

ASIAN CONSUMER CARE (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.

Directors' Report
For the year ended 31st March 2011

To

The Members

The Directors take this opportunity to present their report along with Audited Financial Statements for the year ended 31st March 2011 for your consideration and approval.

Financial Results:

The financial Results, summarized, are as under.

Particulars	Taka in lacs Year 2011
Turnover (Gross including Other Income)	4891
Profit before tax	16
Provision for income tax	13
Profit after tax	3
Balance brought forward from previous year	(742)
Balance transferred to Balance Sheet	(739)

Operation:

The company operated its business through out the period of financial year. During this period of reporting there was no uneven or unusual event which caused any substantial or remarkable loss or damage to the assets and equity of the company.

Directors:

Name of the Director(s)	Designation
Mr. Sunil Duggal (Representative of Dabur International Ltd)	Nominee Director
Mr. P. D. Narang (Representative of Dabur International Ltd).	Nominee Director
Mr. Syed Alamgir (Representative of Advanced Chemical Industries Limited).	Nominee Director

Auditors:

M/s. Ahmed Mashuque Co., Chartered Accountants, the Company's auditors will retire at the conclusion of the ensuing Annual General Meeting. Being eligible they have shown interest for re-appointment which has been forwarded by the Board of Directors for consideration of Shareholders.

Acknowledgement:

The Directors wish to express their grateful appreciation for the continued valuable assistance, co-operation and support received by the Company from Clients and other business associates. Your directors also place on record the continued support rendered by the shareholders, officers and staffs.

Dhaka

Date: 20 April 2011

For and on behalf of the Board

Sunil Duggal
Chairman of the Meeting

**AUDITORS' REPORT
TO
THE SHAREHOLDERS
OF
ASIAN CONSUMER CARE (PVT.) LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Asian Consumer Care (Pvt.) Limited, which comprise the balance sheet as at 31 March 2011, and profit and loss account, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with the 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, ~~the auditor considers internal control relevant to the entity's preparation and fair presentation of~~ the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Asian Consumer Care (Pvt.) Limited as at 31 March 2011, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the applicable sections of the Companies Act, 1994 and other applicable laws and regulations as applicable.

We also report that:

- a) 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 and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c) the company's balance sheet and profit and loss account dealt with by the report are in agreement with the books of accounts.

**Ahmed Mashuque & Co.
Chartered Accountants**

**Dated, 20 th April, 2011
20 Comrade Moni Singha Road,
Dhaka.**

Asian Consumer Care (Pvt.) Limited
Balance sheet
As at 31 March 2011

Sources of funds:	Notes	Amount in Taka		Amount in INR	
		31-Mar-11	31-Mar-10	31-Mar-11 Exch. Rate Rs.0.62	31-Mar-10 Exch. Rate Rs.0.65
Shareholders' equity:					
Share capital	3.00	99,975,990	99,975,990	61,985,114	64,984,394
Advance against share capital		45,636,250	18,000	28,294,475	11,700
Accumulated loss		(73,883,201)	(74,202,939)	(45,807,585)	(48,231,910)
Total		71,729,039	25,791,051	44,472,004	16,764,183
Application of funds:					
Fixed assets					
Gross block	4.00	64,343,516	26,067,655	39,892,980	16,943,975
Less: accumulated depreciation		13,095,735	12,230,055	8,119,356	7,949,536
Net block		51,247,781	13,837,600	31,773,624	8,994,440
Current assets and advances:					
Inventories	5.00	75,838,541	54,195,317	47,019,896	35,226,956
Materials in transit		8,610,975	20,595,213	5,338,805	13,386,889
Sundry debtors		1,713,950	1,898,576	1,062,649	1,234,075
Cash & bank balance	6.00	5,718,325	175,804	3,545,361	114,272
Loans, advances & others receivables	7.00	24,027,190	16,750,220	14,896,858	10,887,643
Security deposits		604,488	492,321	374,783	320,009
		116,513,469	94,107,452	72,238,351	61,169,843
Current liabilities and provisions:					
Liability for expenses & others	8.00	33,705,562	21,309,540	20,897,448	13,851,201
Sundry creditors		40,179,591	38,589,979	24,911,346	25,083,487
Short term loan from bank		22,114,935	-	13,711,260	-
Provision for bad debts		399,591	399,591	247,747	259,734
Provision for income tax		1,346,814	1,250,992	835,025	813,145
Bank overdraft		78,990	23,295,169	48,974	15,141,860
		97,825,483	84,845,272	60,651,799	55,149,427
Net current assets/(liabilities)		18,687,986	9,262,180	11,586,552	6,020,417
Miscellaneous:					
Pre-operative expenses	9.00	1,793,271	2,691,271	1,111,828	1,749,326
Total		71,729,039	25,791,051	44,472,004	16,764,183

