DABUR INTERNATIONAL LIMITED

Financial statements and reports
Year ended 31 March 2021

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Financial statements and reports
Year ended 31 March 2021

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DABUR INTERNATIONAL LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The directors submit their report and financial statements for the year ended 31 March 2021. 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 profit for the year amounted to AED 57,910,028. The directors do not propose any dividends for the year ended 31 March 2021.

Review of the business
The Company carried out activities of manufacturing, import, export, warehousing and distribution of beauty and health care products.

Directors
The directors as at the reporting date were as follows:

Mr. Amit Burman	Mr. Krishan Kumar Chutani
Mr. Anand Chand Burman	Mr. Avasarala Subba Rao
Mr. Gaurav Burman	Mr. Manish Mathur
Mr. Mohit Burman	Mr. Pritam Das Narang
Mr. Saket Burman	Mr. Rohit Jaiswal
Mr. Vivek Chand Burman	Mr. Saikat Mukherjee
Mr. Mohit Malhotra	Dr. Ajay Dua
Mr. Prakul Kumar	

Significant events
In March 2020, there was an outbreak of Covid-19 (Coronavirus) across the globe, causing disruptions to economic activity and business operations. The Company's management has taken various steps to minimise the impact of this event and is closely monitoring the ongoing situation including risks associated with COVID-19 outbreak.

Independent auditor
PKF were appointed as independent auditor for the year ended 31 March 2021 and it is proposed that they be re-appointed for the year ending 31 March 2022.

On behalf of the Board of Directors

Director
18 April 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of DABUR INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **DABUR INTERNATIONAL LIMITED** (the "Company"), which comprise the statement of financial position as at 31 March 2021, 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 2021, 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 companies are not consolidated in these financial statements as they will be consolidated in the financial statements of the ultimate parent company. 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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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 compliance with the Isle of Man Companies Act 1931 to 2004, 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.
- 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.

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INDEPENDENT AUDITOR'S REPORT
(continued)

- 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 gives a true and fair view.

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.

Report on Other Legal and Regulatory Requirements
We further confirm that the financial statements have been prepared in accordance with the requirements of the Isle of Man Companies Acts 1931 to 2004.

For **PKF**

S. D. Pereira
Partner
Registration No. 552
Dubai, United Arab Emirates
25 April 2021

DABUR INTERNATIONAL LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	2021 AED	2020 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	6,880,521	7,275,250
Intangible assets	7	2,330,598	2,717,000
Investment in subsidiaries	8	572,437,011	513,685,011
Advance against investment in subsidiaries	9	735,144	59,310,144
Other financial assets	10	234,113,344	238,661,662
		816,496,618	821,649,067
Current assets			
Inventories	11	3,680,315	4,800,984
Trade and other receivables	12	76,627,271	81,680,349
Other current assets	13	4,390,831	3,816,317
Other financial assets	10	208,454,665	147,651,652
Cash and cash equivalents	14	7,020,219	32,735,440
		300,173,301	270,684,742
Total assets		1,116,669,919	1,092,333,809
EQUITY AND LIABILITIES			
Shareholder's equity funds			
Share capital	15	10,426,800	10,426,800
Share premium	16	24,486,959	24,486,959
Retained earnings		937,980,415	880,070,387
Exchange difference on translation of foreign operations		(310,273)	(636,707)
		972,583,901	914,347,439
Non-current liabilities			
Provision for staff end-of-service benefits	17	5,595,350	5,073,795
Lease liabilities	18	304,472	524,975
		5,899,822	5,598,770
Current liabilities			
Short-term borrowings	19	36,494,369	54,681,056
Trade and other payables	20	90,993,634	104,544,111
Other current liabilities	21	10,531,449	12,680,692
Other financial liabilities	10	7,799	329,305
Lease liabilities	18	158,945	152,436
		138,186,196	172,387,600
Total liabilities		144,086,018	177,986,370
Total equity and liabilities		1,116,669,919	1,092,333,809

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 18 April 2021 and signed on their behalf by Mr. Manish Mathur and Mr. Krishan Kumar Chutani.

For **DABUR INTERNATIONAL LIMITED**

DIRECTORS

DABUR INTERNATIONAL LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 AED	2020 AED
Revenue	24	**391,499,090**	435,633,142
Cost of sales	25	**(245,037,530)**	(278,568,440)
Gross profit		**146,461,560**	157,064,702
Other income	26	**8,526,234**	7,939,673
Profit on disposal of investments in subsidiaries		**--**	701,129
Impairment losses on investment in subsidiaries	8	**--**	(152,020,800)
Distribution costs	27	**(62,886,121)**	(56,844,634)
Administrative expenses	28	**(47,011,788)**	(47,580,257)
Interest income	29	**14,408,638**	15,029,302
Finance costs	30	**(1,588,495)**	(2,433,586)
PROFIT/(LOSS) FOR THE YEAR		**57,910,028**	(78,144,471)
Other comprehensive income: ***Items that may be reclassified subsequently to profit or loss:*** Exchange difference on translation of foreign operations		**326,434**	(114,093)
Other comprehensive income for the year		**326,434**	(114,093)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**58,236,462**	(78,258,564)

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 INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

		Share capital	Share premium	Retained earnings	Exchange difference on translation of foreign operations	Total
		AED	AED	AED	AED	AED
Balance at 1 April 2019		10,426,800	24,486,959	958,214,858	(522,614)	992,606,003
Comprehensive income						
- Loss	(a)	--	--	(78,144,471)	--	(78,144,471)
- Other comprehensive income	(b)	--	--	--	(114,093)	(114,093)
Total comprehensive income for the year	(a+b)	--	--	(78,144,471)	(114,093)	(78,258,564)
Balance at 31 March 2020		10,426,800	24,486,959	880,070,387	(636,707)	914,347,439
Comprehensive income						
- Profit	(c)	--	--	57,910,028	--	57,910,028
- Other comprehensive income	(d)	--	--	--	326,434	326,434
Total comprehensive income for the year	(c+d)	--	--	57,910,028	326,434	58,236,462
Balance at 31 March 2021		**10,426,800**	**24,486,959**	**937,980,415**	**(310,273)**	**972,583,901**

