ASIAN CONSUMER CARE PAKISTAN (PVT.) LIMITED

ANNUAL REPORT 2010-11

Prepared in accordance with the General Circular No. 2/2011 dated 8th February, 2011 (clause vii) issued by the Government of India, Ministry of Corporate Affairs, under section 212(8) of the Companies Act, 1956.

ASIAN CONSUMER CARE PAKISTAN (PVT.) LIMITED

DIRECTORS' REPORT

To,

The Members of Asian Consumer Care Pakistan (Pvt.) Limited,

The Directors are pleased to present the financial statements of the Company for the year ended March 31st 2011.

FINANCIAL RESULTS

The Financial results of the Company are as under:

Particulars	(Rs in lacs in PKR) **2010-11**	(Rs in lacs in PKR) **2009-10**
Sales (incl. Other income)	3943.13	3359.91
Profit/(Loss) before Tax	159.99	(424.47)
Less: Provision for Tax-current	141.87	86.28
Net Profit/(Loss) afterTax	18.12	(510.75)
Balance brought forward	(771.4)	(26.06)
Profit/(Loss) available for appropriation	(753.3)	(771.4)
Balance carried over to balance sheet	(753.3)	(771.4)

OPERATIONS AND ACTIVITY

During the year Company registered a very healthy growth of 17%, despite very difficult economic, political and security situation. Also, bottom line turned positive against a loss of Rs. 51.07M last year.

Turn around in business was due to strong volume growth in Vatika Hair oil and Shampoo categories. Also, Hajmola sales rejuvenated after the resolution of Custom classification issue. In addition, during the year we were able to win Custom cases to seek Ayurvedic classification for our health care brands- Hajmola, Chyawanprash and Dabur Shilajit. It was a big legal battle for us, as it had major financial implications on our business, had we lost the case.

FIXED DEPOSITS

No fixed deposit has been accepted during the year.

CODE OF CORPORATE GOVERNANCE

The management of the Company is committed to good corporate governance and complying with the best practices. As required under the Code of Corporate Governance, the Directors are pleased to state as follows:

i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;

ii) That they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1984 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) That they had prepared the annual accounts on a going concern basis.

DIVIDEND

The Board of Directors has not recommended any dividend for the financial year 2010-11.

AUDITORS REPORT

The observations of Auditors, M/s. A. F. Ferguson & Co., in their attached report are self-explanatory and do not require further explanation.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for continued support and co-operation received from the Customers, Bankers and Government authorities. They also wish to place on record their appreciation for the dedication and hard work put in by the employees of the Company at all levels.

For and behalf of the Board

Sikandar N. Tiwana
Chairman & C.E.O

Karachi, Pakistan
April 21, 2011

A.F. FERGUSON & CO.

A member firm of
PRICEWATERHOUSECOOPERS

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Asian Consumer Care Pakistan (Private) Limited as at March 31, 2011 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:

   (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied;

   (ii) the expenditure incurred during the year was for the purpose of the company's business; and

   (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at March 31, 2011 and of the profit, its cash flows and changes in equity for the year ended March 31, 2011; and

(d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Chartered Accountants
Karachi

Name of engagement partner: Farrukh Rehman

ASIAN CONSUMER CARE PAKISTAN (PRIVATE) LIMITED

BALANCE SHEET AS AT MARCH 31, 2011

	Note	2011 Rupees	2010 Rupees	2011 INR	2010 INR
ASSETS					
Non-current assets					
Property, plant and equipment	3	**943,910**	1,793,735	**493,382**	948,168
Intangibles - Computer Softwares	4	**474,938**	1,041,266	**248,250**	550,413
Long term security deposits		**1,336,854**	704,500	**698,774**	372,399
		2,755,702	3,539,501	**1,440,405**	1,870,980
Current assets					
Stock in trade	5	**52,943,893**	25,765,971	**27,673,773**	13,619,892
Trade debts	6	**40,346,124**	39,930,592	**21,088,919**	21,107,311
Advances	7	**1,865,660**	11,167,083	**975,180**	5,902,920
Prepayments		**2,656,330**	2,643,124	**1,388,464**	1,397,155
Other receivables	8	**179,679**	32,099	**93,918**	16,968
Tax refunds due from government	9	**9,121,228**	4,852,156	**4,767,666**	2,564,850
Cash and bank balances	10	**23,501,714**	18,092	**12,284,346**	9,563
		130,614,628	84,409,117	**68,272,266**	44,618,659
Total assets		**133,370,330**	87,948,618	**69,712,672**	46,489,639
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	11	**78,721,660**	78,721,660	**41,147,812**	41,612,269
Accumulated loss		**(75,330,181)**	(77,142,184)	**(39,375,086)**	(40,777,359)
		3,391,479	1,579,476	**1,772,726**	834,911
LIABILITIES					
Current liabilities					
Trade and other payables	12	**89,043,977**	43,937,935	**46,543,287**	23,225,592
Accrued markup		**1,497,738**	1,398,016	**782,868**	738,991
Short term borrowing	13	**39,437,136**	41,033,191	**20,613,791**	21,690,145
Total liabilities		**129,978,851**	86,369,142	**67,939,946**	45,654,728
Commitments	14				
Total equity and liabilities		**133,370,330**	87,948,618	**69,712,672**	46,489,639

The annexed notes 1 to 27 form an integral part of these financial statements.