These financial statements should be read in conjunction with annexed notes

Dated, Dhaka 20th April, 2011

Asian Consumer Care (Pvt.) Limited
Profit and loss account
For the year ended 31 March 2011

Particulars	Notes	Amount in Taka		Amount in INR	
		2010 - 2011	2009-2010	2010 - 2011 Exch. Rate Rs.0.62	2009-2010 Exch. Rate Rs.0.65
Income					
Turnover (Net)	10.00	394,474,267	291,155,446	244,574,045	189,251,040
Other income		2,118,892	1,367,882	1,313,713	889,124
		396,593,159	292,523,329	245,887,758	190,140,164
Less: Direct cost					
Cost of materials	11.00	226,587,195	183,861,378	140,484,061	119,509,896
Manufacturing expenses	12.00	14,925,790	12,653,740	9,253,990	8,224,931
		241,512,984	196,515,118	149,738,050	127,734,827
Gross profit for the year		155,080,174	96,008,210	96,149,708	62,405,337
Less: Other overhead					
Selling & administrative expenses	13.00	151,236,613	98,571,625	93,766,700	64,071,556
Financial expenses		2,177,010	5,575,790	1,349,746	3,624,264
		153,413,622	104,147,416	95,116,446	67,695,820
Net profit/(loss) before income tax for the year		1,666,552	(8,139,205)	1,033,262	(5,290,483)
Less: Income tax expenses		1,346,814	1,250,992	835,025	813,145
Net profit/(loss) after Income tax for the year (Transferred to statement of changes in equity)		319,738	(9,390,197)	198,238	(6,103,628)

These financial statements should be read in conjunction with annexed notes

Dated, Dhaka 20th April, 2011

Asian Consumer Care (Pvt.) Limited
Statement of changes in equity
For the year ended 31 March 2011

Particulars	<i>Amount in Taka</i>			
	Share Capital	Advance against share capital	Accumulated profit/(loss)	Total
Balance as at 01 April 2009	44,975,990	-	(64,812,743)	(19,836,753)
Addition during the year	55,000,000	55,018,000	(9,390,197)	100,627,804
Adjustment during the year		(55,000,000)		(55,000,000)
Balance as at 31 March 2010	99,975,990	18,000	(74,202,939)	25,791,051
Balance as at 01 April 2010	99,975,990	18,000	(74,202,939)	25,791,051
Addition during the year	-	45,618,250	319,738	45,937,988
Adjustment during the year	-	-	-	-
Balance as at 31 March 2011	99,975,990	45,636,250	(73,883,201)	71,729,039
Balance as at 31 March 2011 (INR)	61,985,114	28,294,475	(45,807,585)	44,472,004

These financial statements should be read in conjunction with annexed notes

Dated, Dhaka 20th April, 2011

Asian Consumer Care (Pvt.) Limited
Statement of cash flows
For the year ended 31 March 2011