The details of movements in exchange difference on translation of foreign operations are as follows:

	Exchange difference on translation of foreign operations
	AED
Items that may be reclassified subsequently to profit or loss:	
Balance at 1 April 2019	(522,614)
Exchange difference on translation of foreign operations	(114,093)
Balance at 31 March 2020	(636,707)
Exchange difference on translation of foreign operations	326,434
Balance at 31 March 2021	**(310,273)**

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 INTERNATIONAL LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 AED	2020 AED
Cash flows from operating activities		
Profit/(loss) for the year	**57,910,028**	(78,144,471)
Adjustments for:		
Depreciation of property, plant and equipment	**956,176**	940,345
Amortisation of intangible assets	**390,352**	245,627
Impairment losses on investment in subsidiaries	**--**	152,020,800
Finance costs	**1,588,495**	2,433,586
Interest income	**(14,408,638)**	(15,029,302)
Provision for inventory obsolescence	**264,876**	740,000
Credit balances written back	**(50,708)**	(243)
Provision for staff end-of-service benefits	**1,017,769**	959,246
Profit on disposal of investments (net)	**--**	(701,129)
Assets written off (net)	**26,731**	18,026
	47,695,081	63,482,485
Changes in		
- Inventories	**855,793**	(2,230,202)
- Trade and other receivables	**6,084,388**	(5,625,886)
- Other current assets	**(574,514)**	(80,404)
- Trade and other payables	**(13,670,457)**	5,353,900
- Other current liabilities	**(2,098,535)**	2,169,591
- Derivative financial liabilities	**(321,506)**	329,305
Staff end-of-service benefits paid	**(496,214)**	(642,432)
Cash generated from operations	**37,474,036**	62,756,357
Interest paid	**(1,468,514)**	(2,403,443)
Net cash from operating activities	**36,005,522**	60,352,914
Cash flows from investing activities		
Proceeds on disposal of property, plant and equipment	**--**	78,869
Payment for property, plant and equipment	**(585,021)**	(596,018)
Payment for intangible assets	**(3,950)**	(2,293,783)
Decrease in capital advance (net)	**--**	2,203,200
Proceeds on disposal if investment in subsidiaries (net)	**--**	5,378,329
Payment for advance against investments	**(177,000)**	(59,310,144)
Payment of long-term loans to related parties (net)	**(2,800,000)**	(5,078,075)
Repayment of long-term loans by a related party	**30,000,000**	13,821,639
(Decrease)/increase in other current financial assets (net)	**(83,454,695)**	692,055
Interest received	**13,377,328**	12,625,838
Net cash used in investing activities	**(43,643,338)**	(32,478,090)

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DABUR INTERNATIONAL LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021
(continued)

	2021 AED	2020 AED
Cash flows from financing activities		
Payment of lease liability	(213,994)	(270,177)
Payment of short-term bank loan (net)	(18,186,687)	(9,240,424)
Net cash used in financing activities	(18,400,681)	(9,510,601)
Foreign currency translation difference	323,276	(113,238)
Net (decrease)/increase cash and cash equivalents	(25,715,221)	18,250,985
Cash and cash equivalents at beginning of year	32,735,440	14,484,455
Cash and cash equivalents at end of year (note 14)	7,020,219	32,735,440

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 INTERNATIONAL LIMITED** (the "Company") is a limited liability company incorporated in the Isle of Man under registration no 046540C. The Company is a wholly owned subsidiary of Dabur India Limited, which is considered by the directors to be the ultimate parent company. The registered office is First floor, Millennium House, Victoria road, Douglas, Isle of Man. The principal place of business is P.O. Box 16944, Jebel Ali, Dubai, UAE.

b) The Company is engaged in the manufacturing, import, export, warehousing and distribution of beauty care and health care products. The activities are carried out under general trading and industrial license issued by Jebel Ali Free Zone Authority, UAE. In the year 2007, the Company acquired a branch of the ultimate parent company in United Kingdom. These financial statements include the results of operations, assets and liabilities of the branch in the United Kingdom.

c) These are the separate financial statements of the Company and its branch in the United Kingdom. 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.

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 April 2020, and the requirements of Isle of Man Companies Act 1931 to 2004.

b) Basis of measurement

The financial statements are prepared using historical cost, except for certain derivative financial 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 outbreak of Covid-19 continues to cause disruptions in normal lives and business in several ways. The uncertainty due to Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of Management's assessment of the Company's ability to continue as a going concern. As the Company is principally engaged in the manufacturing, import, export, warehousing and distribution of beauty care and health care products, a short-term impact was experienced in Company's business activities and cash flows in first quarter of the financial year. Post resumption of businesses towards end of 1st quarter, the operations have normalized from 2nd quarter onwards. Hence, there is no change in Management's going concern assessment or business strategy.

Since the impact of Covid-19 continues to evolve, the Company will continue to monitor the situation and its impacts on the financial statements (See Note 5).

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

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

The following amendments, improvements and interpretations which became effective 1 January 2020, did not have any significant impact on the Company's financial statements:

- Amendments to IFRS 3 - Definition of a Business
- Amendments to IAS 1 and IAS 8 - Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform
- Revised Conceptual Framework for Financial Reporting
- Amendment to IFRS 16 – Covid 19- Related Rent Concessions (early adopted)

The Company has not early adopted any other amendments, improvements and interpretations that have been issued but is not yet effective.

New and revised IFRSs in issue but not yet effective and not early adopted

The following amendments, improvements and interpretations 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 IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark - Phase 2 (1 January 2021)
- Amendments to IFRS 3 – Reference to Conceptual Framework (1 January 2022)
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use (1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020 (1 January 2022)
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)

e) **Functional and presentation currency**

The financial statements are presented in UAE Dirhams ("AED") 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) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Right-of-use assets	5 years
Factory building	30 years
Plant, machinery and equipment	15 years
Moulds	4 years
Furniture, fixtures and office equipment	3 – 10 years
Vehicles	8 years

Freehold land is not depreciated.

