DABUR (UK) LIMITED

Financial statements and reports
Year ended 31 March 2020

DABUR (UK) LIMITED

Financial statements and reports
Year ended 31 March 2020

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DABUR (UK) LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The directors submit their report and financial statements for the year ended 31 March 2020. We approve the financial statements and confirm that we are responsible for these, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Results and dividends

The loss for the year amounted to US$ 3,483 The directors do not propose any dividends for the year ended 31 March 2020.

Review of the business

The Company continued to act as an investment holding company and no other business activities were carried out during the year.

Significant events

During the last quarter of the year, there was an outbreak of COVID-19 (Coronavirus) across the globe, causing disruptions to economic activity and business operations. Management is in the process of determining the potential impact of this event, if any on the Company's financial statements and will continue to monitor the risks associated with COVID-19 outbreak.

Directors

The directors who served during the year were as follows:

Mr. Manish Mathur
Dr. Anand Chand Burman
Mr. Chetan Burman

On behalf of the Board of Directors

Director
15 May 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of DABUR (UK) LIMITED

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of **DABUR (UK) LIMITED** (the "Company"), which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 1(c) in the financial statements, which states that the financial statements of the subsidiary company are not consolidated in these financial statements as they will be consolidated in the financial statements of the ultimate parent company, which comply with the Indian Accounting Standards (IND-AS) which are converged to IFRSs

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises the Directors' report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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Auditor Registration No. S.D. Pereira - 552 , V.M.Joshi - 1200

INDEPENDENT AUDITOR'S REPORT
(continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

continued…

INDEPENDENT AUDITOR'S REPORT
(continued)

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF

PKF
Dubai
United Arab Emirates
22 May 2020

DABUR (UK) LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 US$	2019 US$
ASSETS			
Non-current assets			
Investment in a subsidiary	6	**92,720**	92,720
Non-current financial assets	7	**141,025**	141,025
		233,745	233,745
Current assets			
Cash and cash equivalents	9	**275,371**	279,671
Total assets		**509,116**	513,416
EQUITY AND LIABILITIES			
Shareholder's equity funds			
Share capital	10	**328,913**	328,913
Retained earnings		**176,546**	180,029
		505,459	508,942
Current liabilities			
Accruals		**3,657**	4,474
Total liabilities		**3,657**	4,474
Total equity and liabilities		**509,116**	513,416

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 4.

Approved and authorised for issue by the Board of Directors on 15 May 2020 and signed on their behalf by Mr. Manish Mathur.

For **DABUR (UK) LIMITED**

DIRECTOR

DABUR (UK) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 US$	2019 US$
Dividend income from a subsidiary		--	2,280,000
Impairment losses on investments	7	--	(12,643)
Other operating expenses	12	(3,483)	(120,410)
(LOSS)/PROFIT FOR THE YEAR		(3,483)	2,146,947
Other comprehensive income:			
Other comprehensive income for the year		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(3,483)	2,146,947

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 4.

DABUR (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Share capital US$	Retained earnings US$	Total US$
Balance at 1 April 2018	328,913	108,082	436,995
Total comprehensive income for the year	--	2,146,947	2,146,947
Dividends paid	--	(2,075,000)	(2,075,000)
Balance at 31 March 2019	328,913	180,029	508,942
Total comprehensive income for the year	--	(3,483)	(3,483)
Balance at 31 March 2020	**328,913**	**176,546**	**505,459**

Dividends declared and paid by the directors during the year of US$ Nil (previous year US$ 2,075,000) represents a dividend per share of US$ Nil (previous year US$ 63).

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 4.

DABUR (UK) LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 US$	2019 US$
Cash flows from operating activities		
(Loss)/profit for the year	**(3,483)**	2,146,947
Adjustments for:		
Dividend income	**--**	(2,280,000)
Impairment losses on investments	**--**	12,643
	(3,483)	(120,410)
Changes in accruals	**(817)**	(4,273)
Net cash used in operating activities	**(4,300)**	(124,683)
Cash flows from investing activities		
Receipts from a related party (net)	**--**	289,923
Dividends received	**--**	2,280,000
Purchase of investments	**--**	(91,200)
Net cash from investing activities	**--**	2,478,723
Cash flows from financing activities		
Dividends paid	**--**	(2,075,000)
Net cash used in financing activities	**--**	(2,075,000)
Net (decrease)/increase in cash and cash equivalents	**(4,300)**	279,040
Cash and cash equivalents at beginning of year	**279,671**	631
Cash and cash equivalents at end of year (note 9)	**275,371**	279,671

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 4.

