verified at reasonable intervals by the management.
 - b. The procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of accounts.
3. The company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under section 189 of the Companies Act.2013.
4. In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the company and the nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal controls. We have not observed any failure on the part of the company to correct major weakness in internal control system.
5. The company has not accepted any deposits under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under and as such the question of compliance under the Companies Act or any other directives or orders does not arise.
6. The maintenance of cost records under section 148(1)of the Companies Act has not been specified by the Central Government.
- 7 . a) According to information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues to the extent applicable to it.

We have been informed that there are no undisputed statutory dues as at 31st March.2015 outstanding for a period exceeding six months from the date they became payable.

 - b) There is no disputed amount due for payment on account of income tax, wealth tax, service tax, custom duty, excise duty and cess. Dues on account of Sales Tax/value added tax

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disputed by the company and not being paid vis-à-vis forum where such disputes are pending are mentioned below.

Nature of Statute	Nature of Dues	Period	Amount (Rs. in Lacs)	Forum Where the Dispute is pending
Sales Tax & VAT Laws	Under Central Sales Tax Act regarding Stock Transfer out	2014-15	183.28	Case remanded back by tribunal & pending before Assessing Officer
Sales Tax & VAT Laws	Under Local Sales Tax Act regarding classification dispute	2014-15	3.31	Appellate Tribunal
Sales Tax & VAT Laws	Under Local Sales Tax Act regarding Input Tax Credit allowance	2010-11	2.97	Case remanded back by tribunal & pending before Assessing Officer

- c) The company does not have any due for transfer to investor education and protection fund in accordance with the provision of the Companies Act and the Rules made thereunder.
8. The company's Accumulated losses as at 31st March, 2015 are less than 50% of the Net Worth of the company as on that date. The company has not incurred cash loss in the financial year 2014-15. However, the company has incurred cash losses in immediately preceding financial year.
9. Based on our audit procedures and the information and explanations given by the management, the company has not defaulted on repayment of dues to a financial institution or any Bank or Debenture holder.
10. The company has not given any guarantee for loan taken by others from Bank or Financial institutions.
11. In our opinion and according to the information and explanation given to us, and on an overall examination of the balance sheet of the company, we report that the company has not taken any term loan.
12. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For G. BASU & CO.
Chartered Accountants
FRN : 301174E


Anil Kumar
Partner
Membership No. 9390

PLACE: New Delhi
DATED: The 29th April, 2015

H & B STORES LTD.
BALANCE SHEET AS AT 31ST MARCH 2015
Part - I of Schedule III


(Rs. in Lacs)

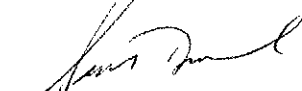
PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
I EQUITIES AND LIABILITIES			
(1) Shareholders Fund			
(a) Share Capital	2	2,314.93	4,310.62
(b) Reserves & Surplus	3	(128.24)	(2,395.68)
(2) Current Liabilities			
(a) Trade Payables	4	1,620.52	1,058.53
(b) Other Current Liabilities	5	276.02	136.65
(c) Short Term Provisions	6	87.13	75.20
Total		4,170.36	3,185.32
II ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible assets		603.48	560.14
(ii) Capital work in progress		58.68	60.85
(b) Long Term Loans & Advances	8	0.74	1.64
(c) Other Non Current Assets	9	6.11	0.13
(2) Current Assets			
(a) Inventories	10	2,555.55	1,859.41
(b) Trade receivables	11	427.74	179.87
(c) Cash and cash equivalents	12	98.39	178.90
(d) Short term loans and advances	13	63.19	29.91
(e) Other current assets	14	356.48	314.47
Accounting Policies	1		
Notes to Accounts	21 to 34		
Total		4,170.36	3,185.32


As per our report of even date attached
For G.BASU & CO.
CHARTERED ACCOUNTANTS
FRN/301174E

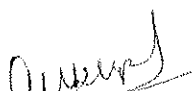

ANIL KUMAR
PARTNER
MEMBERSHIP No. 9390


PLACE : NEW DELHI
DATE : 29TH APRIL 2015


P.D. NARANG
Director
(DIN-00021581)


SUNIL DUGGAL
Director
(DIN-00041825)


VIJAY SHANKER
CEO
(PAN-APOPS1309D)


S. S. SETHI
CFO
(PAN-ARVPS7444L)


ALOK SETHI
Company Secretary
(Memb No. - A 15503)


H & B STORES LTD.
PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2015
 Part - II of Schedule III

(Rs. in Lacs)