The Company has presented right-of-use assets representing the right to use the underlying assets under property, plant and equipment [Refer notes 3 (h) and 6].

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in profit or loss.

b) **Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment losses. The cost of trademarks is amortised using the straight-line method over their protected lives of 10 years. The cost of computer software is amortised over 5 years.

An assessment of amortisation method and useful lives is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the amortisation charge.

Intangible assets with indefinite useful lives are not amortised as the Company does not identify any foreseeable limit on the benefits embodied with such rights. Consequently, these are tested annually for impairment and carried at cost less accumulated impairment losses.

c) **Impairment of tangible and intangible assets excluding goodwill**

At each reporting date, the management reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

d) **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.

e) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) method and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

Finished goods are stated at lower of cost and net realisable value. Cost comprises of direct materials, labour and other attributable overheads.

Goods-in-transit represents the inventory over which Company has legal title based on terms of purchase, but which are physically not received at the Company's warehouse.

f) **Staff end-of-service benefits**

Provision is made for end-of-service benefits payable to non-UAE national employees at the reporting date in accordance with the local labour laws.

g) **Revenue recognition**

The Company is engaged in the manufacturing, import, export, warehousing and distribution of beauty and health care products.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods

The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

Management fees

Management fee represents income earned as per the agreed terms with the related parties for support services rendered which are recognised over time when control of services transfers to the related parties.

Interest income

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

h) **Leases**

As a lessee

The Company leases land on which it has constructed a warehouse. Rental contracts are typically made for fixed periods of 1 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets are not used as security for borrowing purposes.

Right-of-use assets

The Company recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial costs; and
- restoration costs.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities
The Company recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Company; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

The Company uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments and uses the incremental borrowing rate at the commencement date of the lease if the profit rate implicit in the lease is not readily determinable. Further, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

i) **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 net of temporary bank overdrafts.

j) **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.

The income and expenses of the UK branch are translated into UAE Dirhams at the average rate for the period. The assets and liabilities of the UK branch are translated into UAE Dirhams at the closing rate of the reporting date. Resulting exchange differences are recognised as a separate component of equity.

The financial statements of UK branch are translated into UAE Dirhams at 1 UAE Dirham equivalent to 0.1976 (closing) and 0.2081 (average) UK Pound Sterling.

k) **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred except those that are attributable to the acquisition and construction of an asset that necessarily takes a substantial period to get ready for its intended use ("qualifying asset"). Such borrowing costs are capitalised as part of the related qualifying asset up to the date the qualifying asset is ready for use.

l) **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.

m) **Provision for taxation**

The Company is subject to Isle of Man Income Tax at a rate of 0%. The Company is not subject to any taxation in UAE. The branch of the Company is United Kingdom tax resident and liable to corporation tax.

Provision for tax is made on the basis of the profit generated by making suitable adjustments for likely disallowances as per the tax law, and applying the tax rates specified in the Income Tax Law in the United Kingdom.

n) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The Company is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

o) **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.

p) **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 on 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 recognise 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 as 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.

All other financial assets are subsequently measured at fair value.

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 Investment in debt instruments, Long-term loan to related parties, trade and other receivables, other financial assets(current), cash and cash equivalents.

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 Short-term borrowings, trade and other payables and lease liabilities.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. However, for financial liabilities that are designated at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effect of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for investment in 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 and other financial assets 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.

The Company has elected to measure loss allowances for trade receivables at an amount equal to lifetime ECLs. The Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognized a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- The customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 180 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

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.

q) **Derivatives financial instruments**

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the statement of profit or loss.

r) **Fair value measurement**

The Company measures financial instruments, such as financial assets/liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income 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

At each reporting date, management conducts an assessment of property, plant, equipment, and intangible assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

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.

Leases

Determining the lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. The Company considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

The right-of-use assets and lease liabilities recognised as at 1 January 2019 are mainly determined based on the Company's expected lease renewal terms derived primarily from the Company's long-term business plans.

Discounting of lease payments
The lease payments are discounted using the Company's incremental borrowing rate ("IBR"), of 3%, due to the absence of implicit rates in the lease contracts.

Management has applied judgments and estimates to determine the IBR at the transition date, using borrowing rates that certain financial institutions would charge the Company against financing the different types of assets it leases over different terms and different ranges of values. IBR is further adjusted for Company's specific risk, term risk and underlying asset risk. Majority of the leases are present in the UAE and accordingly no adjustment for the economic environment was deemed required.

Investments in subsidiaries
Management considers that it has de-facto control over the equity interest held by other shareholders.

Management considers that it has control over Excel Investment (FZC) although it does not hold any shares in Excel Investment (FZC) as it has de-facto control by virtue of the management agreement signed with the shareholders.

Recognition of revenue and allocation of transaction price
Identification of performance obligations
The Company determined that the *sale of goods* is provided as a single component to customers and accordingly it becomes single performance obligation in respect of the goods being sold.

Determine timing of satisfaction of performance obligation
The Company concluded that the revenue from sales of goods is to be recognised at a point in time when the control of the goods has been transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

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:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Company's inventory, stated at AED 5,125,191 (previous year AED 5,980,984) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant, equipment and intangible assets are based on assumptions regarding future cash flows expected to be received from the related assets.

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(p).

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 5,595,350 (previous year AED 5,073,795), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

Impact of Covid-19

Since the Covid-19 outbreak is evolving rapidly, the Company continues to assess the impact on its operations on a regular basis. The management believes that there exists a material uncertainty in respect of expected duration and its potential impact on the overall economy. However, the management concluded that there is no significant impact of Covid-19 on its operations and/or cash flows due to nature of the Company's business activities.

6. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use[a]	Factory building[b]	Plant, machinery and equipment	Moulds	Furniture, fixtures and office equipment	Vehicles	Total
	AED	AED	AED	AED	AED	AED	AED
Cost							
At 1 April 2019	--	9,107,355	529,226	1,577,373	3,298,225	1,369,758	15,881,937
Additions	--	--	1,800	--	231,789	362,429	596,018
Adoption of IFRS 16	947,588	--	--	--	--	--	947,588
Transfer to related party	--	--	--	(1,577,373)	--	--	(1,577,373)
Write offs	--	--	--	--	(170,755)	--	(170,755)
Foreign currency translation difference	--	--	--	--	(3,146)	--	(3,146)
At 31 March 2020	947,588	9,107,355	531,026	--	3,356,113	1,732,187	15,674,269
Additions	--	--	16,219	--	199,802	369,000	585,021
Write offs	--	--	--	--	(279,432)	--	(279,432)
Foreign currency translation difference	--	--	--	--	7,480	--	7,480
As at 31 March 2021	947,588	9,107,355	547,245	--	3,283,963	2,101,187	15,987,338
Accumulated depreciation							
At 1 April 2019	--	4,408,346	392,660	1,498,504	2,343,313	469,375	9,112,198
Depreciation	218,628	292,526	35,016	--	260,750	133,425	940,345
Adjustment on transfers	--	--	--	(1,498,504)	--	--	(1,498,504)
Adjustment on assets written-off	--	--	--	--	(152,729)	--	(152,729)
Foreign currency translation difference	--	--	--	--	(2,291)	--	(2,291)
At 31 March 2020	218,628	4,700,872	427,676	--	2,449,043	602,800	8,399,019
Depreciation	218,628	292,526	20,222	--	242,678	182,122	956,176
Adjustment on assets written-off	--	--	--	--	(252,701)	--	(252,701)
Foreign currency translation difference	--	--	--	--	4,323	--	4,323
At 31 March 2021	437,256	4,993,398	447,898	--	2,443,343	784,922	9,106,817
Carrying amount							
At 1 April 2019	--	4,699,009	136,566	78,869	954,912	900,383	6,769,739
At 31 March 2020	728,960	4,406,483	103,350	--	907,070	1,129,387	7,275,250
At 31 March 2021	510,332	4,113,957	99,347	--	840,620	1,316,265	6,880,521

(a) The leasehold interest in land is capitalised as Right-of-Use asset.

(b) Factory building is constructed on a leasehold land, the lease period being 15 years with renewable option.

7. INTANGIBLE ASSETS

	Trade marks AED	Computer Software AED	Total AED
Cost			
At 1 April 2018	--	758,426	758,426
Additions	2,203,200	90,583	2,293,783
At 31 March 2020	2,203,200	849,009	3,052,209
Additions	--	3,950	3,950
At 31 March 2021	**2,203,200**	**852,959**	**3,056,159**
Accumulated amortisation			
At 1 April 2018	--	89,582	89,582
Amortisation	84,275	161,352	245,627
At 31 March 2020	84,275	250,934	335,209
Amortisation	220,345	170,007	390,352
At 31 March 2021	**304,620**	**420,941**	**725,561**
Carrying amount			
At 1 April 2018	--	668,844	668,844
At 31 March 2020	2,118,925	598,075	2,717,000
At 31 March 2021	**1,898,580**	**432,018**	**2,330,598**

8. INVESTMENT IN SUBSIDIARIES

	2021 AED	2020 AED
Asian Consumer Care Private Limited, incorporated in Bangladesh [76% share in the capital of the company]	**17,542,033**	17,542,033
African Consumer Care Limited, incorporated in Nigeria [98.02% share in the equity capital of the company of AED 5,429,637 and 100% share in redeemable convertible preference share capital of AED 28,611,950]	**34,041,587**	34,041,587
Dabur Nepal Private Limited, incorporated in Nepal [97.50% share in the capital of the company]	**17,262,289**	17,262,289
Dabur (UK) Limited, incorporated in British Virgin Islands [100% share in the capital of the company]	**2,492,049**	2,492,049
Dabur Egypt Limited, incorporated in Egypt [24% share in the capital of the company] (a)	**108,021**	108,021

	2021 AED	2020 AED
Naturelle LLC, incorporated in the UAE [100% share in the capital of the company] [(b)]	**3,600,000**	3,600,000
Dermoviva Skin Essentials INC., incorporated in USA [97.79% share in the capital of the company] [(c)]	**318,362,400**	259,610,400
Hobi Kozmetik Imalat Sanayi ve Ticaret Anonim Sirketi, incorporated in Turkey [100% share in the capital of the company] [(d)]	**245,167,800**	245,167,800
Ra Pazarlama Limited Sirketi, incorporated in Turkey [100% share in the capital of the company]	**8,200,196**	8,200,196
Dabur Lanka (Private) Limited, incorporated in Sri Lanka [100% share in the capital of the company]	**57,173,040**	57,173,040
Dabur Consumer Care (Private) Limited, incorporated in Sri Lanka [100% share in the capital of the company]	**3,302,794**	3,302,794
Dabur Tunisie SARL, incorporated in Tunisia [99% share in the capital of the company] [(e)]	**4,596,183**	4,596,183
Dabur South Africa (PTY) LTD., incorporated in Johannesburg [100% share in the capital of the company]	**11,199,602**	11,199,602
Dabur Pars Limited, incorporated in Iran [96% share in the capital of the company] [(f)]	**6,006,000**	6,006,000
	729,053,994	670,301,994
Less: Provision for impairment losses [(c, d, & e)]	**(156,616,983)**	(156,616,983)
	572,437,011	513,685,011

The principal activities of the above subsidiaries comprise manufacturing, trading and distribution of beauty and health care products and are 100% beneficially owned by the Company. 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.