Exchange rate as on 31.3.2011 =INR.0.52, as on 31.03.2010 = INR .0.53

ASIAN CONSUMER CARE PAKISTAN (PRIVATE) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Note	**2011 Rupees**	2010 Rupees	**2011 INR**	2010 INR
Sales	15	**394,313,227**	335,991,104	**206,107,524**	177,604,898
Cost of sales	16	**(249,615,635)**	(238,745,340)	**(130,474,093)**	(126,200,787)
Gross profit		**144,697,592**	97,245,764	**75,633,431**	51,404,111
Administrative expenses	17	**(45,816,605)**	(39,518,777)	**(23,948,339)**	(20,889,626)
Distribution costs	18	**(78,559,843)**	(94,890,388)	**(41,063,230)**	(50,159,059)
Other operating income	19	**2,818,714**	11,540	**1,473,342**	6,100
Profit / Loss from operations		**23,139,858**	(37,151,861)	**12,095,204**	(19,638,474)
Finance cost	20	**(7,140,214)**	(5,295,042)	**(3,732,190)**	(2,798,959)
Profit / Loss before taxation		**15,999,644**	(42,446,903)	**8,363,014**	(22,437,433)
Taxation		**(14,187,641)**	(8,628,281)	**(7,415,880)**	(4,560,909)
Profit / Loss after taxation		**1,812,003**	(51,075,184)	**947,134**	(26,998,342)

The annexed notes 1 to 27 form an integral part of these financial statements.

Exchange rate as on 31.3.2011 =INR.0.52, as on 31.03.2010 = INR .0.53

ASIAN CONSUMER CARE PAKISTAN (PRIVATE) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2011

	Issued, subscribed and paid-up capital	**Unappropriated profit / (accumulated loss)**	**Total**	**Issued, subscribed and paid-up capital**	**Unappropriated profit / (accumulated loss)**	**Total**
	Rupees			INR		
Balance as at March 31, 2009	8,985,020	(26,067,000)	(17,081,980)	4,285,025	(13,323,878)	(9,038,854)
Loss after taxation for the year ended March 31, 2010	-	(51,075,184)	(51,075,184)	-	(26,998,342)	(26,998,342)
Conversion of liability into 6,973,648 redeemable preference shares at Rs.10 each	69,736,480	-	69,736,480	36,862,703	-	36,862,703
Issue of 16 redeemable preference shares at Rs.10 each	160	-	160	85	-	85
Balance as at March 31, 2010	78,721,660	(77,142,184)	1,579,476	41,147,812	(40,322,220)	825,592
Profit after taxation for the year ended March 31, 2011	-	1,812,003	1,812,003	-	947,134	947,134
Balance as at March 31, 2011	**78,721,660**	**(75,330,181)**	**3,391,479**	**41,147,812**	**(39,375,086)**	**1,772,726**
Balance as at March 31, 2011 (INR)	40,935,263	(39,171,694)	1,763,569	21,396,862	(20,475,045)	921,818

The annexed notes 1 to 27 form an integral part of these financial statements.

ASIAN CONSUMER CARE PAKISTAN (PRIVATE) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	Note	2011 Rupees	2010 Rupees	2011 INR	2010 INR
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash used in operations	21	**50,150,265**	(21,408,789)	**26,213,543**	(11,316,686)
Long term security deposits		**(632,354)**	-	**(330,531)**	-
Mark-up paid		**(5,952,637)**	(2,485,163)	**(3,111,443)**	(1,313,657)
Provident fund paid - net		**(1,677,001)**	(1,517,876)	**(876,568)**	(802,349)
Income tax paid		**(16,202,954)**	(9,919,528)	**(8,227,295)**	(5,243,463)
Net cash used in operating activities		**25,685,319**	(35,331,356)	**13,667,705**	(18,676,155)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(589,010)**	(191,500)	**(307,876)**	(101,227)
Purchase of intangibles - computer softwares		**(16,632)**	-	**(8,694)**	-
Sale proceeds on disposal of property, plant and equipment		-	-	-	-
Net cash used in investing activities		**(605,642)**	(191,500)	**(316,569)**	(101,227)
CASH FLOWS FROM FINANCING ACTIVITIES					
Conversion of payable to Dabur International Limited into redeemable preference shares		-	-	-	-
Net decrease in cash and cash equivalents		**25,079,677**	(35,522,856)	**13,351,136**	(18,777,382)
Cash and cash equivalents at the beginning of the year	22	**(41,015,099)**	(5,492,243)	**(21,680,581)**	(2,903,200)
Cash and cash equivalents at the end of the year	22	**(15,935,422)**	(41,015,099)	**(8,329,445)**	(21,680,581)

The annexed notes 1 to 27 form an integral part of these financial statements.

Exchange rate as on 31.3.2011 =INR.0.52, as on 31.03.2010 = INR .0.53

ASIAN CONSUMER CARE PAKISTAN (PRIVATE) LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

1. THE COMPANY AND ITS OPERATIONS

1.1 The Company is a private limited company incorporated and registered under the Companies Ordinance, 1984 on February 20, 2006. It is a subsidiary of Dabur Isle of Man, whereas Dabur India Limited is the ultimate parent company. The address of its registered office is 18/III Flench Street, Bleak House Road, Civil Lines, Karachi.