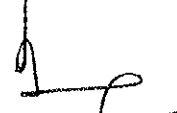
PARTICULARS	NOTE NO.	FOR THE PERIOD ENDED 31ST MARCH 2015	FOR THE PERIOD ENDED 31ST MARCH 2014
I Revenue from operations	15	9,400.69	7,401.38
II Other Income	16	23.56	21.64
III Total Revenue (I +II)		9,424.25	7,423.02
IV Expenses			
Purchase of stock in trade		7,448.46	5,717.32
Changes in inventories of Stock in Trade	17	(687.07)	(368.47)
Employee benefits expenses	18	634.33	546.86
Finance Cost	19	73.64	59.04
Depreciation and Amortisation expense	7	135.74	131.49
Other Expenses	20	1,941.22	1,725.58
Total Expenses		9,546.32	7,811.82
(V) Profit before exceptional and extraordinary items and tax (III - IV)		(122.07)	(388.80)
(VI) Exceptional Items		-	-
(VII) Profit before extraordinary items and tax (V - VI)		(122.07)	(388.80)
(VIII) Extraordinary Items		-	-
(IX) Profit before tax (VII - VIII)		(122.07)	(388.80)
(X) Tax expense			
(1) Current tax		-	-
(2) Deferred Tax		-	-
(XI) Profit/(Loss) for the period (IX - X)		(122.07)	(388.80)
(XII) Earnings per equity share (Face Value Per Share Rs. 1/- Each)			
(1) Basic (Figures In RS.)		(0.10)	(1.37)
(2) Diluted(Figures In RS.)		(0.10)	(1.37)
Accounting Policies	1		
Notes to Accounts	21 to 34		

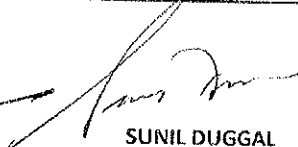
As per our report of even date attached

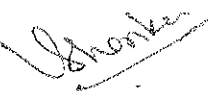
For G.BASU & CO.
 CHARTERED ACCOUNTANTS
 FRN : 301174E



ANIL KUMAR
 PARTNER
 MEMBERSHIP No. 9390

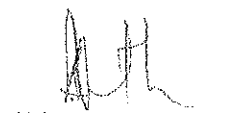
PLACE : NEW DELHI
 DATE : 29TH APRIL 2015


P.D. NARANG
 Director
 (DIN-00021581)


SUNIL DUGGAL
 Director
 (DIN-00041825)


VIJAY SHANKER
 CEO
 (PAN-APOPS1309D)


S. S. SETHI
 CFO
 (PAN-ARVPS7444L)


ALOK SETHI
 Company Secretary
 (Memb No. - A 15503)

H & B STORES LTD.
STATEMENT OF CASH FLOW (PURSUANT TO AS-3 ISSUED BY ICAI)

(Rs. in Lacs)

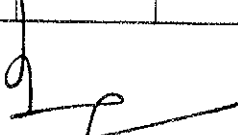
PARTICULARS	FOR THE PERIOD ENDED 31ST MARCH 2015		FOR THE PERIOD ENDED 31ST MARCH 2014	
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT/(LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS		(122.07)		(388.79)
ADD:				
DEPRECIATION	135.74		131.49	
FIXED WRITTEN OFF DUE TO SHUT DOWN OF STORES.	1.65	137.40	54.87	186.36
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		15.33		(202.44)
WORKING CAPITAL CHANGES				
INCREASE/(DECREASE) IN INVENTORIES	696.14		371.50	
INCREASE/(DECREASE) IN DEBTORS & OTHER RECEIVABLES	328.25		71.12	
DECREASE/(INCREASE) IN TRADE PAYABLES	(713.28)		(296.96)	
INCREASE/(DECREASE) IN WORKING CAPITAL		311.11		145.66
CASH GENERATED FROM OPERATING ACTIVITIES		(295.78)		(348.10)
CASH USED(-)/(+)GENERATED FOR OPERATING ACTIVITIES (A)		(295.78)		(348.10)
B. CASH FLOW FROM INVESTING ACTIVITIES				
PURCHASE OF FIXED ASSETS		(186.08)		(95.11)
SALE OF FIXED ASSETS		1.35		4.72
CASH USED(-)/(+)GENERATED FOR INVESTING ACTIVITIES (B)		(184.73)		(50.78)
C. CASH FLOW FROM FINANCING ACTIVITIES				
PROCEEDS FROM SHARE CAPITAL		400.00		520.00
PROCEEDS OF LOAN RECEIVED(PAID)		0.00		(120.00)
CASH USED(-)/(+)GENERATED IN FINANCING ACTIVITIES (C)		400.00		400.00
NET INCREASE(+)/DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)		(80.51)		1.12
CASH AND CASH EQUIVALENTS OPENING BALANCE		178.90		177.78
CASH AND CASH EQUIVALENTS CLOSING BALANCE		98.39		178.90
BREAK UP OF CASH & CASH EQUIVALENTS				
CASH IN HAND		25.11		34.65
REMITTANCE-IN-TRANSIT & CHEQUES IN HAND		0.00		1.38
BALANCE IN CURRENT ACCOUNT WITH SCHEDULED BANKS		73.28		142.87
TOTAL		98.39		178.90