(a) The Company holds 100% shareholding in Dabur (UK) Limited, which holds balance 76% shares in Dabur Egypt Limited.

(b) Although the Company holds 49% legal share capital in Naturelle LLC, it holds the entire beneficial interest in the subsidiary by virtue of agreement signed with the other shareholder.

(c) During the previous year, the Company has made provision of AED 111,996,000 for impairment losses against investment in Dermoviva Skin Essentials INC.

(d) During the previous year, the Company has made provision of AED 40,024,800 for impairment losses against investment in Hobi Kozmetik Imalat Sanayi ve Ticaret Anonim Sirketi.

(e) The Company has made a provision of AED 4,596,183 against investment in Dabur Tunisie SARL which is under liquidation. The legal formalities of liquidation are in progress as at the reporting date.

(f) The Company holds 100% shareholding in Dabur (UK) Limited, which holds balance 4% shares in Dabur Pars Limited.

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

	2021 AED	2020 AED
Opening balance	156,616,983	4,596,183
Provision made during the year	--	152,020,800
Closing balance	156,616,983	156,616,983

9. ADVANCE AGAINST INVESTMENT IN SUBSIDIARIES

This represents advance against investment in share capital of the following subsidiaries:

Dermoviva Skin essentials INC, USA[a]	--	58,752,000
Dabur Pars Limited, Iran	735,144	558,144
	735,144	59,310,144

(a) During the year, the advance against investment in Dermoviva Skin essentials INC, USA has been converted to shares.

10. OTHER FINANCIAL ASSETS/(LIABILITIES)

Derivatives not designated as hedging instruments:			
- Foreign exchange forward contracts	(A)	(7,799)	(329,305)
Debt instruments at amortised cost			
- Loans to related parties[a]		64,500,688	91,700,688
- Quoted debt instruments[b]		298,617,377	198,963,181
	(B)	363,118,065	290,663,869
Other financial assets at amortised cost:			
- Fixed deposits[c]		79,437,944	95,637,445
- Margin deposits		12,000	12,000
	(C)	79,449,944	95,649,445
Total financial assets & liabilities	(A+B+C)	442,560,210	385,984,009
Disclosed under:			
Non-current financial assets		234,113,344	238,661,662
Other financial assets		208,454,665	147,651,652
Other financial liabilities		(7,799)	(329,305)
		442,560,210	385,984,009

		2021 AED	2020 AED
(a)	Loans to related parties comprise loans to:		
	- Naturalle LLC(i)	**59,122,361**	86,322,361
	- Excel Investment (FZE)(ii)	**5,378,327**	5,378,327
		64,500,688	91,700,688

(i) This represents interest-bearing (at fixed rate), secured long-term loans given to Naturelle LLC, a subsidiary company incorporated in UAE, without any fixed repayment schedule. The loans are secured by a second charge over the fixed assets of Naturelle LLC as collateral security and carries fixed rate of interest. It is not the intention of the Company to demand repayment within twelve months from the reporting date.

(ii) This represents interest free, secured loan given to Excel Investment (FZE), a subsidiary company incorporated in Sharjah, UAE. It is not the intention of the Company to demand repayment within twelve months from the reporting date.

A reconciliation of the movements in the loans is as follows:

	2021 AED	2020 AED
Opening balance	**91,700,688**	100,144,000
Loans given during the year	**2,800,000**	5,378,327
Loans repaid during the year	**(30,000,000)**	(13,821,639)
Closing balance	**64,500,688**	91,700,688

(b) Investment in quoted bonds represents investments in bonds with a maturity of one to five years.

A reconciliation of the movements in the bonds is as follows:

	2021 AED	2020 AED
Opening balance	**198,963,181**	254,931,349
Investment made during the year	**216,121,641**	17,645,425
Disposals during the year	**(110,475,160)**	(72,005,904)
Discount and premium amortised (net)	**(5,992,285)**	(1,607,689)
Closing balance	**298,617,377**	198,963,181

(c) Fixed deposits include deposits amounting to AED 11,864,441(previous year AED 2,759,148 held as security against letters of guarantees issued (Note 34).

11. INVENTORIES

	2021 AED	2020 AED
Goods held-for-sale	**3,736,670**	3,966,618
Less: Provision for slow moving, damaged and obsolete inventories	**(1,444,876)**	(1,180,000)
	2,291,794	2,786,618
Goods-in-transit	**1,388,521**	2,014,366
	3,680,315	4,800,984

A reconciliation of the movements in the provision for slow moving, damaged and obsolete inventories is as follows:

	2021 AED	2020 AED
Opening balance	**1,180,000**	440,000
Provisions made during the year	**264,876**	740,000
Closing balance	**1,444,876**	1,180,000

12. **TRADE AND OTHER RECEIVABLES**

Trade receivables	**69,853,880**	75,868,635
Deposits	**216,249**	221,414
Other receivables	**6,557,142**	5,590,300
	76,627,271	81,680,349

A reconciliation of the movements in the allowance for expected credit losses for trade receivables is as follows:

Opening balance	--	21,834
Amount written off	--	(21,834)
Closing balance	--	--

An age analysis of trade receivables that are past due but not impaired is as follows:

0 to 3 months	**4,942,031**	16,272,692
3 months to 6 months	**189,699**	2,169,486
Over 6 months	**2,393,147**	3,981,644

At the reporting date, there are no trade receivables considered to be impaired due to non-recovery or perceived difficulty in recovery (previous year AED Nil).

Trade receivables not past due and not impaired	**62,329,003**	53,444,813

The Company hold post-dated cheques against trade receivables AED Nil (previous year AED 593,390). Furthermore, trade receivables amounting to AED 52,378,442 (previous year AED 51,042,560) are covered by the letters of credit and bank guarantees in favour of the Company as security.