1. LEGAL STATUS AND BUSINESS ACTIVITY

a) **DABUR (UK) LIMITED** (the "Company") is a limited liability company incorporated in British Virgin Islands. The Company is a wholly owned subsidiary of Dabur International Limited, (the "parent company"), a company incorporated in the Isle of Man. The ultimate parent company is Dabur India Limited, a company incorporated in India. The principal place of business is P.O. Box 3340, Road Town Tortola, British Virgin Islands.

b) The Company acts as an investment holding company and no other business activities were carried out during the year.

c) These are the separate financial statements of the Company. The financial statements of the subsidiary company are not consolidated in these financial statements as they will be consolidated in the financial statements of the ultimate parent company.

2. BASIS OF PREPARATION

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 January 2019.

b) **Basis of measurement**

The financial statements are prepared using historical cost, except for investment in equity instruments carried at fair value.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing the financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Further, the uncertainty due to recent COVID-19 outbreak with regard to the future impact on the Company's business performance has been considered as part of the management's assessment of the Company's ability to continue as a going concern. Management is in the process of determining the potential impact of this event, if any on the Company's financial statements and will continue to monitor the risks associated with COVID-19 outbreak [refer Note 14].

d) **Adoption of new International Financial Reporting Standards**

Standards, amendments, improvements and interpretations effective from the current period

The International Financial Reporting Standard, amendments, improvements and interpretation that became effective from the current reporting period are as follows:

- IFRS 16: Leases
- Amendments to IFRS 9: Prepayment Features with Negative Compensation and Modification of financial liabilities
- Amendments to IAS 28: Investment in Associates and Joint Ventures relating to long-term interests in associates and joint ventures
- Annual Improvements 2015-2017 Cycle:
  - IFRS 3 Business Combinations
  - IFRS 11 Joint Arrangements
  - IAS 12 Income Taxes
  - IAS 23 Borrowing Costs
- Amendments to IAS 19: Employee Benefits Plan Amendment, Curtailment or Settlement
- IFRIC 23: Uncertainty over Income Tax Treatments

The above standard, amendments, improvements and interpretation did not have any significant impact on the Company's financial statements.

New and revised IFRSs in issue but not yet effective

The following amendments that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to IAS 1 and IAS 8: Definition of Material (1 January 2020)
- The Conceptual Framework for Financial Reporting (1 January 2020)

e) **Functional and presentation currency**

The financial statements are presented in US Dollar ("USD") which is also the Company's functional currency.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Investments in subsidiaries**

Subsidiaries are entities over which the Company exercises control. Control is achieved when the Company is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The investment in subsidiaries is accounted for at cost less impairment losses, if any. The financial statements of the subsidiary companies are not consolidated in these financial statements as they will be consolidated in the financial statements of the ultimate parent company.

b) **Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank current accounts, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

c) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

d) **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, it's carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

e) **Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period. or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period. or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

f) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends the financial assets' contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) the Company has transferred substantially all the risks and rewards of the asset,

    or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets at amortised cost
Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method. All other financial assets are subsequently measured at fair value.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of cash and cash equivalents.

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost comprise of accruals.

Impairment of financial assets
The Company recognised an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset. For financial assets carried at FVTOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

g) **Fair value measurement**

The Company measures financial instruments, such as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income and non-financial assets such as [property plant and equipment, investment properties], at fair value at each reporting date. The Company also discloses the fair value of financial instruments measured at amortised cost.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In addition, the fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Fair value of financial assets

The fair values of financial instruments that are not traded on an active market are determined using valuation techniques. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

Impairment of financial assets

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(f).

		2020 US$	2019 US$
6.	**INVESTMENT IN A SUBSIDIARY**		
	Interest in share capital at cost in Dabur Egypt Limited	**92,720**	92,720

The nature of investment in subsidiary held by the Company is as follows:

Name of subsidiary	Principal activities	Country of incorporation	Registered proportion (%) of ownership interest 2020	2019
Dabur Egypt Limited	Manufacturing, trading and distribution of beauty and healthcare products.	Egypt	**76**	76

The financial statements of the subsidiary company are not consolidated in these financial statements as they will be consolidated in the financial statements of the ultimate parent company.

		2020 US$	2019 US$
7.	**NON-CURRENT FINANCIAL ASSETS**		
	Equity instruments designated at fair value through other comprehensive income		
	African Consumer Care Limited, Nigeria[(a)]	**42,025**	42,025
	Dabur Tunisie SARL, Tunisia[(b)]	**12,643**	12,643
	Dabur Pars Limited, Iran[(c)]	**99,000**	99,000
		153,668	153,668
	Less: Provision for impairment	**(12,643)**	(12,643)
		141,025	141,025

(a) 1.98% share in the equity capital of the company (previous year 1.98% share in the equity capital of the company).