Particulars	Amount in Taka		Amount in INR	
	2010-2011	2009-2010	2010-2011	2009-2010
			Exch. Rate Rs.0.6	Exch. Rate Rs.0.65
Cash flows from operating activities:				
Net profit/(loss) before income tax for the year	1,666,552	(8,139,205)	1,033,262	(5,290,483)
Add: adjustment for items not involving the movement of cash				-
Depreciation	2,054,101	2,371,256	1,273,542	1,541,317
Adjustment of depreciation	(1,188,420)	-	(736,821)	-
Written off of Pre-operative expenses	898,000	898,000	556,760	583,700
Provision for material write off	1,100,000	-	682,000	-
Provision for bad debts	-	399,591	-	259,734
Cash generated from operation before changes in working capital	4,530,231	(4,470,358)	2,808,743	(2,905,733)
Changes in working capital				
Inventories	(22,743,224)	172,929	(14,100,799)	112,404
Materials in transit	11,984,238	(20,233,813)	7,430,228	(13,151,978)
Sundry debtors	184,626	(715,614)	114,468	(465,149)
Loans, advances & others receivables	(7,276,970)	(5,791,460)	(4,511,721)	(3,764,449)
Security deposits	(112,167)	392,190	(69,544)	254,924
Liability for expenses & others	12,396,022	16,244,979	7,685,533	10,559,236
Sundry creditors	1,589,611	22,423,124	985,559	14,575,031
Income tax paid	(1,250,992)	(856,276)	(775,615)	(556,579)
	(5,228,855)	11,636,059	(3,241,890)	7,563,438
A. Net cash generated from operating activities	(698,623)	7,165,701	(433,146)	4,657,706
Cash flows from investing activities:				
Acquisition of fixed assets	(40,253,367)	(1,030,060)	(24,957,088)	(669,539)
Disposal of assets	1,977,505	-	1,226,053	-
B. Net cash used in investing activities	(38,275,862)	(1,030,060)	(23,731,034)	(669,539)
Cash flows from financing activities:				
Share capital	-	55,000,000	-	35,750,000
Advance against share capital	45,618,250	18,000	28,283,315	11,700
Short term bank loan	22,114,935	(16,282,056)	13,711,260	(10,583,336)
Bank overdraft	(23,216,179)	(44,867,524)	(14,394,031)	(29,163,891)
C. Net cash used in financing activities	44,517,006	(6,131,580)	27,600,544	(3,985,527)
Net changes in cash and bank balances (A+B+C)	5,542,520	4,062	3,436,362	2,640
Add: cash & bank balances at the beginning of the year	175,804	171,742	108,999	111,632
Cash & bank balances at the end of the year	5,718,325	175,804	3,545,361	114,272

These financial statements should be read in conjunction with annexed notes

Dated, Dhaka 20th April, 2011

Asian Consumer Care (Pvt.) Limited
Notes, comprising a summary of significant accounting policies and other explanatory information
As at and for the year ended 31 March 2011

1.01 The company and its nature of business

Asian Consumer Care (Pvt.) Limited incorporated in Bangladesh as a private limited company on 16th July 2003 having registered office at ACI Centre, 245. Tejgon I/A, Dhaka-1208 vide registration no. C-49886 (181)/2003. The main objective of the company is to manufacture and market coconut oil, hair oil, shampoo and other products under the trade mark 'Dabur' or other trade marks sub-licensed to it by DABUR INTERNATIONAL LIMITED, ISLE OF MAN. The company has two industrial units, one is engaged in manufacturing coconut oil, hair oil and shampoo while the other is engaged in manufacturing of toothpaste and processing of honey. Besides, the company is also engaged in trading of FMCG.

1.02 Components of financial statements

Responsibility for preparing and presentation of financial statements:

The Board of directors is responsible for the preparation of the financial statements under section 183 of the Companies Act, 1994 and as per BAS-1 "Presentation of Financial Statements", the complete set of financial statements contain the following components :

- (i) Balance sheet as at 31 March 2011;
- (ii) Profit and loss account for the year ended 31 March 2011;
- (iii) Statement of changes in equity for the year ended 31 March 2011;
- (iv) Statement of cash flows for the year ended 31 March 2011; and
- (v) Notes, comprising a summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2011.

2.00 Significant accounting policies

2.01 Basis of accounting

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) under historical cost convention and having compliance with the requirements of the Companies Act, 1994 and other relevant local laws and regulations as applicable.

2.02 Fixed assets & depreciation

Fixed assets are accounted for according to BAS-16 "Property, Plant and Equipment" at historical cost less accumulated depreciation. Assets are depreciated following reducing balance method. Depreciation on assets is charged on day basis of its use or operation and rates varying from 10% to 20%, which are as under:

Plant & machinery	18%
Office equipment	10%
Computer	10%
Furniture & fixture	10%
Other assets	18%
Vehicles	20%

2.03 Inventories

Inventories are valued in accordance with BAS-2 "Inventories" at lower of cost and net realizable value. Cost is determined at weighted average method. The cost of raw, packing and semi finished goods comprises of expenditure incurred in the normal course of business in bringing this items to their present location and condition. The cost of finished goods comprises of cost of raw materials, direct labor and production related overheads (based on normal capacity). Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sales.