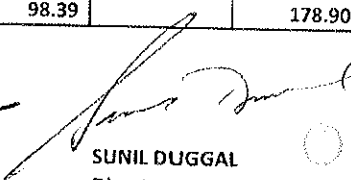
As per our report of even date attached

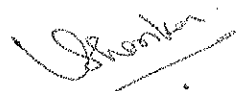
For G.BASU & CO.
CHARTERED ACCOUNTANTS
FRN : 301174E

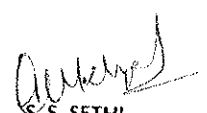
ANIL KUMAR
PARTNER
MEMBERSHIP No: 9390


PLACE : NEW DELHI
DATE : 29TH APRIL 2015


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(PAN-ARVPS7444L)


ALOK SETHI
Company Secretary
(Memb No. - A 15503)

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2015

2 (a). Particulars of Shares:

Class of Shares		Face value of one share	Authorised Capital		Issued, Subscribed & Fully Paid up		Number of shares held by:
			No.	Value	No.	Value	Any share holder holding 5% stake in concerned share
Equity Shares	As at 31st March 2015	Re. 1	500000000	5,000.00	231493165	2,314.93	ALL THE SHARES HAVE BEEN HELD BY HOLDING COMPANY, DABUR INDIA LTD. AND ITS NOMINEES
Equity Shares	As at 31st March 2014	Re. 1	500000000	5,000.00	431061873	4,310.62	ALL THE SHARES HAVE BEEN HELD BY HOLDING COMPANY, DABUR INDIA LTD. AND ITS NOMINEES

(b) Reconciliation of number of shares outstanding at the beginning and end of the year.

Particulars:	Equity Shares (no.)	
	As at 31st March 2015	As at 31st March 2014
	Shares issued & subscribed as on 01/04/2014	431061873
Add: Issued during the year toward		
Private Placement	40000000	52000000
Total	471061873	431061873
Less: Capital reduction	239568708	0
Shares issued & subscribed as on 31/03/2015	231493165	431061873

Note:- Equity Share issued to holding company through conversion of Unsecured Loans

NIL NIL

(c) Rights, preference and restriction attached to Equity Shares

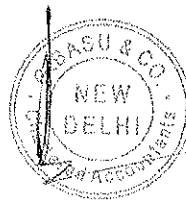
The Company has one class of equity shares having a par value of Rs 1 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholder are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding

(d) Shares Allotted as fully paid without payment being received in Cash during the period of 5 years immediately preceding the reporting date

Equity shares allotted as fully paid up without payment received in cash during the preceding 5 years.

As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
343000000	343000000	343000000

(e) Out of total paid up capital of Rs.471061873/-, 239568708 equity shares of Rs 1 each have been cancelled during the year because of being unrepresented by available assets in terms of judgement dated 8th December 2014 of Hon'ble High Court of Delhi approving the company's application to the effect u/s 100(1)(b) of the Companies Act 1956

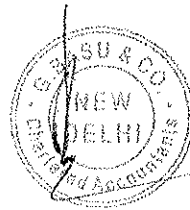


ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2015

3. Reserve & Surplus

Rs. in lacs

Particulars	Details	AS AT 31ST MARCH 2015		AS AT 31ST MARCH 2014	
Surplus / (deficit):					
Opening Balance	(2395.69)			(2006.88)	
Adjustment towards depreciation of over aged fixed assets pursuant to Schedule II of Companies Act 2013	(6.17)			0.00	
	(2401.86)			(2006.88)	
Less: Written Off as per High Court Order	2395.69				
Add: Deficit as per statement of P&L A/c for the year	(122.07)			(388.79)	
Total	(128.24)			(2395.68)	
Total		(128.24)			(2395.68)



ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2015

4 Trade Payables

PARTICULARS	Rs. in lacs	
	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Trade Creditors for Goods & Services (Refer Note No. 28)	1,620.52	1,058.53
Total:	1,620.52	1,058.53



ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2015

5 Other Current Liabilities

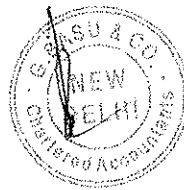
PARTICULARS	Rs. in lacs	
	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Statutory Liabilities	68.19	66.42
Creditors for Capital Goods	3.56	2.54
Other payables	74.84	67.69
Security Deposits from Franchisees	129.43	
Total:	276.02	136.65



ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2015

6 Short Term Provisions

PARTICULARS	Rs. in lacs	
	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Provision for Gratuity	10.63	2.13
Provision for Leave Encashment	3.43	
For Liability Disputed	73.07	73.07
	87.13	75.20



ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2015

7. Fixed Assets:

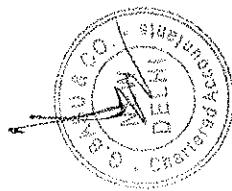
Sl	Particulars of Assets	Gross Block				Depreciation / Amortisation			Net Block				
		Gross Cost / Value as on 01.04.14	Acquisition	Business Combination	Other Adjustment	Sub Total	Sale / adjustment during this	Gross Balance as on 31.03.15	Total as on 01.04.14	for the period (Sec Note below)	Adjustment (Sale / Adjustment during this)	Total as on 31.03.15	W.D.V as on 31.03.14
i)	Tangible Assets												
	Leasehold Improvements (Building)	316.92	61.33	-	-	61.33	7.43	370.82	123.91	52.98	(5.20)	171.39	199.43
	Plant & Machinery	14.02	-	-	-	-	-	14.02	5.07	3.93	(0.00)	6.00	8.02
	Computers	241.36	7.67	-	2.34	10.01	3.00	248.37	198.27	19.00	(2.84)	221.20	27.17
	Furniture & Fixtures	501.78	115.39	-	1.52	116.91	0.80	617.89	186.68	62.53	(0.19)	249.03	43.08
	Total:	1,074.08	184.39	-	3.86	188.25	11.23	1,251.10	513.94	135.74	(8.23)	647.62	368.89
ii)	Intangible Assets												
	Computer Software	655.90	-	-	-	-	-	655.90	655.90	-	-	655.90	603.48
	Total:	655.90	-	-	-	-	-	655.90	655.90	-	-	655.90	560.14
iii)	Capital Work-in-progress	60.85	1.69	-	-	1.69	3.86	56.68	-	-	-	56.68	60.85
	Grand Total (i+ii+iii)	1,790.83	186.08	-	3.86	189.94	15.09	1,965.68	1,169.84	135.74	(8.23)	1,303.52	620.99
	Previous Year	1,861.51	95.21	-	35.67	130.88	201.57	1,760.83	1,104.37	131.48	(65.60)	1,169.84	756.54

Note A. Because of change in the treatment of depreciation following operationalisation of Schedule II of Companies Act 2013, over aged fixed assets worth Rs.6.17 Lacs have been charged off to Surplus/Deficit in Reserve & Surplus head of Balance Sheet.

B. Remaining assets have been subjected to depreciation under revised dispensation which has resulted into Surplus/Deficit of Rs 7.97 Lacs debited to Profit to Loss Account

C. Lease hold improvements relates to :

- 1 349 Sq Ft of Stores in 1 No of Locations taken on lease for a period of 2 years in the year 2014.
- 2 Lease Period of 3 Years includes 7219 Sq Ft with following details:
2719 Sqft Area taken on lease for 6 Locations in year 2012
4500 Sqft Area taken on lease for 2 Locations in year 2013
- 3 Lease Period of 4 Years includes 358 Sq Ft for 1 Location area taken on lease in year 2012.
- 4 Lease Period of 5 Years includes 6693 Sq Ft with following details:
3197 Sqft Area taken on lease for 6 Locations in year 2011
461 Sqft Area taken on lease for 1 Locations in year 2012
1260 Sqft Area taken on lease for 3 Locations in year 2013
560 Sqft Area taken on lease for 1 Locations in year 2014
1215 Sqft Area taken on lease for 3 Locations in year 2015
- 5 Lease Period of 6 Years includes 4882 Sq Ft with following details:
2323 Sqft Area taken on lease for 3 Locations in year 2011
927 Sqft Area taken on lease for 2 Locations in year 2010
477 Sqft Area taken on lease for 1 Locations in year 2012
800 Sqft Area taken on lease for 2 Locations in year 2013
365 Sqft Area taken on lease for 1 Locations in year 2015
- 6 Lease Period of 9 Years includes 10128 Sq Ft with following details:
1330 Sqft Area taken on lease for 2 Locations in year 2010
2953 Sqft Area taken on lease for 5 Locations in year 2011
846 Sqft Area taken on lease for 2 Locations in year 2012
1325 Sqft Area taken on lease for 3 Locations in year 2013
1770 Sqft Area taken on lease for 4 Locations in year 2014
1904 Sqft Area taken on lease for 3 Locations in year 2015
- 7 Lease Period of 10 Years includes 400 Sq Ft for 1 Location area taken on lease in year 2012.



ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2015

8. Long Term Loans & Advances

Rs. in lacs

PARTICULARS	Rs. in lacs	
	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Deposits with Govt. Authorities Unsecured considered good	0.74	1.64
Total	0.74	1.64



ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2015

10. Other Non Current Assets

PARTICULARS	Rs. in lacs	
	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Fixed Deposits maturing after 12 months(Pledged with Govt. Authorities) Unsecured considered good	6.11	0.13
Total	6.11	0.13



ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2015

10. Inventories

Rs. in lacs

PARTICULARS	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Stock-in-trade(Stock in Trade Nil (PY- NIL))	2525.08	1838.01
Stores & spares	30.47	21.40
Total	2555.55	1859.41



ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2015

11. Trade Receivables:

PARTICULARS	Rs. in lacs	
	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
<u>Unsecured & Considered Good:</u>		
Debts outstanding for a period of above 6 month since due date of payment	27.38	18.09
Other debts (Includes Rs. NIL from Holding company PY Rs.23.75 Lacs Payable)	400.36	161.78
Total	427.74	179.87



ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2015

12. Cash & cash equivalents

PARTICULARS	Rs. in lac	
	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
A Cash & Cash Equivalents		
Cash in hand	25.11	34.65
Cheques / drafts in hand	0.00	1.38
Balances with banks		
Current Accounts	73.28	141.03
Term Deposit maturing within three months (Pledged with Govt. Authorities)	0.00	1.84
Total A	98.39	178.90
B Other Bank Balances		
Term Deposit maturing after three months but before twelve months	0	0
Total (B)	0.00	0.00
C. Fixed Deposit maturing after 12 months(Pledged with Govt. Authorities)	6.11	0.13
Total (A+B+C)	104.50	179.03
Less: Fixed Deposit maturing after 12 months	6.11	0.13
Total Cash & Bank Balances	98.39	178.90



ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2015

13. Short term Loans & Advances

		Rs. in lacs	
PARTICULARS		AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Advances to Suppliers	Unsecured considered good	2.84	4.39
Advances to Employees (Staff Imprest & Advance)	Unsecured considered good	10.62	8.70
Tax Deducted at Source & Advance FBT	Unsecured considered good	7.34	9.51
Other Loans & Advances	Unsecured considered good	42.39	7.31
	Total	63.19	29.91



ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2015

14. Other Current Assets

PARTICULARS	Rs. in la			
		AS AT 31ST MARCH 2015		AS AT 31ST MARCH 201
Interest Receivable		0.08		0.07
Security Deposit with Others	362.90		320.90	
Less: Provisions for Doubtful Deposits	6.50	356.40	6.50	314.40
		356.48		314.47



ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

15. REVENUE FROM OPERATIONS

(Rs. in Lacs)

	<u>PARTICULARS</u>	FOR THE PERIOD ENDED 31ST MARCH 2015	FOR THE PERIOD ENDED 31ST MARCH 2014
A	Sale of Products Domestic(Refer Note No. 22)	9,147.80	7,170.30
B	Sales of Services Income from Space Given on Hire	251.96	228.53
C	Other Operating Revenues Sale of Scrap	0.93	2.55
	Total	9,400.69	7,401.38



ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

16. OTHER INCOME

(Rs. in Lacs)

	PARTICULARS	FOR THE PERIOD ENDED 31ST MARCH 2015	FOR THE PERIOD ENDED 31ST MARCH 2014
A	Interest Income on Bank Deposit	1.77	1.43
B	OTHER NON OPERATING INCOME		
	Miscellaneous Receipts	4.54	1.51
	Liabilities for Expenses written back	17.25	18.69
	Total	23.56	21.64



ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

17. COST OF MATERIALS

(Rs. in Lacs)

PARTICULARS	FOR THE PERIOD ENDED 31ST MARCH 2015		FOR THE PERIOD ENDED 31ST MARCH 2014	
Purchase of Stock-in-Trade		7,448.46		5,717.32
Changes in Inventories of stock in Trade				
Opening Stock -Finished Goods	1838.01		1,469.27	
Closing Stock-Finished Goods	2525.08	(687.07)	1,837.74	(368.47)

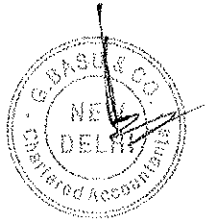


ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

18. EMPLOYEE BENEFITS EXPENSES

(Rs. in Lacs)

	PARTICULARS	FOR THE PERIOD ENDED 31ST MARCH 2015	FOR THE PERIOD ENDED 31ST MARCH 2014
A	Salaries, Wages and Bonus	555.38	475.99
B	Contribution to Provident, Gartuity and Other Funds	44.82	44.30
C	Workmen and Staff Welfare	34.13	26.57
	Total	634.33	546.86



ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

19. FINANCE COST

(Rs. in Lacs)

	PARTICULARS	FOR THE PERIOD ENDED 31ST MARCH 2015	FOR THE PERIOD ENDED 31ST MARCH 2014
A	Bank Charges	73.60	59.84
B	Exchange Loss(Gain) Net(Gain)/Loss on Foreign Currency Transactions	0.04	(0.80)
	Total	73.64	59.04



ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

20. OTHER EXPENSES

(Rs. in Lacs)