13. **OTHER CURRENT ASSETS**

Prepayments	**483,189**	560,845
Advance for goods and services	**700,542**	455,932
VAT receivable (net)	**3,207,100**	2,799,540
	4,390,831	3,816,317

		2021 AED	2020 AED
14.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	11,775	27,222
	Bank balances:		
	Current accounts	4,109,255	25,676,209
	Bank remittance-in-transit	2,899,189	7,032,009
		7,020,219	32,735,440
15.	**SHARE CAPITAL**		
	Authorised:		
	18,600,000 (previous year 18,600,000) ordinary shares of Stg. £ 1 each, comprising of 15,600,000 (previous year 15,600,000) shares converted at Stg. £ 1 = UAE Dirhams 6; and 3,000,000 (previous year 3,000,000) shares converted at Stg. £ 1 = UAE Dirhams 6.4.	112,800,000	112,800,000
	Issued and paid up:		
	1,700,000 (previous year 1,700,000) ordinary shares of Stg. £ 1 each, comprising of 1,000,000 shares converted at Stg. £ 1 = UAE Dirhams 6; 600,000 shares converted at Stg. £ 1 = UAE Dirhams 6.4 and 100,000 shares converted at Stg. £ 1 = UAE Dirhams 5.868.	10,426,800	10,426,800

The shareholder at 31 March 2021 and its interests as at that date in the share capital of the Company is as follows:

Name	No. of shares	AED
Dabur India Limited	1,700,000	10,426,800

		2021 AED	2020 AED
16.	**SHARE PREMIUM**		
	Opening and closing balance	24,486,959	24,486,959

This comprises of:

(a) Share premium of AED 14,053,759 arising out of 600,000 shares amounting to AED 3,840,000 issued during the year ended 31 March 2006 and;

(b) Share premium of AED 10,433,200 arising out of allotment of 100,000 shares amounting to AED 586,800 issued during the year ended 31 March 2012.

		2021 AED	2020 AED
17.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Opening balance	5,073,795	4,456,729
	Provision for the year	1,017,769	959,246
	Transfer from a related party	--	300,252
	Paid during the year	(496,214)	(642,432)
	Closing balance	5,595,350	5,073,795

		2021 AED	2020 AED
18.	**LEASE LIABILITIES**		
	Lease liabilities for long-term lease of land	**463,417**	739,911

Disclosed in the statement of financial position as follows:

	2021 AED	2020 AED
Non-current liabilities	**304,472**	524,975
Current liabilities	**158,945**	152,436
	463,417	677,411

A reconciliation of the movements in the lease liabilities is as follows:

	2021 AED	2020 AED
At 1 January	**677,411**	--
Adjustment upon adoption of IFRS 16	**--**	947,588
Payments made during the year	**(213,994)**	(270,177)
Closing balance	**463,417**	677,411

	2021 AED	2020 AED
A maturity analysis of lease liabilities is as follows:		
0 – 1 month	**18,124**	17,589
1 – 3 months	**36,384**	35,310
3 months – 1 year	**104,437**	99,537
Presented as current liabilities	**158,945**	152,436
1 year – 5 years	**304,472**	524,975
Total	**463,417**	677,411

		2021 AED	2020 AED
19.	**SHORT-TERM BORROWINGS**		
	Overdrafts	**7,118,369**	2,215,732
	Short-term loan	**29,376,000**	52,465,324
		36,494,369	54,681,056

A maturity analysis of short-term and long-term borrowings is as follows:

	2021 AED	2020 AED
Overdrafts	**7,118,369**	2,215,732
0 – 3 months	**29,376,000**	52,465,324
	36,494,369	54,681,056

Bank facilities are secured against (but not limited to):

- Assignment of insurance policies covering property, plant and equipment & Inventory.
- Assignment agreement for discounting receivables from a customer.
- Agreement for forward and spot foreign exchange and currency option transactions.

- Master trust receipt agreements by the Company and a subsidiary.
- Cross guarantee of the Company and a subsidiary.
- Indemnities covering trade and forex facilities.
- International Swap Derivation Association Master Agreement.

The bank overdrafts and loan are subject to certain financial covenants including leverage ratio and minimum net worth.

	2021 AED	2020 AED
20. TRADE AND OTHER PAYABLES		
Trade payables	**7,551,719**	8,762,235
Accruals	**82,164,408**	94,079,768
Other payables	**1,277,507**	1,702,108
	90,993,634	104,544,111

The entire trade and other payables are due for settlement in one year.

	2021 AED	2020 AED
21. OTHER CURRENT LIABILITIES		
Advance for goods and services	**2,363,384**	4,003,788
VAT payable (net)	**--**	2,166,984
Other liabilities	**8,168,065**	6,509,920
	10,531,449	12,680,692

22. 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/ultimate parent company, subsidiaries/fellow subsidiaries, companies under common ownership/management control and the directors.

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

	Parent/ ultimate parent company AED	Subsidiaries AED	Directors AED	Total 2021 AED	Total 2020 AED
Investments	--	572,437,011	--	**572,437,011**	
	--	513,685,011	--		513,685,011
Advance against investments	--	735,144	--	**735,144**	
	--	59,310,144	--		59,310,144

	Parent/ ultimate parent company	Subsidiaries	Directors	Total 2021	Total 2020
	AED	AED	AED	AED	AED
Loans to related parties	--	64,500,688	--	64,500,688	
	--	91,700,688	--		91,700,688
Included in trade and other receivables	4,715	8,903,196	--	8,907,911	
	24,631	8,884,384	--		8,909,015
Included in trade and other payables	7,253,189	--	--	7,253,189	
	7,662,578	14,396	--		7,676,974
Provision for staff end-of-service benefits	--	--	1,154,278	1,154,278	
	--	--	979,247		979,247
Stand-by letters of credit issued	--	14,829,080	--	14,829,080	
	--	18,501,080	--		18,501,080
Corporate bank guarantees issued	--	27,093,668	--	27,093,668	
	--	28,411,000	--		28,411,000
Included in advances	--	--	692,948	692,948	
	--	--	609,509		609,509

All balances are unsecured and expected to be settled in cash except for guarantees given on behalf of related parties. Repayment and other terms are set out in notes 8, 9, 10 and 33.