2.04 Revenue recognition

Sales are recognized at the time of delivery of goods from the company's depot/factory, when risk and reward of ownership of goods are transferred to the buyer. Sales are stated net of returns, excluding VAT and SD (if applicable).

2.05 Taxation

The Industrial units (Tooth Paste manufacturing unit and cosmetic manufacturing unit) are subject to tax shield. Advance Income Tax paid at import stage for trading of finished goods are considered as final discharge of Tax liability for such income u/s 82 (C) of the Income Tax Ordinance 1984.

2.06 Transactions in foreign currencies

Transactions in foreign currencies are converted into Bangladesh Taka at the exchange rate ruling on the date of transaction as per BAS-21 "The effect of changes in foreign exchange rates".

2.07 Statement of cash flows

Statement of cash flows is prepared in accordance with BAS-7 "Cash Flow Statement" and cash flow from operating activities has been presented under indirect method.

2.08 Cash & Bank balances

Cash and Bank balances comprise cash in hand and cash at bank which are held and available for use by the company without any restriction.

2.09 Comparative information

Comparative information has been disclosed for all numerical information in the financial statements when it is relevant for understanding the current period's financial statements.

2.10 General

The figures in the financial statements represent Bangladesh currencies, which has been rounded off to the nearest Taka. Last year's figures have been rearranged wherever necessary for better presentation.

	Amount in Taka	
	31-Mar-11	31-Mar-10
3.00 Share Capital		
Authorized Share Capital	400,000,000	300,000,000
40,000,000 Ordinary shares of Tk. 10.00 each		
Issued, Subscribed and Paid-up Share Capital	99,975,990	99,975,990
9,997,599 Ordinary shares of Tk. 10.00 each.		

Shareholding position of the company is as follows:

	No. of Shares	Nominal Value in Taka	Nominal Value in Taka
DABUR International Limited	7,598,175	75,981,750	75,981,750
ACI Limited	2,399,424	23,994,240	23,994,240
	9,997,599	99,975,990	99,975,990

4.00 Fixed assets

	51,247,781	13,837,600
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Fixed assets represents the written down value of the capital assets held by the company as on the balance sheet date. Detail has been given in Schedule - A.

5.00 Inventories

Raw materials	32,253,863	23,076,473
Packing materials	16,813,272	16,166,790
Finished goods	17,439,431	14,723,024
Work-in-progress	10,431,974	229,030
	76,938,541	54,195,317
Less: Adjustment for material written off	1,100,000	-
Balance as at 31 March 2011	75,838,541	54,195,317

6.00 Cash & Bank Balance

Cash in hand	196,117	157,832
Cash at bank:		
Commercial Bank of Ceylon Ltd	17,656	10,742
Sonali Bank	7,173	7,230
Standard Chartered Bank	5,497,379	-
Balance as at 31 March 2011	5,718,325	175,804

Amount in Taka

	31-Mar-11	31-Mar-10
7.00 Loans, advances & others receivables		
Prepaid expenses	2,518,940	652,309
Advance income tax (AIT)	12,322,743	7,513,604
Advance payment of VAT	3,472,857	2,617,735
Advance payment of supplementary duty	631,619	376,625
Insurance claim receivable	685,790	914,188
Bank guarantee margin	594,399	352,412
Advance against advertisement expenses	3,655,000	4,281,850
Advance to staff	145,841	41,497
Balance as at 31 March 2011	24,027,190	16,750,220
8.00 Liability for expenses & others		
Outstanding expenses	21,827,659	14,273,816
Custom clearing A/c	480,006	53,093
Advance from customers	6,925,241	4,407,720
Tax deducted at source (TDS)	2,549,475	1,109,688
Salary payable	1,923,181	1,465,223
Balance as at 31 March 2011	33,705,562	21,309,540
9.00 Pre-operative expenses		
Balance as at 01 April 2010	2,691,271	3,589,271
Less: written off	898,000	898,000
Balance as at 31 March 2011	1,793,271	2,691,271
	Amount in Taka	
	2010-2011	2009-2010
10.00 Turnover	394,474,267	291,155,446
11.00 Cost of materials		
Opining Stock	54,195,317	54,368,246
Add: Purchase during the year	341,778,955	204,690,443
Less: Closing Stock	76,938,541	54,195,317
	319,035,730	204,863,372
Less: Adjustment for VAT & SD	92,448,536	21,001,994
	226,587,195	183,861,378
12.00 Manufacturing expenses		
Wages	4,179,184	3,335,025
Factory general expenses	211,020	152,168
Power and utility	1,597,744	838,199
Bank charge	1,702,950	1,088,695
Insurance	906,340	1,332,684
Depreciation	1,632,143	1,938,473
Lab & testing expenses	170,752	54,185
Employee welfare (Worker)	630,055	603,038
Repair & maintenance	424,016	225,285
Factory rent	3,471,586	3,085,988
	14,925,790	12,653,740
	Amount in Taka	
	2010-2011	2009-2010