PARTICULARS	FOR THE PERIOD ENDED 31ST MARCH 2015	FOR THE PERIOD ENDED 31ST MARCH 2014
Power & Fuel	68.27	74.31
Consumable & Packing Material Consumed	27.49	42.81
Repair & Maintenance		
--- Plant & Machinery	-	0.81
--- Building	0.11	1.89
--- Others	167.17	136.93
Rent	969.92	883.89
Rates & Taxes	12.03	12.17
Insurance	9.73	9.66
Freight & Forwarding Charges	57.44	49.50
Advertising & Publicity	133.52	88.41
Travel & Conveyance	27.48	29.28
Legal & Professional	53.87	31.96
Telephone, Fax Expenses	24.25	22.69
Security Expenses	40.84	63.29
Fixed Assets discarded	1.65	54.87
Contractor Service-Manpower	202.62	144.32
Sales Tax/Entry Tax	11.81	5.56
Commissions & Discounts	54.82	1.58
General Expenses	76.12	69.56
Auditor's Remuneration		
- Audit Fees	1.41	1.41
- Certification	0.67	0.68
- Reimbursement of Expenses	-	-
Total	1,941.22	1,725.58



H&B Stores Ltd.

Note 1 –Accounting Policies

(All amounts in Rupees in Lac except share capital)

A. ACCOUNTING POLICIES

Significant accounting policies are summarized below:

1. Accounting Convention:

The accounts have been prepared in accordance with the historical cost convention as per Indian GAAP. Accounts and disclosures thereon comply with the Accounting Standards specified in Companies (Accounting Standard) Rules, other pronouncements of ICAI, provisions of the Companies Act, 1956.

2. Use of Estimates:

The preparation of financial statements requires estimates and assumption to be made that affect the reported amount of the assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

3. Fixed Assets and Depreciation:

- Fixed assets are stated at carrying amount i.e. subject to deduction of accumulated depreciation.
- Cost includes inward freight, duties and taxes and expenses incidental to acquisition and installation.
- Improvement cost on premises taken on lease is capitalized as "Leasehold improvements".
- Depreciation on fixed assets (excluding store furniture and fixtures) is provided on the basis of useful life of the assets as per the requirement of Schedule II of the Companies Act 2013("The Act").
- Leasehold improvements are amortized over the lower of estimated useful life or lease period.
- Store furniture & fixtures are amortized over useful life of eight years as evaluated by the management.
- Software is being amortized over the period of five years on straight-line basis.
- In case of shut down of stores before the expiry of the lease period, fixed assets that are imbedded in the leased premises are written off as loss.

4. Impairments of assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

5. Inventories:

Stocks are valued at lower of cost or net realizable value, basis of determination of cost of stock in trade being the moving weighted average method.

6. Retirement Benefits:

Defined Benefits Plan:

- Leave Salary of Employees on the basis of actuarial valuation as per AS-15.



- Gratuity Liability of Employees on the basis of actuarial valuation as per AS-15.

Defined Contribution Plan:

- Liability for superannuation fund on the basis of premium paid to Life Insurance Corporation of India in respect of employees covered under Superannuation Fund Policy.
- Provident Fund and ESI liability on the basis of actual liability occurred and paid to Trust/Authority.

7. Recognition of Income and Expenses:

- Sales and purchases are accounted for on the basis of passing of title to the goods.
- Sale comprises of sale price of goods net of trade discounts & does not include Sales Tax/Value Added Tax.
- All items of income and expenses have been accounted for on accrual basis.

8. Income Tax and Deferred Taxation:

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.

9. 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.

10. Foreign Currency Translation:

- Fixed Assets have been converted at the rates prevailing at the date of purchase. Other transactions in foreign currency are recognised at the rate of overseas currency ruling on the date of transaction.
- Receivables/ Payables (excluding for fixed assets) in foreign currencies are translated at the exchange rate ruling at the year-end date and the resultant gain or loss is accounted for in the Profit & Loss Account.



H&B Stores Ltd.

Notes to Accounts

(All amounts in Rupees in Lacs except share capital)

21)A) Contingent Liabilities

In respect of Bank Guarantees executed Rs.6.87 Lacs (Previous Year Rs.3.90 Lacs)

In respect of Civil Case Rs.114.95 Lacs (Previous Year Rs.114.95)

In respect of Disputed liabilities with Sales Tax Authorities Rs.189.57(Previous Year Rs.Nil)

B) Capital & Other Commitments

Particulars	31st March 2015	31st March 2014
Estimated Amount of Contract in capital account remaining to be executed and not provided for including CWIP	NIL	NIL

22) Out of total paid up capital of Rs. 47,10,61,873/-, 23,95,68,708 equity shares of Re.1/- each have been cancelled during the year because of being unrepresented by available assets in terms of judgment dated 8th December 2014 of Hon'ble High Court of Delhi approving the company's application to the effect u/s 100(1)(b) of the Companies Act 1956