(b) 1% share in the equity capital of the company (previous year 1% share in the equity capital of the company). During the previous year, the Company made a provision against investment in Dabur Tunisie SARL, which is under liquidation.

(c) 3.61 % share in the equity capital of the Company (previous year 15% share in equity capital of the Company).

A reconciliation of the movements in provision for impairment is as follows:

	2020 US$	2019 US$
Opening balance	12,643	--
Provision made during the year	--	12,643
Closing balance	12,643	12,643

8. RELATED PARTIES

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and at prices determined by the management.

Related parties comprise the parent company, the ultimate parent company, subsidiary, fellow subsidiaries and the directors.

At the reporting date, significant balances with related parties were as follows:

	Subsidiary US$	Fellow subsidiaries US$	Total 2020 US$	Total 2019 US$
Investment in a subsidiary	92,720	--	92,720	
	92,720	--		92,720
Non-current financial assets	--	141,025	141,025	
	--	141,025		141,025

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in notes 6, 7 and 13.

A reconciliation of the movements in provision for impairment is as follows:

	2020 US$	2019 US$
Opening balance	12,643	--
Provision made during the year	--	12,643
Closing balance	12,643	12,643

Significant transactions with related parties during the year were as follows:

	Parent company US$	Subsidiaries US$	Total 2020 US$	Total 2019 US$
Dividends paid	--	--	--	
	2,075,000	--		2,075,000
Dividend income	--	--	--	
	--	2,280,000		2,280,000

Certain administrative and staff related services are availed from the parent company free of cost.

		2020 US$	2019 US$
9.	**CASH AND CASH EQUIVALENTS**		
	Bank balance in call deposits	**275,371**	279,671
10.	**SHARE CAPITAL**		
	Paid up:		
	32,891.328 ordinary shares of US$ 10 each (previous year 32,891.328 ordinary shares of US$ 10 each)	**328,913**	328,913

The shareholder at 31 March 2020 and its interests as at that date in the share capital of the Company is as follows:

Name	No. of shares	US$
Dabur International Limited	**32,891.328**	**328,913**

11. **MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholder with a rate of return on its investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position together with amount due from a related party.

The Company is not exposed to any externally imposed capital requirements.

Funds generated from internal accruals, net of funds provided to a related party and dividends declared are retained in the business according to the business requirements and maintain capital at desired levels.

		2020 US$	2019 US$
12.	**OTHER OPERATING EXPENSES**		
	Withholding taxes on dividends	**--**	114,000
	Other expenses	**3,483**	6,410
		3,483	120,410

13. **FINANCIAL INSTRUMENTS**

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost		At fair value through other comprehensive income	
	2020	2019	**2020**	2019
	US$	US$	**US$**	US$
Financial assets				
Non-current financial assets	**--**	--	**141,025**	141,025
Cash and cash equivalents	**275,371**	279,671	--	--
	275,371	279,671	**141,025**	141,025
Financial liabilities				
Accruals	**3,657**	4,474	--	--

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements in order to manage exposure to liquidity risk.

Exposure to foreign currency transactions is minimised where possible by denominating such transactions in US Dollars or UAE Dirhams which is pegged to US Dollars.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally non-current financial assets and bank accounts.

The Company's bank account and non-current investments is placed with high credit quality financial institution.

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in US Dollar or UAE Dirham which is pegged to US Dollars.

Interest rate risk

The Company is not exposed to any significant interest rate risk.

Fair values

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the Company's financial assets and financial liabilities which are required to be stated at cost or at amortised cost approximate to their carrying values.

The fair values of cash and cash equivalents and accruals approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to determine the fair values of other financial assets/liabilities:

- The fair values of the non-listed equity investments have been estimated using a Discounted Cash Flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments. At the reporting date, the carrying amounts of these investments are not materially different from their fair values.

Significant increases/(decreases) in unobservable inputs in isolation would result in significantly higher or lower fair value.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

	Level 1		Level 2		Level 3		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	US$	US$	**US$**	US$	**US$**	US$	**US$**	US$
Non-current equity investments	--	--	--	--	**141,025**	141,025	**141,025**	141,025
	--	--	--	--	**141,025**	141,025	**141,025**	141,025

During the year ended 31 March 2020 and 31 March 2019, there were no transfers between Level 2 and Level 3 of fair value measurement.

14. SIGNIFICANT EVENTS

During the year, there was an outbreak of Covid-19 (Coronavirus) across the globe, causing disruptions to economic activity and business operations. Management is in the process of determining the potential impact of this event, if any on the Company's financial statements and will continue to monitor the risks associated with COVID-19 outbreak [refer note 2(c)].

For **DABUR (UK) LIMITED**

14/7/

DIRECTOR