13.00 Selling & administrative expenses

Salary and other benefits	28,738,549	25,495,090
Office rent	764,577	600,750
Guest house rent	337,950	540,000
Vehicle repair and maintenance	891,486	320,209
Vehicle fuel expenses	961,148	1,245,606
General charges	398,471	230,423
Utilities expenses	55,886	-
Audit fees	376,912	444,475
Car rental expenses	450,555	353,856
Insurance expenses	238,613	-
Legal expenses	721,381	408,557
Staff welfare	765,222	101,532
Postage and telephone	1,371,343	1,651,699
Stationeries & office supplies	387,179	363,489
Repair & maintenance	198,798	107,699
News paper & periodicals	10,350	8,912
Traveling & conveyance expenses	4,995,338	5,965,144
Overseas travelling	280,858	-
Rates & taxes	334,201	864,740
Depreciation	421,957	432,780
Sales, marketing & distribution expenses	102,988,307	57,505,497
Pre-operative exp. written off	898,000	898,000
Recruitment expenses	482,761	229,681
Loss on disposal of assets	42,085	-
Material write off	1,100,000	-
Exchange gain/loss (net)	2,578,771	34,586
Guest house expenses	276,915	612,900
Security service charges	169,000	156,000
	151,236,613	98,571,625

14.00 Contingent liability

Liabilities disputed with respect to:
VAT authority

-	2,762,000
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15.00 Workers' Profit Participation and Welfare Fund

As per the Labor Act 2006, the company has not made the provisions for the Workers' Profit Participation and Welfare Fund, while the company met the criteria to make provision for the said fund. However, The management of the company has assured to implement the fund by 30 September 2011.

Asian Consumer Care (Pvt.) Limited
Schedule of fixed assets
As at 31 March 2011

Particulars	Cost				Depreciation				W.D.V as at 31.03.11	W.D.V as at 31.03.10	
	Balance as at 01.04.10	Addition during the year	Adjustment	Balance as at 31.03.11	Rate	Balance as at 01.04.09	Charged during the year	Adjustment			Balance as at 31.03.11
Freehold Land	-	39,478,330	-	39,478,330	-	-	-	-	-	39,478,330	-
Plant & machine	18,063,457	107,000	(1,918,328)	16,252,129	18%	9,894,113	1,415,426	(1,215,689)	10,093,850	6,158,279	8,169,344
Office equipment	1,446,801	297,113	(151,559)	1,592,355	10%	269,192	116,825	(22,432)	363,585	1,228,770	1,223,407
Computer	951,512	147,000	181,401	1,279,912	10%	178,271	89,789	78,257	346,317	933,595	773,241
Furniture & fixt	2,158,988	223,924	(169,042)	2,213,870	10%	606,352	155,905	(29,901)	732,356	1,481,514	1,506,838
Other assets	2,688,488	-	80,023	2,768,511	18%	816,627	216,718	5,625	1,038,970	1,729,541	1,871,861
Vehicles	758,409	-	-	758,409	20%	465,500	59,438	(4,281)	520,658	237,751	292,909
Total	26,067,655	40,253,367	(1,977,505)	64,343,516		12,230,055	2,054,101	(1,188,420)	13,095,735	51,247,781	13,837,600

Amount in taka