23) Particulars in respect of Traded Goods Purchases

Class of Goods	Purchases	Sales
	Value (Rs / Lacs)	Value (Rs / Lacs)
Beauty	2,227.76	2,886.36
	(1,737.41)	(2,286.29)
Cosmetics	4,869.35	5,823.52
	(3,726.77)	(4,543.23)
Food	0.06	0.37
	(23.54)	(30.76)
Health	13.52	20.12
	(20.33)	(19.92)
Pharma	4.78	5.61
	(4.55)	(6.18)
Others	332.98	411.83
	(204.72)	(283.90)
Total	7,448.46	9,147.80
	(5,717.32)	(7,170.30)

Corresponding figures are for period ending 31st March, 2014



24)	Expenditure in Foreign Currency:	31.03.2015	31.03.2014
	Traveling, Conveyance & Administration	0.81	1.14
25)	CIF Value of Imports:	31.03.2015	31.03.2014
	Traded Goods	93.40	118.61
26)	Packing Material & Stores Consumed (Indigenous)	31.03.2015	31.03.2014
		27.49	42.81

27) **Related Party Disclosures:**

Related party disclosures as required under AS 18 issued by the Institute of Chartered Accountants of India are given below:

- Name of related party and nature of related party relationship where control exists:

Holding Company :- Dabur India Limited(DIL)

Fellow Subsidiaries - Enterprise controlled by Dabur India Ltd:

1. Dabur Nepal Private Ltd.
2. Dabur (UK) Ltd.
3. Dabur Egypt Lt
4. Dabur Internat
5. Asian Consur
6. African Consr
7. Asian Consu
8. Naturelle LL
9. Dermoviva
10. Dabur Egyr
11. Hobi Kozn
12. Ra Pazarl
13. Namaste
14. Hair Rejr
15. Healing
16. Urban l
17. Dabur
18. Nama:
19. Dabur
20. Dabu

Key Manaç

Name
Mr Vijay
Mr Sukt
Mr Alok

Sl. No.	Transaction	Holding Company	Fellow Subsidiary	Key Managerial Persons	Total	Outstanding as on 31.03.2015 (31.03.2014)
1	Purchase of Goods	14.74 (19.08)	-- --	-- --	14.74 (19.08)	24.2 23.75(Debit)
2	Sales of Asset	-- (44.79)	-- --	-- --	-- --	23.75(Debit)
3	<u>Equity Contribution</u> By cash	400 (520.00)	-- --	-- --	400 (520.00)	2314.93 (4310.62)
4	Unsecured Loan Taken	-- (90.00)	-- --	-- --	-- (90.00)	-- --
5	<u>Repayment of Unsecured Loan</u> In Cash	-- (210.00)	-- --	-- --	-- (210.00)	-- --
6	<u>Remuneration</u>	--	--	100.48 (76.52)	100.48 (76.52)	--

28) Information pursuant to AS 19 issued by ICAI:

Summary of Minimum Lease Payments

	31.03.2015		31.03.2014	
	Building	Others	Building	Others
a) Not later than 1 year	942.39	Nil	741.51	Nil
b) Later than 1 year but not later than 5 year	2,358.29	Nil	1,887.52	Nil
a) Later than 5 year	361.48	Nil	194.45	Nil

Lease payment recognised in P&L for the Period

	Period Ending 31st March 2015		Period Ending 31st March 2014	
	Building	Others	Building	Others
Minimum Lease Payments	969.92	Nil	883.89	Nil
Rent For Temporary Sites	Nil	Nil	Nil	Nil



c) The period of lease for leased premises extends between 3 to 9 years.

d) The company has not entered in to any sublease arrangement with any party.

e) Renewal of lease agreement is subject to mutual consent between the company and landlords. Further there are no purchase options available as per the agreements to buy leased premises by the company.

29) According to records & information available with the company, there are no dues payable to any Micro & Small Enterprise under MSMED Act, 2006.

30) Earning Per Share has been computed as under

Particulars	Period Ending 31st March, 2015	Period Ending 31st March, 2014
Profit/ (Loss) after Tax (Rs. in Lacs)	(122.08)	(388.76)
Weighted average number of share outstanding		
Basic	426,683,299	383,905,709
Diluted	426,683,299	383,905,709
Earning/ (Loss) per share (face value of Rs. 1 per share)		
Basic (not annualized)	(0.03)	(0.10)
Diluted (not annualized)	(0.03)	(0.10)

31) Company is engaged in trading of goods and has only one segment i.e. Retail of Traded Goods. Hence AS-17 Segment Accounting is not applicable on the company.