The Company is engaged in the business of import and sale of health, hair and personal care products in Pakistan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below:

2.1 Basis of preparation

2.1.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.1.2 Critical accounting estimates and judgements

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There have been no critical judgements made by the Company's management in applying the accounting policies that would have the most significant effect on the amounts recognised in the financial statements.

2.1.3 Changes in accounting policies

a) New standard, amendments to published standard and new interpretation effective during the current period - but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2009 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

b) Changes arising from standards, interpretations and amendments to published approved accounting standards, that are effective in the current year

(i) IAS 1 (Revised), 'Presentation of financial statements' requires presentation of transactions with owners in statement of changes in equity and with non-owners in the Statement of Comprehensive Income. The revised standard requires an entity to opt for presenting such transactions either in a single statement of comprehensive income or in an income statement and a separate statement of comprehensive income. There are no items for Other Comprehensive Income, therefore no impact on the Company's financial statements.

(ii) IFRS 7, 'Financial Instruments: Disclosures'. The SECP vide S.R.O 411 (i)/ 2008 dated April 28, 2008 notified the adoption of IFRS 7 'Financial Instruments: Disclosures'. IFRS 7 is mandatory for company's accounting period beginning on or after the date of notification i.e. April 28, 2008. IFRS 7 has superseded IAS 30 and disclosure requirements of IAS 32. Adoption of IFRS 7 has only impacted the format and extent of disclosure presented in the financial statements.

(iii) IAS 23 (Amendment), 'Borrowing costs' requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing borrowing costs has been removed. Further, the definition of borrowing costs has been amended so that interest expense is calculated using the effective interest method defined in IAS 39 'Financial instruments: Recognition and measurement'. There is no material impact on the company's financial statements due to change in the interest calculation method.

2.2 Overall valuation policy

These financial statements have been prepared under the historical cost convention.

2.3 Property , plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is charged to income on assets-in-use, using the straight-line method to allocate their cost less residual value, if not insignificant, over the estimated useful lives. Depreciation on additions is charged from the month of addition. No depreciation in the month of disposal is charged for assets disposed off.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The Company accounts for impairment, where indication exists, by reducing its carrying value to the estimated recoverable amount.

Maintenance and normal repairs are charged to income as and when incurred. Also individual low value assets i.e. assets below Rs. 5,000 are fully depreciated in the year of purchase. Major renewals and improvements are capitalised and assets so replaced, if any, are retired. Profit and loss on sale or retirement of property, plant and equipment is included in income currently.

2.4 Intangibles

Intangibles are stated at cost less amortisation. Major computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life of 3 years using the straight-line method.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2.5 Stock in trade

All stocks are stated at the lower of cost and estimated net realisable value. Cost is determined by the weighted average method except for those in transit where it represents invoice value and other charges incurred thereon. Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

2.6 Trade debts

Trade debts are recognised at fair value of consideration receivable. Provision is made against debts considered doubtful of recovery. Bad debts are written off when considered irrecoverable.

2.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, with banks and short term borrowings.

2.8 Trade and other payables

Liabilities for trade and other amounts payable are carried at the fair value of the consideration to be paid for goods and services.

2.9 Retirement Benefits

Company operates a provident fund for all its employees including Chief Executive Officer. The Company and the employees make equal contributions to the fund.

2.10 Borrowings and their costs

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently measured at amortized cost using the effective interest rate method.

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which such costs are capitalized as part of the cost of that asset.

2.11 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

2.12 Financial instruments

Financial instruments include trade debts, deposits, other receivables, cash and bank balances, trade and other payables, and creditors, accrued and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

2.13 Foreign currency transactions and translations

The financial statements are presented in Pak Rupees, which is the company's functional and presentation currency.

Foreign currency transactions are translated into Pak Rupees using the exchange rate prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses on translation are recognised in the profit and loss account.

2.14 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to set-off the recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.15 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria has been met for each of the Company's activities as described below:

i. Sale of goods

Sales are recognised on despatch of goods to customers.

ii. Interest / Mark up income

Income on bank deposits is recognised on accrual basis.

2.16 Taxation

Charge for the current taxation is based on applicable provisions of the Income Tax Ordinance, 2001.