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

	Parent/ ultimate parent company	Subsidiaries	Directors	Total 2021	Total 2020
	AED	AED	AED	AED	AED
Sales	88,264	19,968,679	--	20,056,943	
	121,286	26,024,150	--		26,145,436
Purchases	995,525	234,113,642	--	235,109,167	
	471,600	265,947,528	--		266,419,128
Interest income	--	3,566,124	--	3,566,124	
	--	4,575,496	--		4,575,496
Know-how fees income	--	698,687	--	698,687	
	--	550,929	--		550,929
Management fee income	--	7,300,072	--	7,300,072	
	--	7,386,229	--		7,386,229
Directors' remuneration and expenses (included in administrative expenses)	--	--	566,257	566,257	
	--	--	1,505,512		1,505,512

	Parent/ ultimate parent company AED	Subsidiaries AED	Directors AED	Total 2021 AED	Total 2020 AED
Directors' salaries and benefits (included in salaries and benefits under administrative expenses)	--	--	6,764,938	6,764,938	
	--	--	6,452,684		6,452,684
Directors' end-of-service benefits (included in administrative staff end-of-service benefits)	--	--	175,031	175,031	
	--	--	161,920		161,920
Transfer of assets to related parties at net book value	--	--	--	--	
	--	78,869	--		78,869
Transfer of provision for end-of-service benefits	--	--	--	--	
	--	300,252	--		300,252
Management service fee (included in administration expenses)	3,113,309	--	--	3,113,309	
	2,844,395	--	--		2,844,395
Impairment losses on investment in subsidiaries	--	--	--	--	
	--	152,020,800	--		152,020,800

The Company also provides funds to/receives funds from related parties as working capital facilities at fixed rates of interest/free of interest.

Certain administrative and staff related services are availed from a related party free of cost/as per agreed rates.

23. 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 to a related party and loans to related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per bank facilities availed and has complied with all such requirements to which it is subject (note 19).

Funds generated from internal accruals together with funds received from a related party net of loans to related parties are retained in the business, to limit bank borrowings within covenants and according to the business requirements and maintain capital at desired levels. The nature of such covenants is set out in note 19.

24. REVENUE

The Company generates revenue from the transfer of goods at a point in time. The disaggregated revenue from contracts with customers by geographical segments, contract duration and type of goods is presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	2021 AED	2020 AED
Primary Geographical segments		
UAE	50,490,404	71,737,027
Other Middle East countries	226,051,362	255,016,972
Europe	24,166,202	19,907,068
Asia	17,849,291	27,155,370
Africa	45,904,283	55,768,776
Americas	23,971,248	3,848,439
Australia	3,066,300	2,199,490
	391,499,090	435,633,142
Major goods/service lines		
Beauty and Health care products	391,499,090	435,633,142
Timing of revenue recognition		
At a point in time	391,499,090	435,633,142

25. COST OF SALES

	2021 AED	2020 AED
Purchases of inventory (including direct costs)	244,807,582	280,495,067
Changes in inventories	229,948	(1,926,627)
	245,037,530	278,568,440

26. OTHER INCOME

	2021 AED	2020 AED
Management fees	7,300,072	7,386,229
Know-how fees	698,687	550,929
Credit balances written back	50,708	243
Miscellaneous income	476,767	2,272
	8,526,234	7,939,673

		2021 AED	2020 AED
27.	**DISTRIBUTION COSTS**		
	Salaries and other benefits	**13,659,504**	12,939,224
	Staff end-of-service benefits	**389,069**	336,447
	Advertising and promotion expenses	**15,093,204**	10,406,972
	Depreciation on distribution assets (note 31)	**312,651**	327,542
	Other distribution expenses	**33,431,693**	32,834,449
		62,886,121	56,844,634
28.	**ADMINISTRATIVE EXPENSES**		
	Directors' remuneration and expenses	**566,257**	1,505,512
	Salaries and other benefits [(a)]	**27,232,396**	25,681,030
	Staff end-of-service benefits[(b)]	**628,700**	622,799
	Operating lease expenses	**7,200**	7,200
	Provision for inventory obsolescence	**342,075**	740,000
	Assets written off (net)	**26,731**	18,026
	Depreciation on administrative assets (note 31)	**643,525**	612,803
	Amortisation of intangible assets	**390,352**	245,626
	Management service fees	**3,113,309**	2,844,395
	Other administrative expenses	**14,061,243**	15,302,866
		47,011,788	47,580,257

(a) Includes directors' salaries and benefits amounting to AED 6,764,938 (previous year AED 6,452,684).

(b) Includes directors' end-of-service benefits amounting to AED 175,031 (previous year AED 161,920).

		2021 AED	2020 AED
29.	**INTEREST INCOME**		
	On loans to related parties	**3,566,124**	4,575,496
	On bank deposits	**3,294,463**	3,165,842
	On investments in debt instruments	**7,548,051**	7,287,964
		14,408,638	15,029,302
30.	**FINANCE COSTS**		
	On bank term loans	**1,288,157**	1,816,336
	On other bank borrowings	**281,067**	591,662
	On lease liabilities	**19,271**	25,588
		1,588,495	2,433,586
31.	**DEPRECIATION**		
	Allocated to distribution costs (note 27)	**312,651**	327,542
	Allocated to administrative expenses (note 28)	**643,525**	612,803
		956,176	940,345

32. **TAXATION**

The Company is subject to Isle of Man Income Tax at a rate of 0%. The Company is not subject to any taxation in UAE except Value Added Tax [see note 3(n)]. Corporation tax is applicable to the Company's branch in United Kingdom.

Provision for tax is made on the basis of the profit generated by making suitable adjustments for likely disallowances as per the tax law to the profits as per the financial statements, and applying the tax rates specified in the Income Tax Law in the United Kingdom.