32) Employee Related Dues:

A) Defined Benefit Plan

Pursuant to adoption of AS 15 as revised by ICAI, treatments of defined benefits obligations have been incorporated in accounts.



a) Expenses recognised during the period:

Particulars		Gratuity	Leave Salary	Total
		(Funded)	(Funded)	
A. Past Service Cost	CY	0.00	0.00	0.00
	PY	0.00	0.00	0.00
B. Current Service Cost	CY	10.28	5.20	15.48
	PY	8.94	5.83	9.83
C. Interest Cost	CY	2.52	1.39	3.91
	PY	1.75	0.86	2.61
D. Expected Return on Plan Assets	CY	(1.86)	(1.13)	(2.99)
	PY	(2.43)	(1.69)	(4.11)
E. Accumulated Loss/(Gain)	CY	(2.45)	(1.56)	(4.01)
	PY	(1.06)	2.52	1.46
F. Total Expenses recognised during the year(A+B+C+D+E)	CY	8.50	3.89	12.39
	PY	7.20	7.52	14.72

b) Reconciliation of opening & closing balances of obligations

Particulars		Gratuity	Leave Salary	Total
		(Funded)	(Funded)	
I. Obligation as on 01.04.2014	CY	29.69	16.31	46.00
	PY	21.91	10.75	32.66
II. Past service cost	CY	0.00	0.00	0.00
	PY	0.00	0.00	0.00
III. Current service cost	CY	10.28	5.20	15.48
	PY	8.94	5.83	14.76
IV. Interest cost	CY	2.52	1.39	3.91
	PY	1.75	0.86	2.61
V. Actuarial (Gain) / Loss due to change in assumption	CY	(3.19)	(2.19)	(5.38)
	PY	(1.12)	2.47	1.35
VI. Benefits Paid	CY	(0.61)	(1.86)	(2.47)
	PY	(1.79)	(3.60)	(5.38)
VII. Settlement	CY	0.00	0.00	0.00
	PY	0.00	0.00	0.00
VIII. Obligation as on 31.03.2014	CY	38.70	18.84	57.54
	PY	29.69	16.31	46.00



c) Change in Plan Assets

(Reconciliation of opening and closing balances)

Particulars		Gratuity	Leave Salary	Total
		(Funded)	(Funded)	
I. Fair Value of Plan Assets as on 01.04.2014	CY	27.56	16.77	44.34
	PY	26.98	18.73	45.71
II. Expected Return on plan Assets	CY	1.86	1.13	2.99
	PY	2.43	1.69	4.11
III. Actuarial Gain/(Loss)	CY	(0.74)	(0.63)	(1.37)
	PY	(0.05)	(0.05)	(0.11)
IV. Employer Contribution	CY	0.00	0.00	0.00
	PY	0.00	0.00	0.00
V. Benefits Paid	CY	(0.61)	(1.86)	(2.47)
	PY	(1.79)	(3.60)	(5.38)
VI. Merger	CY	0.00	0.00	0.00
	PY	0.00	0.00	0.00
VII. Settlement	CY	0.00	0.00	0.00
	PY	0.00	0.00	0.00
VIII. Fair Value of Plan Assets as on 31.03.2015	CY	28.08	15.41	43.49
	PY	27.56	16.77	44.34

d) Investment detail of plan assets as on 31.03.2015:- 100% reimbursement right from Insurance company for fund managed by it

e) Actuarial Assumption:

Discount Rate (%)	7.75%
Salary Escalation ratio inflation	9.25%
Method	Projected Unit Credit Actuarial Method

f) The basis used for determination of expected rate of return is average return on long-term investment in government bonds

g) The estimate of future salary increase takes into account regular increment, promotional increases and inflationary consequence over price index.

h) Demographics assumptions take into account mortality factor as per IALM (2006 - 08) ultimate criteria, employees turnover and normal retirement age at 58 years



B) Defined Contribution Plan :-

Company's contribution to different defined contribution plans:-

Particulars	31st March 2015	31st March 2014
Provident Fund	25.47	22.50
Employees State Insurance	3.36	3.48
Other Employee benefits	0.09	0.09

33) Deferred Taxation:

Deferred tax assets recognizable on unabsorbed loss and depreciation of the company have not been provided for on the ground of prudence.

34) Figures for the previous year/period have been rearranged /regrouped as and where necessary in terms of current year's grouping.


Signatures to the Notes "1" to "34" Annexed to and forming part of Accounts.


As per our report of even date attached
For G.BASU & CO.
CHARTERED ACCOUNTANTS
FRN: 301174E


ANIL KUMAR
PARTNER
MEMBERSHIP No. 9390

PLACE : NEW DELHI
DATE : 29TH APRIL 2015


For H & B Stores Limited


P.D. NARANG
Director
(DIN-00021581)


VIJAY SHANKER
CEO
(PAN-APOPS1309D)


ALOK SETH
Company Secretary
(Memb. No. - A 15503)


SUNIL DUGGAL
Director
(DIN-00041825)


S. S. SETHI
CFO
(PAN-ARVPS7444L)