	2011 Rupees	2010 Rupees
3. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - note 3.1	**#NAME?**	1,793,735

3.1 Operating assets

	Office and electrical equipment	Furniture, fixtures and fittings	Computers	Total	Office and electrical equipment	Furniture, fixtures and fittings	Computers	Total
	← Rupees			→	INR			
Net carrying value basis								
Year ended March 31, 2011								
Opening net book value (NBV)	696,269	390,865	706,601	1,793,735	363,940	204,305	369,340	937,585
Additions (at cost)	133,128	-	455,882	589,010	69,586	-	238,290	307,876
Depreciation charge	(493,012)	(300,080)	(645,743)	(1,438,835)	(257,697)	(156,852)	(337,530)	(752,079)
Closing net book value (NBV)	336,385	90,785	516,740	943,910	175,828	47,453	270,100	493,382
Gross carrying value basis								
At March 31, 2011								
Cost	2,496,024	1,500,405	3,903,261	7,899,690	1,304,672	784,262	2,040,235	4,129,168
Accumulated depreciation	(2,159,639)	(1,409,620)	(3,386,521)	(6,955,780)	(1,128,843)	(736,808)	(1,770,135)	(3,635,786)
Net book value	336,385	90,785	516,740	943,910	175,828	47,453	270,100	493,382
Net carrying value basis								
Year ended March 31, 2010								
Opening net book value (NBV)	1,159,184	654,576	1,438,364	3,252,124	612,745	346,009	760,319	1,719,073
Additions (at cost)	14,300	30,900	146,300	191,500	7,559	16,334	77,334	101,227
Reclassification (at NBV)	-	-	(111,271)	(111,271)	-	-	(58,818)	(58,818)
Depreciation charge	(477,215)	(294,611)	(766,792)	(1,538,618)	(252,256)	(155,731)	(405,326)	(813,313)
Closing net book value (NBV)	696,269	390,865	706,601	1,793,735	368,048	206,611	373,509	948,168
Gross carrying value basis								
At March 31, 2010								
Cost	2,362,896	1,500,405	3,447,379	7,310,680	1,249,027	793,114	1,822,285	3,864,425
Accumulated depreciation	(1,666,627)	(1,109,540)	(2,740,778)	(5,516,945)	(880,979)	(586,503)	(1,448,775)	(2,916,257)
Net book value	696,269	390,865	706,601	1,793,735	368,048	206,611	373,509	948,168
Depreciation rate % per annum	20	20	33		20	20	33	

4. INTANGIBLES - COMPUTER SOFTWARES

	2011 Rupees	2010 Rupees	**2011 INR**	2010 INR
Gross carrying value basis				
Cost	**2,149,317**	1,929,305	**1,123,448**	1,019,831
Reclassification (at cost)	**-**	203,380	**-**	107,507
Accumulated amortisation	**(1,674,379)**	(1,091,419)	**(875,198)**	(576,924)
Net book value	**474,938**	1,041,266	**248,250**	550,413
Net Carrying value basis				
Opening net book value	**1,057,898**	1,617,112	**552,963**	854,805
Amortisation for the year	**(582,960)**	(687,117)	**(304,713)**	(363,210)
Reclassification	**-**	111,271	**-**	58,818
Closing net book value	**474,938**	1,041,266	**248,250**	550,413

		2011 Rupees	2010 Rupees	2011 INR	2010 INR
5.	**STOCK IN TRADE**				
	Finished goods (including in transit Rs. 11.5 million; 2010: Rs. 13.6 million)	**51,909,918**	24,731,996	**27,133,314**	13,073,333
	Packing materials	**1,033,975**	1,033,975	**540,459**	546,559
		52,943,893	25,765,971	**27,673,773**	13,619,892
6.	**TRADE DEBTS**				
	Considered good	**40,346,124**	40,039,443	**21,088,919**	21,164,849
	Provision for doubtful debts - note 6.1	**-**	(108,851)	**-**	(57,539)
		40,346,124	39,930,592	**21,088,919**	21,107,311

6.1 The Company has written off debts amounting to Rs. Nil by utilising the provision during the year ended March 31, 2011.

6.2 As of March 31, 2011 trade debts of Rs. 15.17 million (2010: Rs. 15.84 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The age analysis of these trade debts is as follows:

		2011 Rupees	2010 Rupees	2011 INR	2010 INR
	Up to 3 months	**14,096,367**	14,737,867	**7,368,171**	7,790,436
	3 to 6 months	**1,003,043**	321,106	**524,291**	169,737
	More than 6 months	**76,586**	778,826	**40,031**	411,687
		15,175,996	15,837,799	**7,932,493**	8,371,861
6.3	Balance at the beginning of the year	**108,851**	300,000	**56,896**	158,580
	Recognised during the year	**-**	1,000,000	**-**	528,600
	Written off during the year	**-**	(1,191,149)	**-**	(629,641)
	Reversal during the year	**(108,851)**		**(56,896)**	-
	Balance at the end of the year	**-**	108,851	**-**	57,539
7.	**ADVANCES**				
	Advances to employees against expenses	**139,931**	303,913	**73,142**	160,648
	Advances to clearing agents	**999,524**	10,736,648	**522,451**	5,675,392
	Other advances	**726,205**	126,522	**379,587**	66,880
		1,865,660	11,167,083	**975,180**	5,902,920