33. **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 profit or loss	
	2021 AED	2020 AED	2021 AED	2020 AED
Financial assets				
Investment in debt instruments (non-current)	169,612,656	146,960,974	--	--
Long-term loans to related parties	64,500,688	91,700,688	--	--
Trade and other receivables	76,627,271	81,680,349	--	--
Investment in debt instruments (current)	129,004,721	52,002,207	--	--
Other financial assets	79,449,944	95,649,445	--	--
Cash and cash equivalents	7,020,219	32,735,440	--	--
	526,215,499	500,729,103	--	--
Financial liabilities				
Short-term bank borrowings	36,494,369	54,681,056	--	--
Trade and other payables	90,993,634	104,544,111	--	--
Lease liabilities (current and non-current)	463,417	677,411	--	--
Derivative financial liabilities	--	--	7,799	329,305
	127,951,420	159,902,578	7,799	329,305

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, cash flow interest rate risks and fair value interest rate 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. As part of the Company's credit risk management, where it is considered necessary, such receivables are covered by post-dated cheques and letters of credit in favour of the Company, issued by high credit quality financial institutions.

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities with banks in order to manage exposure to liquidity risk.

The Company also buys and sells goods and services in foreign currencies. Exposure to foreign currency transactions is minimised where possible by denominating such transactions in US Dollar to which the UAE Dirham is pegged.

Borrowing facilities are regularly reviewed to ensure that the Company obtains the best available pricing, terms and conditions on its borrowings.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally loans to related parties, investments in debt instruments, bank accounts and trade and other receivables.

The Company's bank accounts and investments in quoted bonds are placed with high credit quality financial institutions.

Loans to related parties are stated net of allowance for doubtful recoveries. At the reporting date, the entire loans are due from related parties in the UAE.

Trade and other receivables are stated net of the allowance for doubtful recoveries. At the reporting date, the Company's maximum exposure to credit risk from trade receivables situated outside the UAE is as follows:

	2021	2020
	AED	AED
Trade receivables		
Middle East countries	**48,535,970**	34,296,867
Indian sub-continent	**2,826,583**	2,073,093
Africa	**3,344,282**	11,992,494
Australia and Far East countries	**888,744**	383,776
Other Asian countries	**2,455,730**	2,321,003
European countries	**7,641,724**	17,843,243
North and South America	**4,160,848**	1,994,839

The Company's customers comprise duly appointed distributors of food and health care products. Out of the total trade receivables, 26% was due from two customers (previous year 39% was due from three customers).

The Company uses an allowance matrix to measure the expected credit losses of trade receivables, which comprise a very large number of small balances. Loss rates are calculated using a 'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased. Based on the assessment, the management believes that the impairment requirement under IFRS 9 does not have any significant impact on the financial statements.

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed, except for the following:

	2021 AED	2020 AED
Trade and other receivables		
Pound Sterling	3,725,499	4,127,624
Bank balances		
Pound Sterling	--	287,290
Short-term borrowings		
Pound Sterling	64,794	1,811,971

At the reporting date, if the above-mentioned currencies had been weaker or stronger against the Dirham by 1%, profit for the year and equity would have been lower or higher by AED 37,903 (previous year AED 26,029).

Interest rate risk

Fixed deposit accounts, loans to related parties and investments in quoted bonds are subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed at fair value interest rate risk.

Bank loans and overdrafts are at floating interest rates at levels which are generally obtained in the UAE and therefore are exposed to cash flow interest rate risk. To manage interest rate risk on a term loan, the Company has entered into interest rate swaps, in which the Company agreed to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations. At the reporting date, the Company had outstanding interest rate swap contracts with a notional amount of USD 8 million (AED 29.38 million) [previous year USD 14.28 million (AED 52.46 million)]. For the remaining, if interest rates had been 1% higher or lower, interest expense on variable rate debt would have been AED 364,944 (previous year AED 546,811) lower or higher resulting in equity being lower or higher by AED 364,944 (previous year AED 546,811) as at the reporting date.

Forward exchange contracts

Foreign currency future contracts

At the reporting date, the Company holds foreign currency forward contracts to cover exposure against GBP 1,393,402 and EURO 600 (previous year GBP 1,130,368, INR 1,838,533, ZAR 58,532 and EURO 2,200).

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, trade and other receivables, other financial assets, short-term loans to related parties, short-term borrowings, trade and other payables and amounts due to related parties 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:

- Fair values of long-term loans to related parties are evaluated by the Company using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible inputs are based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customers and credit risks characteristics. As at the reporting date, the carrying amounts of such receivables, net of provisions, are not materially different from their fair values, except for long-term loans to related parties, which due to their terms, have fair values lower than their carrying values.
- Fair values of non-current lease liabilities are estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such liability, is not materially different from their fair values.
- The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employ the use of market observable inputs.
- The quoted debt instruments are valued based on the active market quotations for the instrument.

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	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	AED	AED	**AED**	AED	**AED**	AED	**AED**	AED
Derivative financial liabilities	**7,799**	329,305	**--**	--	**--**	--	**7,799**	329,305

	2021	2020
	AED	AED
34. **CONTINGENT LIABILITIES**		
Bankers' letters of guarantee (note 10)	**2,987,510**	2,987,510
Corporate bank guarantees issued	**27,093,668**	28,411,000
Stand-by letters of credit issued	**14,829,080**	18,501,080
Unutilised balances of commercial letters of credit	**--**	453,600

35. **SIGNIFICANT EVENTS**

In March 2020, there was an outbreak of Covid-19 (Coronavirus) across the globe, causing disruptions to economic activity and business operations. The Company's management has taken various steps to minimise the impact of this event and is closely monitoring the ongoing situation including risks associated with COVID-19 outbreak [refer note 2(c)].

36. **COMPARATIVE INFORMATION**

Previous year's figures have been regrouped/reclassified wherever necessary to present more fairly, the state of affairs/results of operations.

For **DABUR INTERNATIONAL LIMITED**

DIRECTOR