				2011 Rupees	2010 Rupees	2011 INR	2010 INR
8.	**OTHER RECEIVABLES**						
	Receivable from provident fund			-	-	-	-
	Others			**179,679**	32,099	**93,918**	16,968
				179,679	32,099	**93,918**	16,968
9.	**TAX REFUNDS DUE FROM GOVERNMENT**						
	Sales tax refundable			**4,890,182**	2,636,423	**2,556,098**	1,393,613
	Advance income tax			**4,231,046**	2,215,733	**2,211,568**	1,171,236
				9,121,228	4,852,156	**4,767,666**	2,564,850
10.	**CASH AND BANK BALANCES**						
	Balances with banks:						
	- on current account			**23,484,782**	18,092	**12,275,496**	9,563
				23,484,782	18,092	**12,275,496**	9,563
	Cash in hand			**16,932**	-	**8,850**	-
				23,501,714	18,092	**12,284,346**	9,563
11.	**SHARE CAPITAL**						
	2011	**2010**					
	Authorised share capital						
	8,000,000	8,000,000	5% Redeemable Preference Shares of Rs. 10 each	**80,000,000**	**80,000,000**	**80,000,000**	**80,000,000**
	3,000,000	3,000,000	Ordinary shares of Rs. 10 each	**30,000,000**	**30,000,000**	**30,000,000**	**30,000,000**
	11,000,000	11,000,000		**110,000,000**	**110,000,000**	**110,000,000**	**110,000,000**
	Issued, subscribed and paid up capital						
	5% Redeemable Preference Shares of Rs. 10 each						
	6,973,648	6,973,648	For consideration other than cash	**69,736,480**	69,736,480	**36,451,258**	36,862,703
	16	16	For consideration in cash	**160**	160	**84**	85
	6,973,664	6,973,664		**69,736,640**	69,736,640	**36,451,342**	36,862,788
	Ordinary Shares of Rs. 10 each						
	898,502	898,502	For consideration in cash	**8,985,020**	8,985,020	**4,696,470**	4,749,482
	7,872,166	7,872,166		**78,721,660**	78,721,660	**41,147,812**	41,612,269

At March 31, 2011 the number of shares held by Dabur International Limited, Isle of Man were 898,500 (2010: 898,500) ordinary shares and 6,973,648 (2010: 6,973,648) preference shares of Rs. 10 each.

12. TRADE AND OTHER PAYABLES

	2011 Rupees	2010 Rupees	2011 INR	2010 INR
Payable to Dabur India Limited	**35,464,646**	14,942,286	**18,537,371**	7,898,492
Payable to Dabur International Limited, Dubai	**21,201,904**	16,432,094	**11,082,235**	8,686,005
Payable to Hobby Kozmetik	**6,896,043**	-	**3,604,562**	-
Creditors and accrued liabilities	**25,481,384**	12,107,779	**13,319,119**	6,400,172
Import duties payable	-	455,027	-	240,527
Advance from customer	-	749	-	396
	89,043,977	43,937,935	**46,543,287**	23,225,592

13. SHORT TERM BORROWING

The facility for running finance available from bank amounts to Rs. 50 million (2010: Rs. 50 million). The rates of mark-up on such facility is KIBOR + 2.25% per quarter (2010: KIBOR + 2.5% per quarter).

The facilities for guarantees as at March 31, 2011 amounted to Rs. 25 million (2010: Rs. 25 million), of which the amount remaining unutilised at the year end was Rs. 21.5 (2010: Rs. 21.5 million).

The arrangement is secured by way of pari-passu charge against hypothecation of Company's trade debts and stocks to the extent of Rs. 92 million.

14. COMMITMENTS

Aggregate commitments for operating lease rentals are as follows :

	2011 Rupees	2010 Rupees	2011 INR	2010 INR
Not later than one year	199,984	298,272	104,532	157,667
Over one year to five years	-	198,848	-	105,111

15. SALES

	2011 Rupees	2010 Rupees	2011 INR	2010 INR
Gross sales	**452,632,827**	385,407,100	**236,591,179**	203,726,193
Less: Sales return	**12,875,248**	14,359,939	**6,729,892**	7,590,664
Net sales	**439,757,579**	371,047,161	**229,861,287**	196,135,529
Less: Sales tax	**45,444,352**	35,056,057	**23,753,763**	18,530,632
	394,313,227	335,991,104	**206,107,524**	177,604,898

		2011 Rupees	2010 Rupees	2011 INR	2010 INR
16.	**COST OF SALES**				
	Opening stock	**25,765,971**	19,020,762	**13,467,873**	10,054,375
	Add: Purchases	**276,793,557**	245,490,549	**144,679,992**	129,766,304
	Less: Closing stock	**(52,943,893)**	(25,765,971)	**(27,673,773)**	(13,619,892)
		249,615,635	238,745,340	**130,474,092**	126,200,787
17.	**ADMINISTRATIVE EXPENSES**				
	Salaries, wages and other benefits - note 17.1	**23,523,891**	21,263,302	**12,295,938**	11,239,781
	Rent	**3,449,420**	3,310,547	**1,803,012**	1,749,955
	Lease rentals	**475,029**	546,348	**248,298**	288,800
	Travelling	**1,771,158**	1,180,977	**925,784**	624,264
	Security expenses	**212,000**	229,000	**110,812**	121,049
	Entertainment	**4,819**	18,824	**2,519**	9,950
	Auditors' remuneration - note 17.2	**1,356,373**	1,243,160	**708,976**	657,134
	Utilities	**1,264,253**	1,060,170	**660,825**	560,406
	Printing and stationery	**265,461**	225,928	**138,756**	119,426
	Postage and communication	**197,348**	233,461	**103,154**	123,407
	Professional services	**7,689,786**	5,231,027	**4,019,451**	2,765,121
	Depreciation	**1,438,835**	1,538,618	**752,079**	813,313
	Amortisation	**582,960**	687,117	**304,713**	363,210
	Repairs and maintenance	**260,261**	495,832	**136,038**	262,097
	Canteen expenses	**300,902**	310,012	**157,281**	163,872
	Insurance	**1,243,368**	977,285	**649,908**	516,593
	Miscellaneous expenses	**1,780,741**	967,169	**930,793**	511,246
		45,816,605	39,518,777	**23,948,339**	20,889,626

17.1 Salaries and other benefits include provident fund of Rs. 1,392,868 (2010: Rs. 1,186,207).

		2011 Rupees	2010 Rupees	2011 INR	2010 INR
17.2	**Auditors' remuneration**				
	Audit fee	**350,000**	300,000	**182,945**	158,580
	Fee for limited review and carrying out extended audit procedures	**450,000**	450,000	**235,215**	237,870
	Taxation services	**420,000**	420,000	**219,534**	222,012
	Out of pocket expenses	**136,373**	73,160	**71,282**	38,672
		1,356,373	1,243,160	**708,976**	657,134

18. DISTRIBUTION COSTS

	2011 Rupees	2010 Rupees	2011 INR	2010 INR
Salaries, wages and other benefits - note 18.1	**10,839,375**	8,976,039	**5,665,741**	4,744,734
Lease rentals	**1,487,839**	1,394,352	**777,693**	737,054
Travelling	**3,269,830**	2,400,021	**1,709,140**	1,268,651
Warehousing charges	**3,107,410**	2,380,000	**1,624,243**	1,258,068
Advertisement and trade promotion expenses	**50,251,368**	69,510,528	**26,266,390**	36,743,265
Bad debts expense	-	1,000,000	-	528,600
Outward Freight	**8,138,372**	6,354,262	**4,253,927**	3,358,863
Expiry and shortage expenses	**1,069,381**	2,554,496	**558,965**	1,350,307
Miscellaneous expenses	**396,268**	320,690	**207,129**	169,517
	78,559,843	94,890,388	**41,063,230**	50,159,059

18.1 Salaries and other benefits include provident fund of Rs. 284,133 (2010: Rs. 331,669).

19. OTHER OPERATING INCOME

	2011 Rupees	2010 Rupees	2011 INR	2010 INR
Reversal of variable pay	**2,818,714**	-	**1,473,342**	-
Scrap sales	-	11,540	-	6,100
	2,818,714	11,540	**1,473,342**	6,100

		2011 Rupees	2010 Rupees	2011 INR	2010 INR
20.	**FINANCE COST**				
	Bank charges	**406,397**	428,743	**212,424**	226,633
	Mark-up on short term borrowing	**6,052,359**	3,243,203	**3,163,568**	1,714,357
	Exchange loss	**681,458**	1,623,096	**356,198**	857,969
		7,140,214	5,295,042	**3,732,190**	2,798,959
21.	**CASH GENERATED FROM OPERATIONS**				
	Profit / Loss before taxation	**15,999,644**	(42,446,903)	**8,363,014**	(22,437,433)
	Add / (less): Adjustments for non-cash charges and other items				
	Contribution to provident fund	**1,677,001**	1,517,876	**876,569**	802,349
	Depreciation	**1,438,835**	1,538,618	**752,079**	813,313
	Amortisation	**582,960**	687,117	**304,713**	363,210
	Bad debts expense	**-**	1,000,000	**-**	528,600
	Mark-up on short term borrowing	**6,052,359**	3,243,203	**3,163,568**	1,714,357
	Gain on disposal of property, plant and equipment	**-**	-	**-**	-
	Profit / Loss before working capital changes	**25,750,799**	(34,460,089)	**13,459,943**	(18,215,603)
	EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES				
	(Increase) / decrease in current assets				
	Stock in trade	**(27,177,922)**	(6,745,209)	**(14,205,900)**	(3,565,517)
	Trade debts	**(415,532)**	16,856,438	**(217,199)**	8,910,313
	Advances	**9,301,423**	(9,088,265)	**4,861,854**	(4,804,057)
	Prepayments	**(13,206)**	14,104	**(6,903)**	7,455
	Other receivables	**(147,580)**	730,076	**(77,140)**	385,918
	Sales tax refundable	**(2,253,759)**	(112,289)	**(1,178,040)**	(59,356)
		(20,706,576)	1,654,855	**(10,823,327)**	874,756
	Increase / (Decrease) in current liabilities				
	Trade and other payables	**45,106,042**	11,396,445	**23,576,928**	6,024,161
	Cash used in operations	**50,150,265**	(21,408,789)	**26,213,543**	(11,316,686)

22. CASH AND CASH EQUIVALENTS

	2011 Rupees	2010 Rupees	2011 INR	2010 INR
Cash and bank balances	23,501,714	18,092	12,284,346	9,563
Short term borrowings - short term running finance	(39,437,136)	(41,033,191)	(20,613,791)	(21,690,145)
	(15,935,422)	(41,015,099)	(8,329,445)	(21,680,582)

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

23.1 Financial assets and liabilities by category and their respective maturities

	Interest bearing			Non-interest bearing			Total	Interest bearing			Non-interest bearing			Total
	Maturity up to one year	Maturity after one year	Sub-Total	Maturity up to one year	Maturity after one year	Sub-Total		Maturity up to one year	Maturity after one year	Sub-Total	Maturity up to one year	Maturity after one year	Sub-Total	
	Rupees							Rupees						
FINANCIAL ASSETS														
Loans and receivables														
Long term deposit	-	-	-	-	1,336,854	1,336,854	1,336,854	-	-	-	-	698,774	698,774	698,774
Trade debts	-	-	-	40,346,124	-	40,346,124	40,346,124	-	-	-	21,088,919	-	21,088,919	21,088,919
Other receivables	-	-	-	179,679	-	179,679	179,679	-	-	-	93,918	-	93,918	93,918
Cash and bank balances	-	-	-	23,501,714	-	23,501,714	23,501,714	-	-	-	12,284,346	-	12,284,346	12,284,346
March 31, 2011	**-**	**-**	**-**	**64,027,517**	**1,336,854**	**65,364,371**	**65,364,371**	**-**	**-**	**-**	**33,467,183**	**698,774**	**34,165,957**	**34,165,957**
March 31, 2010	-	-	-	39,980,783	704,500	40,685,283	40,685,283	-	-	-	21,133,842	372,399	21,506,240	21,506,240
FINANCIAL LIABILITIES														
At amortized cost														
Trade and other payables	-	-	-	89,043,977	-	89,043,977	89,043,977	-	-	-	46,543,287	-	46,543,287	46,543,287
Accrued interest / markup	-	-	-	1,497,738	-	1,497,738	1,497,738	-	-	-	782,868	-	782,868	782,868
Short term borrowings	39,437,136	-	39,437,136	-	-	-	39,437,136	20,613,791	-	20,613,791	-	-	-	20,613,791
March 31, 2011	**39,437,136**	**-**	**39,437,136**	**90,541,715**	**-**	**90,541,715**	**129,978,851**	**20,613,791**	**-**	**20,613,791**	**47,326,154**	**-**	**47,326,154**	**67,939,946**
March 31, 2010	41,033,191	-	41,033,191	44,880,175	-	44,880,175	85,913,366	21,690,145	-	21,690,145	23,723,661	-	23,723,661	45,413,805
ON BALANCE SHEET GAP														
March 31, 2011	**(39,437,136)**	**-**	**(39,437,136)**	**(26,514,198)**	**1,336,854**	**(25,177,343)**	**(64,614,480)**	**(20,613,791)**	**-**	**(20,613,791)**	**(13,858,971)**	**698,774**	**(13,160,197)**	**(33,773,989)**
March 31, 2010	(41,033,191)	-	(41,033,191)	(4,899,392)	704,500	(4,194,892)	(45,228,083)	(21,690,145)	-	(21,690,145)	(2,589,819)	372,399	(2,217,420)	(23,907,565)
OFF BALANCE SHEET ITEMS														
Letters of guarantees							**3,498,803**							**1,828,824**
March 31, 2010							3,498,803							1,849,467

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

i) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed to perform as contracted. The maximum exposure to the credit risk is equal to the carrying amount of financial assets. The financial assets which are subject to credit risk amounted to Rs. 65.36 million. The company believes that it is not exposed to major concentration of credit risk. To manage exposure to credit risk, the company applies credit limits to its customers and ensures that the customer balances are recovered within credit period.

The other financial assets are neither material to the financial statements nor exposed to any significant credit risk.

ii) Liquidity Risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. The company manages liquidity risk by maintaining sufficient cash and the availability of financing through banking arrangements.

iii) Market risk

a) Foreign exchange risk

Foreign exchange risk arises mainly where receivables and payables exist in foreign currency. As at March 31, 2011, financial liability of Rs. 63.56 million (2010: Rs. 31.37 million) were in foreign currency which were exposed to foreign currency risk.

As at March 31, 2011, if the Pakistani Rupee had weakened / strengthened by 9% against US Dollar with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 5.7 million (2010: Rs. 2.8 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar- denominated financial liabilities.

The sensitivity of foreign exchange rate looks at the outstanding foreign exchange balances of the company only as at the balance sheet date and assumes this is the position for a full twelve-month period. The volatility percentages for movement in foreign exchange rates have been used due to the fact that historically (five years) rates have moved on average basis by the mentioned percentage per annum.

b) Interest rate risk

The company's interest rate risk arises from borrowings as the company has no significant interest bearing assets.

At March 31, 2011, the company had interest bearing financial liabilities of Rs. 39.4 million (2010: Rs. 41 million) and had interest rate varied by 100 basis points with all the other variables held constant, profit before tax for the year would have been approximately Rs. 0.58 million higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings;

The sensitivity of 100 basis points movement in interest rates has been used as historically (five years) floating interest rates have moved by an average of 100 basis points per annum.

24. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may issue new equity, manage dividend payouts to its shareholders or sell assets to reduce debt. The gearing ratio at March 31, 2011 and 2010 was as follows:

	2011 Rupees	2010 Rupees	2011 INR	2010 INR
Total borrowings	39,437,136	41,033,191	20,613,791	21,690,145
Cash and bank	(23,501,714)	(18,092)	(12,284,346)	(9,563)
Net debt	15,935,422	41,015,099	8,329,445	21,680,581
Total equity	3,391,479	1,579,476	1,772,726	834,911
Liability convertible into preference shares	-	-	-	-
Adjusted equity	3,391,479	1,579,476	1,772,726	834,911
Total capital	19,326,901	42,594,575	10,102,171	22,515,492
Gearing Ratio	82%	96%	82%	96%

25. RELATED PARTY DISCLOSURES

A Enterprise where control exists

Holding company: The company is a subsidiary of Dabur, Isle of Man, whereas its ultimate parent company is Dabur India Limited.

B Disclosure of transactions between the company and related parties

	Relationship with the company	Nature of transactions	2011 Rupees	2010 Rupees	2011 INR	2010 INR
i.	Ultimate parent company	Purchase of goods	72,738,063	17,049,792	38,020,186	9,012,520
ii.	Associated company	Purchase of goods	102,966,738	151,481,524	53,820,714	80,073,134
		Payments made on behalf of associated company	1,004,029	150,304	524,806	79,451
		Conversion of non current liability into redeemable preference shares	-	69,736,480	-	36,862,703
iii.	Key management personnel	Salaries and other short-term employee benefits	19,822,119	17,681,535	10,361,022	9,346,459
		Post-employment benefits	1,332,804	1,099,725	696,657	581,315
		Issue of redeemable preference shares	-	160	-	85

26. REMUNERATION OF CHIEF EXECUTIVE

The aggregate amounts charged in the financial statements of the year for remuneration including all benefits to chief executive are as follows:

	2011 Rupees	2010 Rupees
Chief Executive		
Managerial remuneration and allowances	**15,739,686**	14,046,993
Provident fund	**1,332,804**	1,099,725
Utilities	**1,332,804**	1,099,725
Medical expenses	**165,000**	117,000
Vehicle expenses	**2,423,835**	1,991,250
Other expenses	**160,794**	426,567
	21,154,923	18,781,260
Number of persons	**1**	1

27. DATE OF AUTHORISATION

These financial statements were authorised for issue on by the Board of Directors of the company.

16. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

16.1 Financial assets and liabilities

	Interest bearing			Non-interest bearing			Total	Interest bearing			Non-interest bearing			Total
	Maturity up to one year	Maturity after one year	Sub-Total	Maturity up to one year	Maturity after one year	Sub-Total		Maturity up to one year	Maturity after one year	Sub-Total	Maturity up to one year	Maturity after one year	Sub-Total	
	Rupees							Rupees						
FINANCIAL ASSETS														
Loans and receivables														
Long term deposit	-	-	-	-	1,336,854	1,336,854	1,336,854	-	-	-	-	698,774	698,774	698,774
Trade debts	-	-	-	40,346,124	-	40,346,124	40,346,124	-	-	-	21,088,919	-	21,088,919	21,088,919
Other receivables	-	-	-	179,679	-	179,679	179,679	-	-	-	93,918	-	93,918	93,918
Cash and bank balances	-	-	-	23,501,714	-	23,501,714	23,501,714	-	-	-	12,284,346	-	12,284,346	12,284,346
March 31, 2011	**-**	**-**	**-**	**64,027,517**	**1,336,854**	**65,364,371**	**65,364,371**	**-**	**-**	**-**	**33,467,183**	**698,774**	**34,165,957**	**34,165,957**
March 31, 2010	-	-	-	39,980,783	704,500	40,685,283	40,685,283	-	-	-	21,133,842	372,399	21,506,240	21,506,240
FINANCIAL LIABILITIES														
At amortized cost														
Trade and other payables	-	-	-	89,043,977	-	89,043,977	89,043,977	-	-	-	46,543,287	-	46,543,287	46,543,287
Accrued interest / markup	-	-	-	1,497,738	-	1,497,738	1,497,738	-	-	-	782,868	-	782,868	782,868
Short term borrowings	39,437,136	-	39,437,136	-	-	-	39,437,136	20,613,791	-	20,613,791	-	-	-	20,613,791
March 31, 2011	**39,437,136**	**-**	**39,437,136**	**90,541,715**	**-**	**90,541,715**	**129,978,851**	**20,613,791**	**-**	**20,613,791**	**47,326,154**	**-**	**47,326,154**	**67,939,946**
March 31, 2010	41,033,191	-	41,033,191	44,880,175	-	44,880,175	85,913,366	21,690,145	-	21,690,145	23,723,661	-	23,723,661	45,413,805
ON BALANCE SHEET GAP														
March 31, 2011	**(39,437,136)**	**-**	**(39,437,136)**	**(26,514,198)**	**1,336,854**	**(25,177,343)**	**(64,614,480)**	**(20,613,791)**	**-**	**(20,613,791)**	**(13,858,971)**	**698,774**	**(13,160,197)**	**(33,773,989)**
March 31, 2010	(41,033,191)	-	(41,033,191)	(4,899,392)	704,500	(4,194,892)	(45,228,083)	(21,690,145)	-	(21,690,145)	(2,589,819)	372,399	(2,217,420)	(23,907,565)
OFF BALANCE SHEET ITEMS														
Letters of guarantees							**3,498,803**							**1,828,824**
March 31, 2010							3,498,803							1,849,467